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Performance of State Corporations in Kenya: The Role of Electronic Supplier Relationship Management

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Abstract

This paper aims to examine the relationship between electronic supplier relationship management (e-SRM) and the performance of state corporations in Kenya. Effective management of supplier relationships is crucial for enhancing suppliers' contributions to organizational performance. However, the adoption of electronic means for managing these relationships has been insufficiently explored, particularly in the public sector. The study focused on all 248 state corporations in Kenya, from which a sample of 153 corporations was selected using a stratified random sampling technique. Employing a descriptive correlational research design, primary data were collected through questionnaires and analyzed using both descriptive and inferential statistics. The findings indicate a significant relationship between electronic supplier relationship management and the performance of state corporations in Kenya ($\beta = 0.843$, $P = 0.0001 < 0.05$). The study concludes that the persistent underperformance of state corporations is significantly linked to the limited adoption of electronic supplier relationship management practices. Therefore, it is recommended that state corporations, through their senior management, including heads of procurement and supply chain, integrate electronic supplier relationship management to streamline their supplier relationships and enhance overall performance.

Keywords: Electronic Supplier Relationship Management, Electronic Procurement, Organizational Performance, State Corporations

A. INTRODUCTION

Electronic procurement is becoming an essential approach for enhancing the effectiveness and efficiency of procurement processes in modern organizations. It is generally defined as the use of internet-based (integrated) technologies to conduct individual or all stages of the procurement process, including searching, sourcing, negotiating, ordering, receiving, and post-purchase reviews (Koegler, 2023). According to (Razzaq et al., 2022), competitiveness in today's marketplace closely depends on a firm's ability to tackle challenges such as reducing lead times, estimating costs, increasing customer service levels, and improving product quality. These objectives can be significantly achieved through the integration of electronic procurement. The shift from conventional procurement to electronic procurement has streamlined procurement functions in many organizations and countries worldwide (Jiménez et al., 2022).

However, a contemporary issue in electronic procurement is how organizations can manage and enhance their relationships with suppliers using electronic methods (Yang et al., 2021). This leads to the discussion of electronic supplier relationship management (e-SRM) as a crucial aspect of electronic procurement. Supplier relationship management, as explained by (Allal-Chérif et al., 2021), involves establishing, controlling, maintaining, and monitoring an organization's relationships with its core suppliers. Effectively managing supplier relationships ensures that both the suppliers and the organization benefit mutually. (Handayani, 2018) defines Supplier Relationship Management (SRM) as a systematic approach to managing interactions with suppliers to maximize the value derived from these relationships. This involves the strategic management of supplier partnerships to achieve optimal outcomes in terms of quality, cost, delivery, innovation, and risk mitigation. To fully realize the benefits of SRM, it is essential to undertake the process electronically.

(Yang et al. 2021) describe Electronic Supplier Relationship Management (e-SRM) as the use of digital technologies and online platforms to facilitate and streamline supplier relationship management. It encompasses the application of electronic tools, software solutions, and digital platforms to automate, integrate, and optimize various aspects of supplier management processes. According to (Handayani, 2018), embracing e-SRM platforms enables organizations to centralize and maintain comprehensive databases of supplier information, including

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contact details, certifications, performance history, and contractual agreements. Electronic systems facilitate easy access, updates, and sharing of supplier data across the organization, enhancing transparency and efficiency in supplier management. Additionally, e-SRM supports the sourcing and procurement process by providing tools for supplier discovery, evaluation, and selection. Organizations can utilize electronic platforms to publish requests for proposals (RFPs), requests for quotes (RFQs), and invitations to bid (ITBs), as well as to manage supplier responses, negotiations, and contract awards (Attaran, 2020).

