

RELATIONSHIP BETWEEN E-PAYMENT AND ORGANIZATION PERFORMANCE IN PUBLIC SECTOR: A CASE OF NAIROBI CITY COUNTY GOVERNMENT

Joseph Irungu Gathima¹,

¹ Master student, School of Humanities and Social Sciences, Kenyatta University, Nairobi, Kenya
Email: joegathima@gmail.com

Dr. Jane Gakenia Njoroge (PhD) ²

² Lecturer, School of Humanities and social sciences, Kenyatta University, Nairobi, Kenya
Email: strategicgakenia@gmail.com

ABSTRACT

The adoption of information and communication technologies in the public payment process has seen a great rise owing to its related benefits such as cost and time reduction, quality and high value stock, increased efficiency and effectiveness, transparency and accountability, and customer satisfaction. In Kenya, the performance of the public payment has been a challenge and the government is working to ensure fairness in expenditure of public funds. The government has made it mandatory for payment of all public goods, works and services to be procured through online platforms to enhance and improve performance of the payment function. However, despite these measures, the performance of the Kenyan payment function has been characterized by massive scandals and indignity, which have been attributed to poor handling of payment information. Therefore, the objective of this study was to examine the effect of e-payment on the performance of County Government of Nairobi. The study was guided by the transaction cost theory. It utilised the descriptive research design and explanatory design. The target population comprised 750 respondents drawn from the finance, payment and information technology department. The study sample comprised 75 respondents selected from the three departments using stratified random sampling technique. The data was collected through the administration of the questionnaires to the selected sample. The collected data was sorted and coded and analysed through descriptive statistics with an aim of summarising the data, and inferential statistics, for the purposes of establishing any association between the variables, with the help of the Statistical Package for Social Sciences (SPSS) version 21. The presentation of findings was through tables. The study found that at 95% confidence interval, E-payment practices had positive and significant relationship with the performance in Nairobi City County Government at 0.481 and $P=0.000 < 0.05$. Use of e-payment practices included the constitutional provisions, Public Payment and Asset Disposal Act, and county policies and regulations. The study recommends that the Nairobi City County pays a lot of attention in adopting and implementing various aspects of e-payment to ensure that its activities remain improved.

Keywords: E-payment, County Government of Nairobi, Performance

INTRODUCTION

1.1.1 Background of the Study

Organizational performance denotes the improvement or change in which the executives and managers develop and run a programme which measures the current performance level of their corporation and then formulate ideas for modifying organizational behaviour as well as infrastructure to assist in achieving higher output. Organizational performance is aimed at increasing organizational efficiency and effectiveness to support and improve the ability of an entity to continuously deliver goods and/or services. Organizational performance is also targeted towards continuous improvement of an organizational efficacy by engaging in the goals setting processes as well as objectives in a continuous cycle. Orori (2011) and Njoroge (2010) posited that organizational performance can be determined through customer satisfaction surveys to obtain qualitative information about the performance from the customers' viewpoint.

Sababu (2007) noted that formal strategic management systems impacted on the organizational performance. Ongore and K' Obonyo (2011) among other authors stated that internal integration of various activities taken by an organization enhance economic performance. Internal integration is defined as a degree to which departments work together to manage both inter and intra departmental processes to with a view to offering provide maximum value for the firm. E-payment is the strategy that organisations have adopted as an integrative technology for processes integration and improvement between departments (Mose, Njihia, & Magutu, 2013). Flynn, Huo and Zhao (2010) further asserted that internal integration of organizational processes remains an important ingredient for moderated corporate. Malela, (2010) concurred that e-payment positively affected the firm's performance, though no empirical evidence has confirmed the position.

