



**PROCUREMENT MANAGEMENT PRACTICES AND PERFORMANCE OF LEVEL FOUR HOSPITALS IN NAIROBI CITY COUNTY, KENYA**

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**ABSTRACT**

The purpose of the study was to determine the relationship between procurement management practices and performance of level four hospitals in Nairobi City County, Kenya. The specific objective were: vendor control and pre-qualification vendors. The study use descriptive research design, where both qualitative and quantitative research was applied. The target population was 216 respondents from the concerned departments in Nairobi city county, Kenya. The researcher will carry census survey since respondents are manageable. The research technique was purposive sampling techniques. 10% (22) of the respondents were pilot tested for validity and reliability of the research instrument. Data was analyzed using descriptive statistics and inferential statistics with the help of Statistical Package for Social Science version 26 and the same in now presented in a form of tables and figures. The results from reliability and content validity test was reliable since the result was above 0.7 and 0.5 respectively. This study concludes and recommends that all the level fours hospital performance can only improve if this research finding is implemented, also other hospital to embrace the same by over 80.9%. The study found that a unit change in vendor control would thus lead to a .453 effect on performance of level four hospitals in Nairobi City County in Kenya sector *ceteris paribus* and a unit change in pre-qualification of vendors would lead to .254 of sector. The study recommend that Vendor control formalizes relations between processes within a robust legal framework, but is much more besides; it is an opportunity to define the arrangements that encompass every aspect of what outcomes the Nairobi City County in Kenya wants from the strategic and how it wants the relationship to work. This researcher recommends that pre-qualification of vendors had a strong relationship with performance of level four hospitals in Nairobi City County, Kenya. When relationship are not properly managed, they may cause strategic delays, undermine team spirit, increase delay costs, and, above all, damage business relationships.

**Key Words:** Procurement Management Practices, Performance of Level Four Hospitals, Vendor Control, Pre-Qualification

## **Background of the Study**

The field of Supply Chain Management (SCM) was born to manage the flow of information, products and service across a network of customers, enterprises and supply chain partners. and since its introduction as a concept in the 1980s, supply chain management has undergone significant changes and extensions (Conduah, 2014). Many authors attribute the foundations of SCM to the historical evolution of the logistics function and several consider that SCM and logistics are synonym. Waters states that “Logistics - or supply chain management - is the function responsible for the transport and storage of materials on their journey from original suppliers, through intermediate operations, and to final customers”. Even if SCM consist of logistics management activities, however, there is a difference between the concept of supply chain management and the traditional concept of logistics. Logistics is the management function responsible for all movement of materials within the boundaries of a single organization while SCM takes a broader view of movement through all related organization that form the supply chain (Hai & Watanabe, 2014). Supply chain management acknowledges all of traditional logistics and also includes activities such as marketing, new product development, finance and customer service

Thus, SCM encompasses all the traditional business functions, their coordination within individual companies, and their coordination across companies in the supply chain (Hai & Watanabe, 2014). First, supply chains today consist of all suppliers and customers, and they exist in a global environment. We know of no company that does not sell in a global market, source globally, or compete with a company that does. Second, all the traditional business functions must be coordinated within individual companies before they can be coordinated across companies in the supply chain (Conduah, 2014). Third, the intracompany concepts of trust, commitment, risk, and dependence must be managed with the intercompany concepts of functional shifting (more on this point in, third-party providers, relationship management, and supply chain structures, to efficiently and effectively manage the six flows of any supply chain. Finally, efficiently means with minimal commitment of financial resources, and effectiveness means providing customer satisfaction and value, which (combined with efficiency) leads to profitability, which leads to competitive advantage (Hai & Watanabe, 2014). From this perspective, the members of the University of Tennessee Supply Chain Research Group (Mentzer, 2000) drew a number of fundamental conclusions regarding how to accomplish SCM.

Although the purpose of this book is to discuss the utilization of SCM to achieve competitive advantage, the conclusions from the authors contributing to summarized here to provide a foundation for all our subsequent discussion of SCM (Hai & Watanabe, 2014). Finally, we must note that a supply chain have multiple linked suppliers. There are a large number of different configurations for supply chain. Some are very short and simple, such a small grocery buying vegetables directly from the farmer and the others are long and complicated like a fish cannery that source from fishermen and sell the products through a retail network. Increasingly more companies' coordinates in both upstream and downstream echelons in a supply network the material and information flows among a number of different suppliers, manufacturers and distributors (Conduah, 2014).