In Kenya, state corporations refer to agencies, companies, or intergovernmental organizations that possess political influence while remaining distinct from the government, although their activities serve the state directly or indirectly. Currently, there are 248 state corporations in Kenya (Government of Kenya, 2021). These organizations play a crucial role in reaching out to the populace and providing services (Abang'a et al., 2021). They are relevant to this study because they operate under the Public Procurement and Asset Disposal Act 2015. However, significant taxpayer money is lost due to poor procurement practices among these state corporations (Musewe & Moronge, 2021). Therefore, understanding the extent to which these corporations utilize e-procurement, particularly e-supplier relationship management, and how such practices contribute to their performance is essential.

A financial assessment conducted by the National Treasury in 2022 revealed weak financial performance and elevated levels of indebtedness among state corporations, along with outstanding payments and potential liabilities. In a scenario without reforms, these entities face an estimated financial gap of KSh 382 billion over the next five years, underscoring the financial challenges within the state corporation sector (National Treasury, 2022). The fiscal risk indicators for major state corporations indicate that the primary risks stem from liquidity difficulties due to unfavorable revenue and economic performance. The assessment disclosed that 11 of these corporations are operating at a loss, while 11 exhibit a high liquidity risk, indicating potential struggles to meet short-term obligations. Consequently, 14 state corporations have accumulated substantial outstanding payments, totaling KSh 211 billion, equivalent to 2.2 percent of the country's GDP (National Treasury, 2022).

State-owned corporations in Kenya play a crucial role in promoting the country's economic growth and development; however, they have recently been plagued by misappropriation and mismanagement, leading to consistent underperformance. Despite the government's efforts to safeguard these corporations through measures like liquidations and market protection, significant challenges remain. According to the Auditor General (2021), Kenya lost over Ksh 600 million due to irregular manual procurements in the financial year 2018/2019 across more than ten state corporations. Furthermore, the African Center for Open Governance (Africog) (2022) reported that between 2017 and 2021, these corporations were losing an average of Ksh 78 billion annually due to inappropriate procurement practices that allowed for manipulation through manual operations. Such financial losses expose both the state corporations and the country to the detrimental effects of corruption and misappropriation of public funds. To mitigate these issues, the Organization for Economic Cooperation and Development (OECD) (2022) recommends adopting electronic procurement within state agencies. A critical component of electronic procurement is electronic supplier relationship management, which, as explained by Srai and Lorentz (2019), can strengthen supplier alignment with the strategic goals of organizations, thereby enhancing overall performance. Effective management of supplier relationships through electronic means facilitates closer collaboration and mutual benefits through technology-based channels (Wisner, Tan, & Leong, 2021). While existing studies have underscored the significance of electronic supplier relationship management in boosting organizational performance, there is limited research supporting this notion in the Kenyan context. Consequently, this study seeks to investigate the role of electronic supplier relationship management in influencing the performance of state corporations in Kenya. The study objectives include establishing the extent to which electronic supplier relationship management has been embraced among these corporations and examining the relationship between electronic supplier relationship management and their performance.

Theoretical Review

This paper is grounded in the Technology Acceptance Model (TAM) developed by Davis (1986). The theory posits that technological advancements will not significantly impact organizational effectiveness and performance unless users actively embrace them (Salford & Roche, 2010). It emphasizes the importance of technology in modern organizations and provides a framework for enhancing technology acceptance among users. Davis (1989) suggests that technology is more readily accepted when employees comprehend its intended purpose, recognize its potential to enhance productivity and find it easy to use. Complicated technologies can hinder employee integration and acceptance in daily operations, while technologies that do not align with users'

specific duties can negatively impact usability and acceptance (Koegler, 2023). Therefore, Davis advocates for organizations to effectively engage employees, ensuring they understand the value of technology and the benefits of acceptance.