The arrival and introduction of the internet into the business arena has acted as a channel for radical changes in the operations and nature of the payment function in an organization. Gardenal (2010) argued that the Information Technologies have totally altered organizations' and governments' way of running their businesses. Most organisations and governments also spend a good proportion of their money in purchasing various products and offering services. To cut on the total costs spent on the purchasing process, information technologies have been adopted in the form of e-payment. Although the opportunities for its improvement seem to flourish, the adoption of the electronic technologies by both private and public sector organizations remain guarded (Malela, 2010).

Some electronic technologies have revolutionized businesses such as e-payment. Recently, e-payment has enabled growth of interest in the adoption of these technologies in both the public and private sector organizations. However, the interest has had much reservation, since e-payment is a recent phenomenon (Mose, Njihia and Magutu, 2013). It is evident that the internet use in the e-payment provides some advantages compared to the prior inter-organizational tools. For instance, Electronic data Interchange (EDI), which was launched in the 1960s, provides automated purchasing transactions between the supplier and the buyer. In 1970s the Enterprise Resource Planning (ERP) was introduced followed by the commercial use of the internet in 1980s. Finally, in the 1990s, the World Wide Web followed these developments (Malela, 2010).

According to the report from the Epiq Technologies (2010), the adoption of the e-payment technology in a firm enables the organization to strategize its interactions with its suppliers, assure maximum performance of the suppliers, a set of monitoring tools that are built-in the system help in controlling the cost, and also maintain an open communication line with the potential suppliers during the business process. Through the system the management monitors the pricing and leverages on the previous agreement to ensure that any new price quote is always better than the previous one. E-Payment also assists in decision making process due to its ability to ensure that the relevant information is neat, organized and timely stamped. The information is always template-driven making all the transactions to be standardized and traceable.

Payments refer to the various means by which the private and public organizations source for the products and/or services they need in their operations. The payment function is conducted in the upstream section of the supply chain with a view of ensuring that the products and services needed are available to the customers. A colossal amount of money is used by the organizations to acquire the services and products required at various stages in the process of production or services provision (Sourcing Innovation, 2008).

1.1.2 E-Payment in County Government of Nairobi

Nairobi City County is among the 47 counties in Kenya, as created by 2010 constitution of Kenya from the defunct Nairobi City Council. It operates in accordance to the auspices of the Urban and City Areas Act, and the Devolved Government Act among other hoist Acts (Lundu & Shale, 2015). It is mandated to provide various services to its residents including those that were hitherto offered by the national government and also the defunct City Council.

The Payment system in the Kenyan Government was formerly found in the supplies where the Government Supply Services Directors had the responsibilities of ensuring that the provisions of the 1978 manual was properly observed. However, concerns were raised over the transparency of the payment processes in the parastatals and ministries of the government. As a result the Public Payment and Disposal (PPDA) Act of 2005 was introduced that was followed by the 2006 Payment regulations. Currently there is the County Government Payment Regulation (Public Payment Oversight Authority, 2007).

The Public Payment Oversight Authority (PPOA), which is an oversight body that was established in 2005 with the mandate of overseeing the payment process of goods and services, to ensure transparency and fairness. Its main responsibilities are to ensure that during the payment of services and goods, the provisions established in the PPDA Act are abided by, monitor the payment process and reporting of its function, ensure that the public is initiated in the payment policy and finally to assist in the operation and implementation of the public payment system (Public Payment Oversight Authority, 2007).

Nairobi County Government adopted the initiative of using the IFMIS (Integrated Financial Management Information System) as a tool that is used by the public institutions in Kenya. The IFMIS of the Kenya government is an Oracle based ERP software that was initiated in 2003 as part of public management system reform. The ERP applications, which are large, scale computer hardware and software systems that enable the integration of all data and processes in government organizations into a networked system that is housed in a database which is centralized and accessed through a network that secure.

The ERP befits such as Oracle Financials depend on the ability of the various integrated aspects of the business processes while the Nairobi County government established a module to module approach whereby up to date, they have implemented the purchasing, general ledger and accounts payables, leaving behind cash managements. Public sector budgeting and the accounts receivable are unimplemented. However, this approach has not promoted the intended integration hence has created many weaknesses in the system.