Analysis of SCM literature reveal that there are many views of supply chain management, but academic textbooks and researchers in the field of logistics and supply chain management typically adopt the Council of Supply Chain Management Professionals (CSCMP) definition, namely: “Supply Chain Management encompasses the planning and management of all activities involved in sourcing and procurement, conversion, and all logistics management activities.” Another organization recognized in the field, namely the Global Supply Chain Forum (GSCF) states that SCM is a new business model necessary for an organization's success and everyone in the organization needs to be involved (Hai & Watanabe, 2014). According to the GSCF definition Supply Chain Management is the integration of key business processes from end user through original suppliers that provides products, services, and information that add value for customers and stakeholders.” The definition from APICS Association for Operations Management take into

considerations the same coordinates as GSCF; for APICS, SCM refers to „the design, planning, execution, control, and monitoring of supply chain activities with the objective of creating net value, building a competitive infrastructure, synchronizing supply with demand, and measuring performance globally” (Conduah, 2014).

### **Statement of the Problem**

The procurement Management Practices refers to the procedure of purchasing and obtaining products and services within the industry of the organization (Okumu & Bett, 2019). The procurement management practices aims to set and define every aspect of procurement, including the procured items, associated contracts, contract approval process, cost determination, and conclusion criteria. In simple terms, the procurement management practices serves as the framework for a project. According to Onger and Osoro (2021), It acts as a guide for the organization and the stakeholders throughout the Project Timeline. Remember that the procurement management practices is flexible. The business can modify, revise, and enhance the document throughout the project according to the changes happening for smoother business operations.

Also, Okumu and Bett (2019), they observed that Procurement management practices play a vital role in the operations of an organization. It documents how a project unfolds through its purchasing decisions. It is a component that deals with the external procurement management practices and performance of departments in the level four hospitals there is mismatch for quite sometime for a particular project. Procurement management practices are separate from statements of work or terms of reference in the sense that they focus more on procurement management practices and performance of level four hospitals in Nairobi City County, Kenya. In view of the foregoing this study is done in the Kenyan context to bridge the existing gap with new knowledge.

### **Objectives of the study**

The general objective is to establish the relationship between procurement management practices and performance of level four hospitals in Nairobi City County, Kenya.

The following are the specific objectives:

- i. To examine the effect of vendor control on performance of level four hospitals in Nairobi City County, Kenya. .
- ii. To evaluate the effect of prequalification of vendors on performance of level four hospitals in Nairobi City County, Kenya.

## **LITERATURE REVIEW**

### **Theoretical Framework**

#### **Resource Based View Theory**

The Resource-Based View (RBV) emphasizes the firm’s resources as the fundamental determinants of competitive advantage and performance. It adopts two assumptions in analyzing sources of competitive advantage (Carver, R. (1996). First, this model assumes that firms within an industry (or within a strategic group) may be heterogeneous with respect to the bundle of resources that they control. Second, it assumes that resource heterogeneity may persist over time because the resources used to implement firms’ strategies are not perfectly mobile across firms such as some of the resources cannot be traded in factor markets and are difficult to accumulate and imitate). Resource heterogeneity (or uniqueness) is considered a necessary condition for a resource bundle to contribute to a competitive advantage. The argument goes “If all firms in a market have the same stock of resources, no strategy is available to one firm that would not also be available to all other firms in the market” (Bandura, 1977).