The concept of technology acceptance has evolved to include other stakeholders in organizations, particularly customers and suppliers (Ageshin, 2011). Wang, Chang, and Heng (2014) assert that technology acceptance is crucial for suppliers, who are key stakeholders in any organization. If suppliers do not embrace technologies like e-procurement, it can lead to drawbacks and delays, as their manual processes must be integrated into the organization's automated systems. Supplier relationship management entails intensive communication between organizations and suppliers (Zuo & Seo, 2016). For this process to be efficient and effective, the appropriate technology must be implemented. However, the success of this technology hinges on the acceptance and embrace of it by stakeholders, including employees and suppliers. By addressing the aspects outlined by Davis (1989), organizations can ensure that both suppliers and employees appreciate the significance and utility of technology in managing supplier relationships. Thus, the technology acceptance theory serves as a fundamental framework for exploring the relationship between electronic supplier relationship management and the performance of state corporations in Kenya. Accordingly, the following hypothesis has been proposed based on this theory: *H0: Electronic supplier relationship management has no significant relationship with the performance of state corporations in Kenya.*

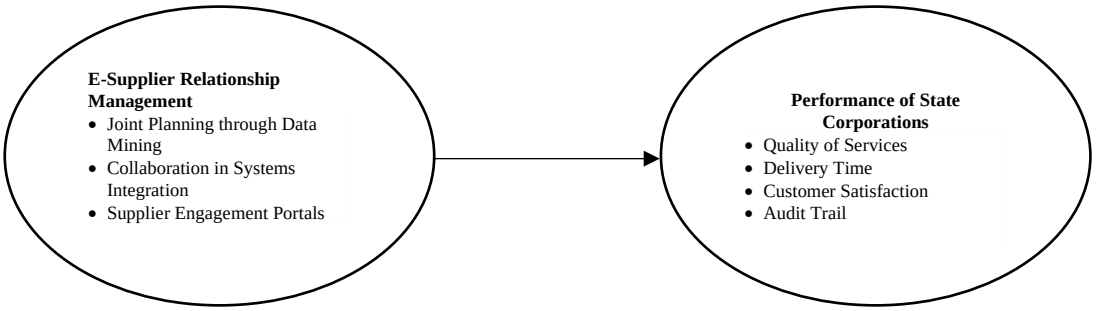

Figure 1. Conceptual Framework

Electronic Supplier Relationship Management and Firm Performance

Leading companies leverage preferred relationships with their suppliers as a significant competitive advantage (Klobučar & Erjavec, 2019). In the context of procurement, electronic supplier relationship management (e-SRM) typically refers to the online management of vendors (Thomson & Jackson, 2014). While this perspective is valuable, it is equally important to recognize that e-SRM encompasses a broader array of practices, including supplier optimization, joint planning, supplier development, and strategic collaborations (Green, 2023; Panda et al., 2010). Research indicates that organizations that cultivate these relationships receive preferential treatment from suppliers in two primary ways: first, through direct investments made by suppliers to benefit a specific company, which may involve dedicated capacity, exclusive access to new technologies, or key personnel assigned to the customer's product development initiatives (Orina, 2013). Second, suppliers often provide exceptional services, including preferential scheduling, more frequent deliveries, better pricing, and shorter lead times (Nyadimo, 2011).

Suppliers play a critical role in helping companies address the challenges of new product development (Oteki, 2021). Therefore, strategic supplier considerations should be integrated into improvement initiatives across product inception, development, and launch phases. For effective collaboration, supply chain participants must synchronize their efforts in understanding product architecture, exploring and validating new ideas, measuring success, and protecting intellectual property (Klein et al., 2010). The importance of electronic supplier relationship management has grown significantly among academics and practitioners alike (Ageshin, 2011) as firms increasingly adopt it as a strategic approach to managing their supply chains. This includes joint planning through data mining for better coordination, reconfiguring the supply base by collaborating on systems integration, and implementing effective supplier development initiatives (Bryan, 2011). However, many companies have narrowly viewed e-SRM, focusing primarily on early involvement strategies in product development (Cagliano et al., 2013).

The adoption and effective use of information technology has been shown to influence performance (Rajkumar, 2010). Decisions to outsource rather than manufacture in-house are driven by the need for improved quality, lower inventories, system integration, and collaborative relationships, which are crucial for achieving superior performance (Korir, 2009). Recent trends emphasize the consolidation of suppliers, long-term contracts, e-procurement, and continuous improvements in quality, price, and service, necessitating closer coordination and communication between key procurement partners (Kumar & Markeset, 2009). Merely switching suppliers for better prices may not yield optimal long-term value; instead, sharing information and assisting suppliers in improving their performance is essential for achieving world-class performance (Knudsen, 2010).