The County Government through IFMIS re-engineering has introduced a procure-to-pay (P2P) system which contains processes of end-to-end that commence from the process of payment of services and goods to the suppliers payment (Njonde & Kimanzi, 2014). This standard payment process includes purchase requisitions, reception of matched invoice that have been delivered and payment. It also involves a more complex process such as the use of distinct sourcing guidelines that determine suppliers, record receipt into the inventory in accordance to the suppliers shipping notifications, invoices creation emanating from an inspected process and direct payment of suppliers into their back accounts.

IFMIS in this regard seeks to re-engineer procure-to-pay system that is seamlessly integrated to ensure the automation of: the payment process from requisition to system purchase generation; ordering, initiation of payment, online approval, system generation of payment voucher and finally the payment; online issue of tenders to contracts award; budgetary controls enforcement; and upgrading of IFMIS to an integrated financial management tool (Lundu & Shale, 2015). The full automation of the entire payment process ensures that the user departments enter the requisitions, systems printing of the local purchase orders (LPOs), invoices are properly matched to LPOs, and payments are validated and automatic generation of payment vouchers (PVs).

1.2 Statement of the Problem

In Kenya, the performance of the public payment has been a thorn in the flesh and the government is working to ensure fairness in expenditure of public funds (Muhia & Afande, 2015). The payment of all public works, goods as well as services has been made compulsory by the government to be executed through online platforms to enhance and improve performance of the payment function. However, despite these measures, Muriithi, Waiganjo and Chepngetich (2016) and Barngetyuny and Kimutai (2015) pointed out that the performance of the Kenyan public payment functions are characterized by indignity and massive scandals, leading to poor handling of payment activities.

1.3 Objectives of the Study

- i. To examine the effect of e-payment on the performance in County Government of Nairobi.

LITERATURE REVIEW

2.1 Theoretical Review

2.2.1 Transaction Cost Theory

According to Coase (the founder of this theory), as cited in Chepkwony (2015), the Transaction cost theory is relevant in explaining and understanding why certain tasks are executed by firms while others are performed by markets. The transaction cost theory offers an explanation on why companies exist, and why they expand or source activities out to the external environment. The transaction cost theory asserts that organisations work to reduce the costs of exchanging resources with the environment, and minimize the bureaucratic costs of exchanges within them.

Organisations are, therefore, weighing the costs of exchanging resources with the environment against the bureaucratic costs of performing activities in-house (Business Mate, 2010). The transaction cost denotes the costs involved in offering goods or services through the market rather than having it provided from within the firm. Specifically, these costs are those related to bargaining and decision costs; search and information costs; and policing and enforcement costs (Watkins, 2016; Cordella, 2001).

The transaction costs are largely attributed to the uncertainties' and complexities that characterises the economic systems, and which could be brought about by the environmental, human behaviour and unpredictable events. The disparity in the distribution of the requisite information among the players affects their efficiency and consequently the transaction costs. The active use of the information and communication has greatly contributed to the reduction of transactions costs

(Toyama, 2007). Cordella (2001) and Toyama (2007) noted that the adoption and use of the information technology in business processes can result in the reduction of transaction costs.

This has been supported by the information technology, which has made it easily for more information to be available to the decision makers. Consequently, the information challenges that frustrate market efficiency are fixed. Most notably, the information technology has communication effects by increasing information flow per unit of time; electronic integration effect through easier linkages between the buyer and the seller; and electronic brokerage effect, where the contracting processes among the buyers and sellers become more efficient and effective.

Mahdillou and Akbary (2014) noted that the adoption of e-payment was associated with transactional benefits. The e-payment simplifies any transaction process. The entire purchasing process from the raising of requisition to online payment has been supported through the e-payment system. The electronic processing of purchasing activities has been associated with great time saving and improved efficiency because of the electronic enabled relationships with suppliers, elimination of trivial activities, speeding payment cycle times, greater data accuracy, and facilitating supplier performance improvements.

