

**INFLUENCE OF ELECTRONIC PAYMENT SYSTEMS IN PROCUREMENT PERFORMANCE
IN PUBLIC ENTITIES IN NAIROBI CITY COUNTY, KENYA**

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ABSTRACT

The study's main objective was to evaluate influence of electronic payment systems in procurement performance in public entities in Nairobi City County. The study was guided by the following specific objectives; t o establish the influence of mobile banking system on procurement performance in public entities in Nairobi City County t o examine the influence of internet banking system on procurement performance in public entities in Nairobi City County , t o determine the influence of virtual cards system on procurement performance in public entities in Nairobi City County and t o assess the influence of Real Time Gross Settlement system on procurement performance in public entities in Nairobi City County .

This study used descriptive research design.

The study employed a census technique in determination of the size of the population to be

used for the study.

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he researcher selected 101 respondents on whom to conduct the study. The study used questionnaires to collect primary data. Data collected was sorted, classified and coded then tabulated for ease of analysis. The data will be summarized and categorized according to common themes by the use of the SPSS (version 22) computer software aided analysis. Multiple regression model was employed to analyse the data on influence of electronic payment systems in procurement performance in public entities in Nairobi City County

The descriptive and inferential statistics regression analysis were used to show the relationship of the independent variables and dependent variable at 5% level of significance.

It is notable that there exists a strong positive relationship between the independent variables and dependent variable as shown by R value (0.765). The coefficient of determination (R^2)

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) explains the extent to which changes in the dependent variable can be explained by the change in the independent variables or the percentage of variation in the dependent variable and the four independent variables that were studied explained 58.50% of the performance of procurement in public entities as represented by the R^2

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The analysis showed that mobile banking had the strongest positive (Pearson correlation coefficient = .765, p-value = .000 < .05) influence on performance of procurement in public entities

. In addition, internet banking, virtual card systems and RTGs are positively correlated to performance of procurement in public entities

with Pearson correlation coefficient of .811, .777 and .701 with p-values of .002 < .05, .003 < .05, .004 < .05 respectively.

The study recommends for enhancement of adoption mobile banking system to increase efficiency, costs reduction and transparency in procurement performance of public entity. There is need to make appropriate choice of different systems that enhance procurement performance. It is important to ensure that there is easy access through mobile banking system to improve efficiency in procurement performance in public entity. The study recommends that the internet banking should be improved to enhance procurement performance. This has a relative advantage in improving efficiency, cost reduction and transparent in procurement performance compared to traditional payment methods. The virtual card systems to enhance to enhance efficiency reduce costs and increase transparency in procurement performance in public entities. The study recommends for improvement in RTGS to a great extent. A review of literature indicated that there has been limited amount of research on the influence of electronic payment systems in procurement performance in public entities in the Kenyan context. Thus, the findings of this study serve as a basis for future studies on electronic payment systems in procurement performance. The study has contributed to knowledge by establishing that electronic payment systems in procurement performance in public entities in the Kenyan context.

KEY TERMS; Electronic payment systems, Internet Banking, Mobile banking, Performance,

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