(Njoroge, 2010) highlighted the connection between the e-procurement process and efficiency, effectiveness, and overall performance. Effective procurement functions must transition from a reactive to a proactive approach to meet performance objectives (Pearson & Grandon, 2015). Performance serves as a benchmark for organizations to evaluate their progress toward predetermined objectives, identify strengths and weaknesses, and formulate future initiatives to drive performance improvements (Ungureanu, 2022). According to (Anh and Hà, 2020), electronic supplier relationship management focuses on the degree of involvement and integration between the buying firm and its suppliers, guiding decisions regarding early involvement and the composition of the supplier base. Fröhlich and Steinbi (2020) emphasize the importance of understanding both current and future supplier needs for effective management. Initially, adopting e-SRM may lead to significant integration of the supply base; however, it could also result in maintaining supplier autonomy for certain groups of purchased items (Weber & Benton, 2011). Therefore, when implementing e-SRM, it is crucial to assess overall system efficiency and total costs to avoid suboptimization (Mogere & Otuyah, 2020). The goal of e-SRM is to retain only the most capable suppliers in the supply base, ultimately leading to improvements in cost, quality, and delivery. (Githumbi, 2013) noted that while many buyers recognize the potential benefits of e-SRM, there are inherent risks in deeply integrating the supply base, particularly concerning potential supply disruptions. Historically, this risk has been viewed as a significant drawback of deep integration; however, scholars now argue that well-managed, jointly planned relationships with fewer but strategically chosen suppliers can mitigate these risks effectively.

B. RESEARCH METHODS

The study employed a descriptive correlational research design to explore the influence of electronic sourcing on the performance of state corporations in Kenya. According to Neuman (2010), this design is effective for gathering information about the current status of phenomena, describing "what exists" in relation to relevant variables. The correlational aspect allows for a comparison between electronic supplier relationship management and the performance of state corporations, aiming to establish any existing relationship between these factors. The target population consisted of 248 state corporations located across various regions in Kenya, categorized into commercial and manufacturing entities, executive agencies, independent regulatory bodies, higher education institutions, and service-oriented corporations. For sampling, a stratified random sampling technique was utilized, dividing the population into distinct strata based on their categories and randomly selecting a proportional number of respondents from each stratum. This method ensured a diverse representation of the population's characteristics. The sample size was calculated using the (Yamane, 1967) formula, resulting in a target of 153 respondents. Data collection involved a questionnaire with both open-ended and closed-ended questions, administered via a drop-and-pick method to facilitate response while ensuring confidentiality and informed consent. Data analysis was conducted using descriptive and inferential statistics with the Statistical Software for Social Sciences (SPSS). Descriptive statistics provided measures of central tendency, skewness, and variability, while inferential statistics, specifically a regression model, tested the research hypothesis. The regression model was expressed as $Y=\beta 0+\beta X+\varepsilon$, where Y represents the performance of state corporations, β0 is the y-intercept, β is the coefficient of the independent variable (electronic supplier relationship management), X and ε is the error term. This comprehensive analysis aimed to elucidate the relationship between electronic supplier relationship management and the performance outcomes of state corporations in Kenya.

C. RESULTS AND DISCUSSION

Response Rate

The study successfully sampled 153 respondents, distributing an equal number of questionnaires to the identified participants. Out of the 153 questionnaires issued, 149 were returned fully completed, resulting in a

high response rate of 97.4%. This response rate was deemed sufficient for the study, aligning with the (Creswell, 2016) assertion that a response rate exceeding 60% is adequate for analysis and can reliably represent the perspectives of the entire sample population. Such a robust response rate enhances the reliability and validity of the findings, providing a strong foundation for the analysis of the influence of electronic sourcing on the performance of state corporations in Kenya.