This theory, therefore, fits this study and relates to the application of information technology in the payment function and its performance. There is no doubt that the use of information technology has facilitated the reduction of coordination costs (Chepkwony, 2015). Therefore, this theory suits this study because the County Government of Nairobi would chose to employ the IT in its payment process for efficiency and effectiveness.

2.2 Empirical Review

2.1.1 E-Payment and Performance

The UN Department of Economic and Social Affairs (2011)'s report noted that e-payment is one of the components and basic requirements of e-payment. The e-payment falls under the post-tendering phase and comes last after the e-ordering and e-invoicing (European Bank for Reconstruction and Development, 2015). Despite the presence of the myriad of benefits that the holistic e-payment system can offer, the European Bank for Reconstruction and Development (2015) noted that the governments were only keen on ensuring that e-payment covers e-payments.

Through a literature review research approach of public e-payment anticorruption factors, Neupane, Soar, Vaidya and Yong (2012) noted that e-bidding, e-contracting, e-payment and an online shopping mall were four major e-payment subsystems that needed to be included. These subsystems were critical in ensuring that opportunity for corrupt parties was reduced.

From the documented literature reviewed by this paper, numerous research and knowledge gaps have been identified. The research studies on the use of the information technology and its effects or contribution towards the payment process, performance of the supply chain, and/or performance of public sector or state corporations in the Kenyan context have not been considering the e-payment construct. In their study on the role played by e-payment strategy in enhancing the performance of payment function in state corporations in Kenya, Shalle, Guyo and Amuhaya (2013) considered e-payment strategies including the buyer/supplier collaboration, customer service level, payment cost, inventory optimization, and compliance and auditability of e-payment system as independent variables.

The current study adopted the main components of e-payment including e-payment as the independent variables while cost reduction, customer satisfaction, and inventory optimization/quality supplies as some of the dependent variable constructs. Also, this study employs the innovation diffusion theory and transaction cost theory. Amin (2012) also suggested further studies to be conducted to assess how both private and public sector companies were affected by the adoption of e-payment; hence, the current research aimed at establishing the effects of e-payment on the Nairobi City County's performance.

Shale (2014) carried out a research on the contribution of e-payment strategies on the performance of Kenyan state corporations using cross-sectional survey design. Although the study established that e-payment significantly affect the performance of state corporations, it failed to assess an indirect relationship between the e-payment and performance which the current study uses.

A study conducted by Barngetuny and Kimutai (2015) on how e-payment impacted on the performance of supply chain in Elgeyo-Marakwet Country using descriptive research design established that e-payment had great significance in the companies' operations. The authors considered the e-payment variable, which they established it facilitated a more effective supply chain that was transparent and enhanced optimal allocation of value. The current study considered e-payment to be useful.

RESEARCH METHODOLOGY

3.1 Research Design

The study used descriptive survey design and explanatory design. A descriptive survey study describes the natural phenomenon occurring with the data in question (Zainal, 2007). Descriptive research entails data gathering to assist in describing events and then organizing, tabulating, depicting, and describing the data collected. Orodho (2003) noted that descriptive survey research approach is an information collection technique using interviews or administering a questionnaire to a sample of individuals.

Njoroge, Muathe and Bula (2015) noted that an explanatory research design tries to offer a clarification as to how and why there is a relationship between various aspects of a phenomenon or a situation. Therefore, descriptive design suits this study since it is the best plan for answering the research questions by gathering facts without manipulation of variables. The explanatory research design assisted in investigating the underlying issues consisting of multiple variables of potential importance and the cause-effect relationship in understanding the phenomenon, effect of the e-payment on the performance of Nairobi County. As posited by Reis (2016) this research design offers insights and illuminate meanings that expand the readers' experiences.