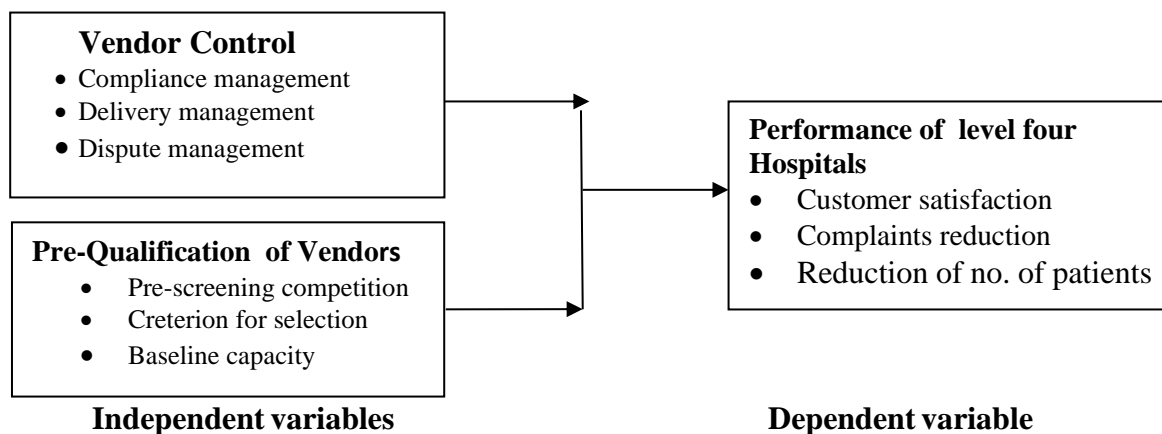
## Transaction-Cost Economics Theory

The concept of transaction-cost first appeared in Coase (1937) who created the basis of what became transaction-cost economics (TCE) theory. However, the concept was not elaborated until Carver (1996) who used the term ‘transaction-cost economics’ (TCE). The idea of TCE is to reduce the total costs associated with performing transactions through choosing the most economical governance structure. Governance in this context can be described as “a mode of organizing transactions”. Hierarchical governance refers to performing a transaction within the firm. In contrast, market governance is when a transaction is performed through traditional market mechanisms of supply and demand (Bandura, 1977).

The theory is relevant to the study in that all organizations need to reduce to their costs in order to maximize revenue. Profitability is one of the most critical performance measures for an organization (Carver, 1996). It is through profits generated that an organization is able to reinvest a portion of it for the purposes of carrying out expansion strategies such as increasing the variety of the products to satisfy a wider customer base. The other expansion measures are to reinvest on assets in order to improve service delivery to both customers and suppliers with the aim of satisfying both customers and suppliers. The theory has the following inadequacies; it focuses on cost minimization only, it understates the cost of organizing and it neglects the role of social relationship in economic transactions (Bratton, 2003).

## Conceptual Framework

The concepts that constitute the conceptual framework support one another, articulate their respective phenomena, and establish a framework-specific philosophy (Bandura, 1977). The variables of this study comprised one dependent variable (firm performance) and four independent variables namely:



## Vendor Control

Vendor control: When performing projects with contractors, the project owner or organization gives up daily activities and operations to accommodate project contractors, emphasizing project control (Afande, 2015). Vendor control guarantees that the work of vendors, service providers, suppliers, and contractors is acceptable. The techniques for vendor control must be available in the procurement management practices, the statement of work, or terms of reference. The section includes relevant information regarding product quality and measurements, site inspections, external facility inspections, and regular project meetings (Ongeri & Osoro, 2021). There must also be regular updates from the vendor to the owner, and these must be comprehensive with information to update the management and organization.

Organizations are now aware that they have only controlled sub-fraction of the value chain and that opportunities for improvement are quite limited. Therefore, supply chain coordination is the next direction (Ongeri & Osoro, 2021). As a supply chain coordination mechanism, vendor-

managed inventory (VMI) has received a lot of attention. In the traditional inventory management system, customers provide orders, suppliers purchase according to orders, and suppliers in the logistics chain only manage their own inventory. The main purpose is to maximize the benefits of individual enterprises, without considering the profitability of upstream and downstream enterprises. And now if enterprises want to maintain competitive advantage, they must have the concept of integration, that is, the idea of supply chain (Afande, 2015). The supply chain pursues the maximization of the overall interests of all enterprises in the chain, and VMI is a kind of effective management method in the supply chain environment. In VMI mode, upstream enterprises such as suppliers manage and control the inventory of downstream customers based on downstream customers' production, operations and inventory information (Ongeri & Osoro, 2021). Due to centralized decision-making and information sharing, VMI's revenue is much higher than that in traditional supply chains. In the 1980s, the VMI system developed by P & G and Wal-Mart has been successful. Since then, the VMI model has been applied in more and more companies, such as Shell Chemical, Campbell Soup Company and J & J.