Table 1. Response Rate

	Count	Percentage
Response	149	97.4%
Non-Response	4	2.6%
Total	153	100%

Source: Research data, 2024

Electronic Supplier Relationship Management in State Corporations

The study investigated the adoption of electronic supplier relationship management among state corporations in Kenya. The findings, as presented in Table 2, indicated that the majority of respondents disagreed with the notion that their respective corporations had implemented systems to enhance the sharing of customer data and information with suppliers, evidenced by a mean score of 2.68 and a standard deviation of 1.02. Additionally, respondents expressed disagreement regarding the existence of systems for retrieving key data on market trends shared between their corporations and suppliers, with a mean score of 2.42 and a standard deviation of 1.49. These results suggest that a significant number of respondents did not support the statements related to electronic supplier relationship management, indicating that most state corporations were not effectively implementing these practices. This aligns with (Oteki's, 2021) assertion that managing suppliers through electronic systems fosters a more efficient approach to supplier relationships, ultimately enhancing organizational performance.

Table 1. Correlation Analysis

Statements	Mean	Std. Dev.
Our state corporation has embraced systems that enhance its sharing of customer data and information with the suppliers	2.68	1.02
There are systems for retrieving key data regarding market trends shared between our corporation and the suppliers	2.72	1.49
Our corporation undertakes efficient planning with the suppliers to establish a mechanism for data sharing	2.42	1.24
We have integrated collaboration systems that enable better working relationships with the suppliers	2.56	1.32
We have systems that are accessible to the supplier for continuous learning and development	2.45	1.38
Our organization has been keen on having shared systems and platforms with key suppliers to enhance cooperation in enhancing customer satisfaction	2.75	0.95
We have supplier portals to enable continuous interaction with the identified suppliers	2.84	1.06
The organization has systems set to bring the suppliers on board early for a prolonged working relationship	2.63	1.16
Suppliers are provided with hotline numbers where their queries can be raised and feedback given timely and effectively	2.56	1.01
Our organization has an online platform to monitor suppliers and ensure they are capable of meeting the expectations	2.63	1.16
The systems available are adequate for addressing the continued working relationship with our suppliers	2.76	1.04

Source: Research data, 2024

Relationship between Electronic Supplier Relationship Management and Performance of State Corporations

Correlation analysis was carried out to establish the relationship between electronic supplier relationship management and the performance of state corporations in Kenya. The results, as shown in Table 3, revealed that there was a positive and significant correlation between electronic supplier relationship management and the performance of state corporations in Kenya ($r = 0.769$, $p = 0.000$). A 2-tailed test at a 95% level of confidence had a probability value of less than 0.05, which implied that there was a significant correlation between electronic supplier relationship management and the performance of state corporations in Kenya.

Table 2: Regression Analysis Results

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.940[a]	.884	.882	.40234

ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	354.634	4	88.658	547.677	.000[b]
	Residual	46.622	288	.162		
	Total	401.255	292			

Regression Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	-.005	.062		-.077	.939
	Business Planning Training	.219	.043	.239	5.046	.000
	Technology and Innovation Training	.267	.044	.264	6.028	.000
	Financial Management Training	.346	.032	.351	10.971	.000
	Leadership and Management Training	.166	.046	.169	3.612	.000

a. Dependent Variable: Coffee Farming Performance

Source: Research data, 2024

Discussion

Business Planning Training and Performance of Coffee Farming

The first objective of the study was to examine the effect of business planning training on the performance of coffee farming in Nyeri County, Kenya. The results indicated a strong and significant correlation between business planning training and coffee farming performance. This correlation suggests that the ongoing underperformance of coffee farming, both in terms of production and income generation, is significantly linked to a lack of adequate business planning skills. The study highlighted that many entrepreneurs surveyed exhibited deficiencies in their business planning skills, indicating that entrepreneurial training in this area had not been sufficiently implemented to equip them with the necessary knowledge. Most entrepreneurs lacked the skills required to prepare effective business plans for their enterprises.