3.2 Target Population

Population refers to an entire group of persons or elements that have at least one thing in common (Hair, Wolfinbarger, Money, Samouel, & Page, 2015). The population of this study was 750 individuals drawn from the County's payment department, finance and ICT personnel because they are the people directly involved in the implementation of E-payment policy.

3.3 Sampling Techniques and Sample Size

The sample of study was obtained from each stratum after dividing the population into three strata. Therefore, a stratified random sampling suited this study because there were three departments, from which the respondents were randomly obtained. As noted by Mugenda and Mugenda (2003), the researcher found a 10% of the target population to be enough for generalisation purposes. The

sample size was also appropriate because each employee in the strata had an opportunity of being selected, and the departments were well represented.

Table 3.1 Sample size

Department	No. of employees	Percentage	Sample size
Finance	500	10%	50
Payment	150	10%	15
IT	100	10%	10
Total	750		75

Source: Nairobi County HR records (2015)

3.4 Instruments of Study

Questionnaires were used to gather information from the samples. As noted by Tavakol (2011) the researcher developed every item in the questionnaires to address specific research objectives to help in the collection of quantitative data. The questionnaires were designed such that they had both open and closed questions. The close-ended questions gave data that was easy to compute and analyse, and according to Saunders (2012), the unstructured questions allowed profound response from respondents'. The questionnaires were structured on a five point-Likert scale with weight assigned to: "strongly agree = 5; Agree = 4; No idea = 3; Disagree = 2; and strongly disagree = 1." Document review was also used, where the researcher utilized the secondary data stored in the County's records to understand what was happening before the adoption of the e-payment system.

3.5 Pilot Study

Teijlingen and Hundley (2001) noted that pilot studies refer to the trial runs carried out in the preparation of the actual study or the pre-testing of the research instruments. Therefore, pilot study was done to determine the validity and reliability of the instruments, and was conducted in Starehe Sub-county, which is one of the 17 sub-counties.

3.6 Reliability and validity

3.6.1 Reliability

According to Tavakol (2011) reliability refers to the extent to which an instrument of research yields consistent results after repeated trials. According to Orodho (2003) reliability is the degree to which results are consistent again and again. Reliability can be measured in terms of the degree to which a measurement, given repeatedly, remains the same as the stability of a measurement over time; and the similarity of measurements within a given time period (Shale, 2014).

The consistency with which respondents answer the questionnaire items or individual scores remain relatively similar can be assessed through the test retest approach at different times. Cronbach's alpha coefficient (α), which was developed by Cronbach in 1951, was used to provide a measure of the internal consistency of the tests carried out, with values expressed as a number between 0 and 1. The Statistical Package for Social Sciences (SPSS) version 21 was used in the computation of Cronbach's alpha, and as noted by Tavakol (2011) reliability coefficients values equal to or higher than 0.5 being acceptable as an indication of reliability.

The researcher distributed 15 questionnaires to the same respondents who were taken from Starehe Sub-county between a time intervals of two weeks. After subjecting all the questionnaire's items in

the SPSS version 21, the e-payment had a value of 0.757 and the researcher concluded that e-payment attained the acceptable reliability level.

3.6.2 Validity

Validity deals and covers issues surrounding whether the findings of a study are really what they appear to be about (Tavakol, 2011). There are various forms of validity. First, the content validity is concerned with establishing whether the instrument accurately measures what it was aimed to measure. The researcher enhanced content validity through the use of expert judgment, especially consultations with the supervisors and lecturers.

The construct validity means that the method adopted must actually measure what the researcher thinks it measures (Greener, 2008). To enhance the construct validity, the researcher reviewed both theoretical and empirical literature on the e-procurement and the performance of procurement function to develop the study constructs. To further enhance the construct validity, the researcher sought the views of the supervisors.

3.7 Data Collection Procedures

After receiving the permits to carry out the research from the various bodies such as the National Council of Science and Technology and Innovation, the researcher and research assistants administered the questionnaires to the sampled respondents. The questionnaires were checked to ascertain that they were fully filled and if not, respondents were required to fill in the gaps.