Benefits of the VMI include reducing costs of ordering, inventory and transportation, improving production planning, service levels, customer benefits and forecast accuracy (Afande, 2015). Considering VMI as a collaborative strategy between customers and suppliers that optimizes product availability at minimal cost, suppliers are responsible for the operational management of inventory within a consistent performance target framework and are continuously monitored and updated as needed. Therefore, VMI is best viewed as part of a continuous improvement process rather than as an independent arrangement. The successful application of VMI in practice has aroused the growing attention of academia. In recent decades, a large number of experts and scholars have studied a lot of theoretical results, which has greatly promoted the practice. This paper has carried out a combing of these theoretical studies and made a comprehensive summary of the research status of VMI (Ongeri & Osoro, 2021).

### **Prequalification of Vendors:**

The concept of pre-qualification of suppliers in the procurement function is a strategic activity in public institutions in Kenya; it fosters competition in contracting, acquisition and disposal of goods and services (Afande, 2015). The procurement function in the business industry has been associated with adverse practices such as corruption and escalation of costs. There is therefore need to carry out a study with a focus on the impact of pre-qualification of suppliers with the aim of establishing its contribution to the procurement function in terms of cost, time and efficiency, Afande (2015), defines prequalification as the process to evaluate supplier's ability to complete a contract bidding process using certain criteria such as supplier's reputation, past performance, financial stability, current workload, firm resources, technical capacity and decision making in order to draw conclusions on the qualification of the firm (Ongeri & Osoro, 2021).

The main objectives of carrying out prequalification procurement are to remove incompetent bidders, draw basic requirements for bidding and remove unsuitable bidders on legal basis. It is important to perform prequalification procurement when time and costs are realistic as compared to the risks facing the organization (Afande, 2015). Some of these risks include litigation for failure to meet stipulated quality standards, time and specification, loss of customers due to supply failures. It may also result in insolvency of both procuring entity and supplier. Prequalification is a concept developing in various industries, corporations, and businesses that identifies prequalified vendors lists. Owners spearhead the method of selection that identifies trusted contractors through requests of qualifications. The contents of the request include past projects, project team descriptions, and methodologies. The request for classification serves as a shortlist of contracts for various projects, especially if the company is part of a large organization, government agency, or NGO (Ongeri & Osoro, 2021).

Vendors are important stakeholder of an organization (Donaldson & Preston, 1995), and vendor management is critical for the construction industry as any lapse in it leads to time and cost overruns (Afande, 2015). A systematic review of previous studies on vendor relationship

management revealed that most of the existing literature focused on the positivist view of vendor management. The positivist view uses a quantified approach for understanding vendor management and leaves the qualitative aspects. Relational dimensions are more qualitative, and quantification of relational dimensions fails to uncover deep psychological aspects of vendor management. Interpretivism is an alternative approach to examine these psychological aspects that have remained unexplored in the vendor management literature (Ongeri & Osoro, 2021).

To fill this research gap, we have used the interpretivism approach in this study for the development of an integrated vendor management framework. The findings of this study will help the construction project firms to understand the crucial parameters of vendor management. Afande (2015), proposed the assessment of tenderers on the basis of ten key pre-selection criteria. They are finance, human resources, organization and management, project specific requirements, past experience, past performance, technology, quality system, health and safety system, and equipment (Ongeri & Osoro, 2021). Weightings are assigned to represent the importance of these criteria and different scores are assessed for each criterion. The sum of the products of the weight and the score for each criterion form the multi-criteria scoring model for suppliers' selection.

