

CHALLENGES OF E-PROCUREMENT ADOPTIONS IN KENYAN PUBLIC SECTOR

(A case study of parastatal in ministry of Finance)

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ABSTRACT

This study aimed to research e-procurement in the Public Sector with a view to investigate the challenges in adoption of e-procurement. Current literature on Public Procurement indicates a shift towards adoption of new technologies in Supply Chain processes that include e-procurement. These technological changes in the external business environment are eliciting various responses from Supply Chain actors in the public sector. The level of public sector response is influenced by various factors posing as challenges to adoption of e-procurement. The existing literature indicates some of the challenges arising while responding to these technological changes include lack of employee competence, lack of management support, inadequate technological infrastructure for integrating e-procurement with other systems and concerns about security of e-procurement business transaction data and information. These perceived challenges are informed the purpose for this study.

The study population included state corporations under the Ministry of Finance. Due to time and financial constraints, the researcher carried out a simple random selection of three respondents from the procurement departments of all the 16 corporations giving a sample size of 48. Both primary and secondary data was used for the study. The research study used a questionnaire as a key instrument for primary data collection. Qualitative data was analyzed through content analysis. Quantitative data was analyzed through the use of frequency distribution, mean scores and standard deviations. In addition, one-way analysis of variance (ANOVA) tests was carried out.

From the study, it was revealed that employee competency, lack of management Support, inadequate technological infrastructure and security of procurement transaction data was a challenge to e-procurement adoption in the organizations under review. The study recommended that among others, due to continuous turnover of the employees', continuous training for the incoming staff is required on e-procurement. In addition, formal recognition backed by management support of the electronic procurement transactions should be encouraged. Integration of the Organizations system and those of the suppliers, demonstration of the positive impact of the system, and installation of linkages between all Governments agencies should be encouraged.