3.8 Data Analysis

After receiving the completed questionnaires, the researcher coded and edited them for completeness and consistency. The SPSS version 21 was used for the analysis of data. Descriptive statistical methods that included frequencies, percentages, means, and standard deviation were used. Inferential statistics such as the determination of correlation using Spearman coefficient was also carried out. Further, a multiple regression analysis was used in establishing the relationship between the independent and dependent variables. As noted by Gaurav (2011), regression analysis is a powerful and useful tool that identifies the association between two or more quantitative variables. The following regression equation was adopted:

$$Y = \alpha + \beta_1 E_1 + \varepsilon \quad \dots\dots\dots (1)$$

Where;

Y= payment performance

α is Alpha = Constant

β_1 = Beta for the variable

E_1 = e-payment

ε = error term

3.9 Ethical Considerations and Data Management

Before carrying out the study, the researcher sought the permission from the National Council of Science and Technology. He also sought permission from the Nairobi City Council administrators to administer the questionnaires to the finance, payment and ICT individuals. To ensure confidentiality, information has been used only for the purpose of this study and the names of the participants were omitted on the questionnaires to ensure anonymity.

DATA PRESENTATION, ANALYSIS AND DISCUSSION

4.1 Descriptive Statistics

4.1.1 Response Rate

Table 4.1 Response rate

Section	Target respondents	Successful	Response rate (%)
Finance	50	41	82.00
Procurement	15	11	73.33
ICT	10	7	70.00
Total	75	59	78.67

Source: Field data (2017)

Overall, the researcher had administered 75 questionnaires to 50, 15 and 10 respondents in the finance, procurement and information technology department respectively. Out of these 75 questionnaires, 59 were completely filled up and collected. As shown in table 4.1, finance had a response rate of 82%, procurement had 73.33% and ICT had 70%. As noted by Bebbie (2004) that a response rate of 70% and above was very good, the researcher was satisfied with this 78.67%.

4.1.2. E-payment practices

Table 4.2 E-payment activities that affect performance

Description	Response Rate Scale of 1-5					Mean	Std. Deviation
	Strongly disagree	Disagree	Neutral	Agree	Strongly agree		
Online supplier payment	0	0	0	98.3	1.7	4.0169	.13019
Online delivery of bills	0	0	0	96.6	3.3	4.0339	.18252
Suppliers fill vouchers online	0	0	0	96.6	3.3	4.0339	.18252
Presence of online payment system	0	0	0	96.6	3.3	4.0339	.18252
Aggregate						4.0297	0.16944

Source: Field data (2017)

From the results in Table 4.2, majority of respondents agreed that online payment of suppliers, online delivery of bills, suppliers filling in vouchers online and online payment system were the present E-Payment practices in the County with a mean of 4.02, 4.03, 4.03 and 4.03 respectively. The results on the standard deviation were 0.13, 0.18, 0.18 and 0.18 implying that there was no deviation in the respondent's responses on the presence of online payment of suppliers, online delivery of bills, suppliers filling in vouchers online and online payment system respectively. On average, the mean score of 4.030 indicates that the respondents agreed that e-payment practices lead to a higher performance in the Nairobi City County, and was supported by the standard deviation value of 0.16944.

4.2. Inferential Statistics

This study conducted inferential statistics with a focus on the correlation analysis and regression analysis using SPSS version 21 to establish the relationship between the study variables. While the correlational analysis was useful in establishing the strength and the significance of the relationship between E-purchase practices and performance of Nairobi City County Government, regression analysis was useful in establishing the effect of the former on the latter.