### **Performance of Level Four Hospitals**

Performance of level four hospitals provides Medical Devices that is central to quality healthcare provision and cut across all aspects of effective and efficient health care practices (Afande, 2015). The Ministry of Health has embraced the need for medical devices and as a result medical devices procurement in Kenya has been on the rise in both the public and private hospitals with an aim to fulfill one of the big four agendas of the current government. These agendas range from food security, affordable housing, manufacturing, and affordable healthcare for all. The practice has been done in line with the National Government requirement through Ministry of Health to procure medical devices for the 47 counties of Kenya through a tender advertised on the Ministry of Health Website Tender No: MOH/001/2014/2015. Utilization of medical devices in Level five hospitals is entirely dependable on how procurement is done (Ongeri & Osoro, 2021).

This is because during the planning process of procuring the medical devices the workers or the end users should be well considered for proper training on how to use and the maintenance practices of the medical devices. In this research I will focus on Level five hospitals which are the County hospitals (Ongeri & Osoro, 2021). They are formerly the provincial hospitals. They are run by Chief Executive Officers who are medical by profession and have over 100 beds capacity for their in-patient (Afande, 2015). They offer services like ultrasound, CT-Scan, surgery, pharmacy, physiotherapy, orthopaedics and occupational therapy Services. In VMI mode, upstream enterprises control the inventory of downstream enterprises, which will inevitably increase the cost of inventory management of upstream enterprises. Therefore, the key to the successful implementation of VMI system is to design a reasonable coordination mechanism to solve the cost transfer of upstream and downstream enterprises, and realize benefit sharing and risk sharing.

Scholars' research on coordination mechanism has two main aspects, including performance impact and specific mechanism design. Afande (2015), compared the performance of decentralized supply chain with that of VMI supply chain, pointed out that in the absence of effective coordination mechanism, the advantages of VMI cannot be effectively played. The performance of VMI supply chain was further improved by retailers sharing the risk of unsatisfactory sales of suppliers and suppliers undertaking part of the promotion costs of retailers. Dong et al. He argued that in the early stage of VMI implementation, due to its disadvantage to suppliers, retailers could consider in (Ongeri & Osoro, 2021).

American Journal of Industrial and Business Management increasing purchasing prices to compensate for the increase in inventory costs of suppliers. Other scholars have studied the design of specific coordination mechanisms, and it is necessary to formulate appropriate contracts to effectively coordinate the supply chain. Common contracts include: wholesale price contract,

reserve contract, quantity flexibility contract, option contract and revenue sharing contract. Afande (2015), discussed the profit distribution between re-tailers and suppliers when a supplier and a retailer implement VMI mode. The demand of retailers varies with price. They established the VMI coordination model of tra-ditional, Steinberg game and Nash negotiation under the revenue sharing me-chanism, and optimized the optimal revenue sharing retention ratio in the mod-el (Ongeri & Osoro, 2021).

It is found that the retention ratio of revenue sharing is the lowest and zero in the traditional model, the highest in the Steinberg game model and the middle in the Nash negotiation model. Afande (2015), analyzed the system parame-ters when the expected profit of the general VMI mode was maximized under the central mode, and analyzed the relationship between the system parameters and price sensitivity factors. A price-sensitive supply chain model with external demand was established. The supply chain model solved the revenue sharing contract in VMI mode by referring to the optimal inventory quantity and the best retail price of the supply chain in the central mode, so that the system per-formance in VMI mode reaches the Pareto optimal state. The third phase, from 2004 to 2009, mainly studies the coordination mechan-ism of supply chain under VMI mode through contract design. The coordina-tion mechanism improved the supply chain imbalance under VMI mode to a certain extent. From the existing research literature, it is not difficult to see that price contract and revenue sharing contract are two kinds of contracts frequent-ly used in VMI interest coordination mechanism (Ongeri & Osoro, 2021).

## **Empirical Review**

### **Vendor Control**

Since Ongeri and Osoro (2021), first proposed Vendor-managed Inventory (VMI), VMI has attracted the attention of academia and enterprise practice. They argues that VMI is a replenishment decisions involving order quantity, shipment and related operations periodically performed that supplier monitors user inventory levels. They also believes that VMI is a cooperative strategy that improving continuously inventory management, which aims at obtaining the lowest cost for supply chain partners such as suppliers and users, manages inventory by suppliers under a common agreement, and continuously supervises the implementation of the agreement and amends the content of the agreement. The China's national standard GB/T 18354-2006 "Logistics Terminology" be-lieves that VMI is a management mode through information sharing, and that supply chain and other upstream enterprises actively manage and control the inventory of downstream enterprises according to the sales information and in-ventory of downstream enterprises (Alwerfalli & Karatas, 2016).