Consequently, many did not have well-prepared business plans to guide their operations. The absence of a structured business plan often resulted in a lack of strategic direction, meaning that the entrepreneurs' activities were not aligned with specific goals and objectives. This oversight likely hampers their ability to make informed decisions and optimize their operations, further contributing to the underperformance of coffee farming in the region.

Technology and Innovation Training and Performance of Coffee Farming

The second objective of the study was to examine the effect of technology and innovation training on the performance of coffee farming in Nyeri County, Kenya. The findings revealed that technology and innovation training significantly influence the performance of coffee farming. However, it was evident that the entrepreneurs involved in coffee farming lacked adequate technology and innovation skills, despite the recognition of these skills as vital for optimizing coffee farming practices and improving the livelihoods of farmers. Most farmers surveyed reported deficiencies in basic technological skills necessary to operate their enterprises effectively, with many not having adopted any significant technology-based methods in their coffee farming. This lack of technological engagement limits their ability to streamline operations and enhance productivity.

Nevertheless, the surveyed farmers acknowledged the importance of technology and innovation in boosting coffee production. They expressed a willingness to pursue training in these areas, indicating a recognition of the potential benefits that such skills could bring to their farming practices. This eagerness for training highlights the opportunity for targeted educational programs to enhance their competencies and ultimately improve coffee farming outcomes in Nyeri County.

Financial Management Training and Performance of Coffee Farming

The third objective of the study was to establish the effect of financial management training on the performance of coffee farming in Nyeri County, Kenya. The results revealed that financial management training had a significant impact on the performance of coffee farming in Nyeri County, Kenya. It was established that financial management skills were not adequate among most of the entrepreneurs surveyed. This was evidenced by a sizeable number of entrepreneurs who indicated that they did not have a budget for the coffee farms at the beginning of every season and lacked basic skills in preparing and interpreting a simple budget for their farms. With inadequate financial knowledge of record keeping, entrepreneurs may fail to track down their expenses and

make sound financial decisions, thus derailing the success of their enterprises. The results further portrayed that investment skills and know-how were lacking among most of the entrepreneurs, where knowledge on seeking credit and saving to enhance investment capability was not observed among most of the entrepreneurs.

Leadership and Management Training and Performance of Coffee Farming

The study aimed to determine the effect of leadership and management training on the performance of coffee farming in Nyeri County, Kenya. The findings indicated that leadership and management training significantly impact the performance of coffee farming. However, it was observed that most surveyed entrepreneurs did not effectively embrace leadership and management skills training, reporting inadequate knowledge and competencies in these areas. The lack of training has led to challenges in making informed decisions regarding the operations and sustainability of their coffee farms. Participants noted that their insufficient understanding of leadership and management principles contributed to declining production and income from their coffee farming activities. This correlation suggests that enhancing leadership and management training among entrepreneurs could potentially address these performance issues, equipping them with the necessary skills to improve decision-making and drive better outcomes for their coffee farms.

Table 3: Correlation between E-Supplier Relationship Management and Firm Performance

		Performance of State Corporations	Electronic Supplier Relationship Management
Performance of State Corporations	Pearson Correlation	1	.769**
	Sig. (2-tailed)		.000
	N	149	149
Electronic Supplier Relationship Management	Pearson Correlation	.769**	1
	Sig. (2-tailed)	.000	
	N	149	149

**. Correlation is significant at the 0.01 level (2-tailed).

Source: Research data, 2024

Hypothesis Testing

A regression analysis was conducted to test the hypothesis that electronic supplier relationship management has no significant relationship with the performance of state corporations in Kenya (HO). The results, as illustrated in Table 4, indicated an R-square (R^2) value of 0.592, suggesting that 59.2% of the variation in the performance of state corporations can be attributed to electronic supplier relationship management. The model's fitness results, derived from ANOVA, indicated statistical significance, supported by an F-statistic of 212.911 and a reported p-value of 0.000, which is less than the conventional significance level of 0.05. These findings imply that electronic supplier relationship management serves as a robust predictor of performance.