4.2.1 Correlation analysis of E-Payment and performance in Nairobi City County Government

Table 4.3. Regression Analysis of E-Payment practices and performance in Nairobi City County Government

		County Performance	E-payment	
Spearman's rho	County Performance	Correlation	1.000	
		Coefficient Sig. (2-tailed)	.	
	E-payment	Correlation	.481*	1.000
		Coefficient Sig. (2-tailed)	.000	

*. Correlation is significant at the 0.05 level (2-tailed). N = 59

Source: Field data (2017)

Table 4.3 shows that at 95% confidence interval, E-Payment practices had positive and significant relationship with the performance in Nairobi City County Government at 0.481 and P value = 0.00 < 0.05.

4.2.2 Regression Analysis of E-payment and performance in Nairobi City County Government

Table 4.4 Regression results of E-Payment practices and performance in Nairobi City County Government

Goodness of fit	Test statistics	P-value		
R Square	.871			
F-statistics	102.783	.000		
Dependent Variable: County Performance Predictors: (Constant E-Payment				
	Coefficients	T-statistics	P-value	Beta
(Constant)	2.148	22.110	.000	
E-payment	.514	3.210	.000	.296

Source: Field data (2017)

The results in Table 4.4 indicate that the R^2 is 0.871, indicating that the E-Payment practices accounted for 87.1% of the variability in the performance in Nairobi City County, while the rest is explained by factors not included in the model. The F-statistics value is 102.783 and P is 0.000 < 0.05. These results show that E-payment is significant in explaining the variations in the performance in Nairobi City County Government at 5% significance level.

Using these regression coefficient results a simple linear regression model can be written as; $Y = 2.148 + 0.514E_1 + \varepsilon$. It is seen that the E-payment coefficient is positive and significant at 0.514 and P value = $0.000 < 0.05$. From this function, the research objective: "To examine the effect of e-payment on the performance in County Government of Nairobi" can be addressed from the beta values. The beta value of 0.514 means that for every 0.514 units of use of E-payment practices, lead to a corresponding 1 unit increase in the performance in Nairobi City County. This further implies that there is a positive and significant relationship between E-payment practices and performance in Nairobi City County. These findings concur with the study by Neupane, Soar, Vaidya and Yong (2012) who noted that E-Payment was among the subsystems required for transparency in the payment process.

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Summary

In Kenya, the performance of the public payment has been poor and the government is working to ensure fairness in expenditure of public funds. The government has made it mandatory for e-payment of all public goods, works and services to be procured through online platforms to enhance and improve performance of the payment function. However, despite these measures the performance of the Kenyan public payment function has been characterized by massive scandals and indignity. Therefore, the current study sought to establish the effect of E-payment practices on the performance in the Nairobi City County. Specifically, the objectives were to: examine the effect of e-payment on the performance in County Government of Nairobi

The study established that the E-Payment practices at the Nairobi City County were online payment of suppliers, online delivery of bills, suppliers filling in vouchers online and online payment system with a mean of 4.02, 4.03, 4.03 and 4.03 respectively. On average, a mean of 4.030 of respondents agreed that e-payment practices lead to a higher performance in the Nairobi City County, and was supported by the standard deviation value of 0.16944. At 95% confidence interval, E-Payment practices had positive and significant relationship with the performance in Nairobi City County Government at 0.481 and $P=0.000 < 0.05$.

5.2 Conclusion

Organizational performance is aimed at increasing organizational efficiency and effectiveness to support and improve the organisation's ability to deliver goods and /or services. In this study, the researcher sought to examine the effect of e-payment on the performance of Nairobi City County.

The study revealed that e-payment practices that included online payment of suppliers, online delivery of bills, suppliers filling in vouchers online and online payment system had positive and significant relationship with the performance in Nairobi City County Government.

5.3 Recommendations and Suggestions for Further Studies

Based on the findings and conclusions of this study, the following recommendation was suggested. Nairobi City County Government should adopt and implement various aspects of e-payment to improve on its performance as the results indicated that these activities have positive and significant relationship with the performance. The research recommends that a similar study be carried out in other counties in Kenya for comparative purposes.

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