Among the strategies to improve supplier-retailer partnership, there are many modes such as rapid response QR, continuous replenishment CR and VMI, and VMI is considered as an advanced mode to improve supplier-retailer partner-ship (Alwerfalli & Karatas, 2016). VMI is a practice in which suppliers take over the buyer's replenishment strategy to determine the replenishment volume and replenishment time, so as to maintain the minimum and maximum inventory within the specified range Conversely, the buyer shares the data or forecasts of the point of sale so that the supplier can update the data for subsequent transactions. For retailers, it reduces the burden of inventory management; for suppliers, it can optimize inventory management, replenishment, transportation, production and retailer's sales, and reduce the related total cost. To sum up, VMI is a good inventory management strategy in supply chain. It is based on trust, guaranteed by cooperation, and based on the idea of systematic and integrated management, so that the supply chain system can operate syn-chronously, and ultimately reduce the inventory cost of both sides to achieve a win-win situation (Ominde et al., 2022).

### **Prequalification of Vendor**

The award of tender to a competent supply organization should ensure effective delivery of service/goods to cost, time and quality standard. Ominde et al. (2022), submit that it is generally accepted that the major goals in any supply are budget, schedule and quality. The overall success

of a supply includes meeting goals related to cost, schedule, quality and safety. Therefore, the objective of taking all the required precaution and due process in the selection of supplier to execute a supply tender is to ensure performance of the supply in relation to the above-mentioned variables. Time, cost and quality are three major factors that are of primary concern to the main parties involved in procurement. A successful supply satisfies its clients and sponsors with an outcome that achieve objectives within time and cost constraints. It also produces a The vendor management system is for supporting the good quality of material, delivery on time, good service and cooperation, reasonable price, strong and close relationship to continuous improve (Ominde et al., 2022).

As the growing popularity of just in time and supply chain management, the supplier seems to be more significant role for manufacturing to achieve their customer satisfaction in terms of quality, delivery and business point of view (Bamfo-Agyei, Hackman & Nani, 2015). The smooth running of production line could be interrupted by the poor quality of material. The schedule to delivery will be effected by both poor quality of material and poor delivery performance. Also the manufacturing will get less profit if they select the non-reasonable price of material, as of the material is the cost of manufacturers. In order to achieve the Quality Manufacturing Excellence (QME), the Vendor Management System (VMS) is the one most important factor of success. The vendor/ supplier is the partnership that concerned to manufacturer not only the quality but also other business issues. As Vendor Partnership Relation (VPR), it is necessary to work closely between manufacturer and supplier as a team working (Ominde et al., 2022).

such as training a supplier's staff about quality techniques, including a design review meeting to gain ideas on how supplier parts can best be used, providing sale projections/ forecasts with supplier to support their production scheduling, sharing information of accept/ reject criteria for manufacturer and supplier (Hai & Watanabe, 2014). Such this VPR, it leads to establish the Vendor Management Team (VMT) at Manufacturer to assess, work, and coordinate with the vendor partnership at a first stage of production. The supplier development is a vehicle that can be the important factor to increase the competitiveness of the entire supply chains. The supplier development had been studied since the supplier selection phase, the quality of materials; good delivery performance and cost are some of major criteria in selection suppliers (Ominde et al., 2022). Other than these 3 criteria, AHP was developed to set priorities involving subjective judgments in supplier selection and also AHP was to solve the supplier.

### **RESEARCH METHODOLOGY**

A descriptive survey research design was used in this study. This study targeted 216 respondents from supply chain department, Finance department and Quality analysis department from pharmacy, procurement finance, admin and audit respectively. This study used purposive sampling technique as they are formed at the researcher's discretion. Questionnaires was used to collect quantitative and/or qualitative information were both Open-ended and closed-ended questions in this study. Data analysis involved interpreting information gathered from the respondents once questionnaires have been received from them (Kothari, 2011). The descriptive statistics was used with the help of Statistical Package for Social Science (SPSS) version 26 using the multiple regression method. The researcher used both qualitative and quantitative data analysis technique to analyze the collected data. The result is now presented in a form of tables and graphs.