Further analysis of the regression coefficients revealed that electronic supplier relationship management positively and significantly influences the performance of state corporations in Kenya, with a coefficient (β) of 0.843 and a p-value of 0.000. This indicates that a one-unit change in electronic supplier relationship management would result in a significant change in performance by 0.843. Given the p-value of 0.000 (less than 0.05) and the t-calculated value (t_cal) of 14.591, which exceeds the t-critical value of 1.96, the null hypothesis was rejected. Consequently, it can be concluded that electronic supplier relationship management has a significant relationship with the performance of state corporations in Kenya.

Discussion

The study aimed to explore the relationship between electronic supplier relationship management and the performance of state corporations in Kenya. The results revealed that electronic supplier relationship management was not effectively adopted by most of the surveyed state corporations. This conclusion was supported by the respondents' feedback, which indicated disagreement with many statements related to electronic supplier relationship management. A significant number of respondents highlighted that their respective state corporations lacked joint planning with suppliers through data mining, which hindered potential cost reductions and diminished the effectiveness of supplier relationships.

Moreover, the findings indicated that most of the surveyed state corporations did not have integrated systems to facilitate collaboration with suppliers, thus restricting their interactions and communication. Many corporations appeared disinterested in establishing shared systems and platforms with key suppliers to enhance

cooperation aimed at improving customer satisfaction. Additionally, the absence of supplier portals to enable continuous engagement with identified suppliers was noted. The analysis further revealed that most state corporations did not have effective systems in place to involve suppliers early in the collaboration process, leading to a lack of timely communication regarding queries and feedback, such as providing hotline numbers for suppliers. The inferential analysis confirmed a significant relationship between electronic supplier relationship management and the performance of state corporations in Kenya. This suggests that the poor performance of state corporations is correlated with their limited adoption of electronic supplier relationship management practices.

CONCLUSION

The study findings indicated that electronic procurement, encompassing e-sourcing, e-informing, e-supplier relationship management, and e-payments, significantly influences the performance of state corporations in Kenya. Consequently, the study concludes that electronic procurement is crucial for enhancing the performance of these corporations by ensuring effective fund utilization and establishing clear audit trails, thereby promoting customer satisfaction and facilitating efficient service delivery. Furthermore, the study determined that electronic supplier relationship management significantly impacts the performance of state corporations in Kenya. It was noted that many of these corporations had not adequately embraced electronic supplier relationship management practices, particularly in areas such as joint planning, collaboration in systems integration, and the establishment of supplier engagement portals. These elements are vital for fostering strong supplier relationships. As a result, the study concludes that the subpar performance of state corporations, characterized by poor service quality, delayed delivery timelines, and low customer satisfaction, can be attributed to the insufficient integration of electronic supplier relationship management as a fundamental aspect of electronic procurement.

Recommendation

The management of state corporations should prioritize the adoption of electronic payments as an integral practice of electronic procurement. Implementing such systems would enhance the traceability of payments, thereby promoting accountability and establishing clear audit trails. Senior managers in these corporations must take the initiative to ensure that payments to suppliers are processed electronically through methods such as mobile payments, real-time gross settlements, and electronic funds transfers. These electronic payment options offer greater efficiency and effectiveness, making them essential for accountability purposes.

To support this transition, it is recommended that policymakers, particularly members of the national assembly, amend the Public Procurement and Assets Disposal Act to reinforce the importance of electronic procurement among state corporations. While the existing legislation acknowledges electronic procurement, it lacks a clear emphasis on its necessity, which may allow state corporations to neglect its benefits in their procurement processes.

Additionally, the national government, through relevant ministries, has a crucial role in ensuring that state corporations comply with established procurement laws and policies. These ministries should provide support to facilitate the integration of electronic procurement, thereby strengthening the overall procurement processes. Such support could include awareness campaigns, funding initiatives, and monitoring efforts to ensure that procurement activities are conducted electronically, thus enhancing efficiency and accountability across state corporations.

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