### **RESEARCH FINDINGS AND DISCUSSION**

The researcher managed to distribute 194 questionnaires to the respondents, 149 of them were dully filled and picked after two weeks; yielding a response of 76.8%. This was considered to be a very reliable response rate for the generalization of study findings is in line with Sharma (2015), states that a response rate of 70% and above is believed to be a reliable response rate. This was less 22 (10%) respondents who were pilot tested.



## Descriptive Statistics

In this section, the study presents findings on Likert scale questions on the role of inventory management processes and performance of level four hospitals' level four hospitals in Nairobi City County, Kenya. The study specifically presents the effect of vendor control, pre-qualification of vendors on performance of preference group's level four hospitals in Nairobi City County, Kenya. Respondents were asked to use a 5-point Likert scale where 5 (SA) = Strongly Agree, 4(A) = Agree, 3(UD) = undecided, 2 (D) = Disagree, and 1(SD) = Strongly Disagree. Results obtained were interpreted using means and standard deviations where a mean value of 1-1.4 was interpreted as; (SD) =strongly disagree, (D)= disagree, N= neutral, (A)= agree and (SA) = strongly agree.

## Vendor Control

Respondents were requested to give their responses in regard to Vendor control in a five point Likert sale where SA=Strongly Agree, A=Agree, N= Neutral, D=Disagree, and SD= Strongly Disagree. Results obtained were presented in Table 1 below. Respondents were requested to give their opinion on the variable Vendor control. From table 1, the respondents unanimously agreement that Vendor control ensured performance of level four hospitals and periodic review in Nairobi City County in Kenya viable with agreement of a mean was 3.741, and Standard Deviation of 1.0601; Through compliance management in Nairobi City County the respondents gave neutral response with a mean of 3.532 and Standard Deviation of.9219; their delivery management has contribution to better service delivery from vendor control with strongly agree a Mean of 3.902, and Standard Deviation of .9004; dispute management in Vendor control it is important to put in place and maintain strategic management the respondents gave a strongly agree with a Mean of 4.060, and Standard Deviation of .14948; The management of Nairobi City County in Kenya implements performance of level four hospitals award the respondents disagreed with a Mean of 3.540 and SD=1.3017); and Vendor control enhances performance of level four hospitals at Nairobi City County in Kenya, they agreed with a Mean of 3.565, Standard Deviation of .7014. This finding agrees with the findings of Nyile *et al.* (2022) who observed that clear description of Vendor control, enhance effective performance of level four hospitals in Nairobi City County, Kenya.

**Table 1: Vendor control**

Statement	Mean	Std. Dev.
In Nairobi City County we ensures compliance management Sharing through Real time basis	3.369	1.059
Through dispute management in Nairobi City County Kenya has been able to make decisions on timeliness	3.530	.9219
delivery management has contribution to performance Of level four hospitals, Kenya	3.901	.9003
By Quick, frequent & accurate risk management		
It is important to put in place Vendor control	4.060	.14948
The management of defining strategic in vendor management	3.540	1.3017
Vendor control enhances performance of level four hospitals, Kenya.	3.565	.8011

## Pre-Qualification of Vendors

Respondents were asked to give their responses in regard to pre-qualification of vendors on performance of level four hospitals in Nairobi City County in Kenya i.e. 5 point likert sale where SA=Strongly Agree, A=Agree, N= Neutral, D=Disagree, and SD= Strongly Disagree. Their responses are presented in table 2 below:

From table 4.9, respondents, respondents agreed that pre-qualification of vendors ensure performance of level four hospitals Nairobi City County in Kenya; the respondent gave a Mean

of 4.036 and Standard Deviation of .7307; decision making on performance of level four hospitals Nairobi City County in Kenya , they gave strongly disagree with a Mean of 4.002 and Standard Deviation of .7307; output of pre-qualification of vendors can affect performance of level four hospitals in Nairobi City County in Kenya; the gave strongly agree with a Mean of 4.204, Standard Deviation of .14907; pre-screening of health workers systems to embrace a better performance of level four hospitals in Nairobi City County in Kenya they gave a Mean of 4.109 and Standard Deviation of .8073; criterion of suppliers towards pre-qualification of vendors to performance of level four hospitals in Nairobi City County in Kenya ;most of the respondents were neutral with a Mean of 3.925 and Standard Deviation of .7304; and to enhance baseline capacity , our county has in recent time conducted modern sensitivity resolution towards performance of level four hospitals in Nairobi City County in Kenya; they gave a Mean of 4.101 and Standard Deviation of .7053.

These findings are in line with the findings of Nyile *et al.* (2022) who observed that the characteristic of pre-qualification of vendors are the best value reaction to sort out non-performance of, after Pre-qualification of vendors, for resolving return on investment. The problem areas giving rise to disputes are mainly related to Nairobi City County's matters.

**Table 2: Pre-qualification of Vendors**

Statement	Mean	Std. Dev.
Our hospitals a embrace pre-qualification of vendors on performance of Level four hospitals in Kenya.	4.036	.7307
Our hospitals pre-screaming competition Embrace performance of Level four hospitals in Kenya.	4.204	.14907
Our health facilities embrace output doctrine n performance of Level four hospitals in Kenya	4.109	.14973
In cases of pre-qualification of vendors on performance of Level four hospitals in Nairobi City County in Kenya	3.925	.7304
Baseline screening pre-qualification of vendors performance of level four hospitals Nairobi City County in Kenya	4.104	.8055
To enhance pre-qualification of vendors on performance of Level four hospitals in Kenya	4.101	.7103

### Performance of Level four hospitals in Nairobi City County

Respondents gave their level of agreement on various statements relating with performance of level four hospitals in Nairobi City County, Kenya. The results were as presented in Table 3 below:

From the research findings, respondents were in agreement that performance of level four hospitals in Nairobi City County in Kenya is being affect by strategic management agility, they gave 63%; when asked about customer satisfaction and its effect on performance of level four hospitals in Nairobi City County in Kenya they gave strongly agree of 66 %; When the respondents were asked to show their level of agreement on how less complaints affects performance of level four hospitals in Nairobi City County in Kenya they gave strongly disagreed of 34%; When also the respondents were asked to show their level of agreement on complaints reductions of the in Kenya government on performance of level four hospitals in Nairobi City County in Kenya they gave The outcome is in line with the findings of Mutai and Osoro (2021) they observed that some of the factors that contribute to inefficiency in public strategic management as corruption, delayed payments, poor planning, statutory amendments, insufficient use strategic evaluation low public participation, and improper payment procedures negatively affects performance of level four hospitals Nairobi City County in Kenya in Kenya.

**Table 3: Performance of Level four hospitals in Nairobi City County**

Statements	Yes (%)	No (%)
Customer Satisfaction can affects performance of Level four hospitals In Nairobi City County, Kenya	53	47
No. of level four hospitals can affects their performance of Level four hospitals in Kenya	66	34
Access to less complaints can affect performance of Level four hospitals in Kenya	44	56
Reduction of patients visit can affects performance of Level four hospitals	59	41
strategic management can affects performance of level four hospitals in Nairobi City County, Kenya	43	57
performance of level four hospitals in Trans Nzoia County in Kenya	74	26

### Pearson Correlation Analysis

The study further conducted inferential statistics entailing both Pearson and regression analysis with a view to determine both the nature and respective strengths of associations between the conceptualized predictors such as Vendor control, and Pre-qualification of vendors and performance of level four hospitals in Nairobi City County, Kenya.

**Table 4: Correlation Coefficients**

		Performance of Vendor control. level four hospitals	Pre-qualification of vendors
Performance Of Nairobi City County	Pearson correlation Sig. (2-tailed)		
	Pearson correlation	.532*	1
	N.	149*	
Vendor control	Sig. (2-tailed)	.000	
	Sig. (2-tailed)	.001	.041
	Pearson correlation	.159*	.240
	N	149	149
Pre-qualification of vendors.	Sig. (2-tailed)	.000	.035
			149

From the findings, a positive correlation is seen between each variable and performance. The strongest correlation was established between Pre-qualification of vendors and performance of level four hospitals in Nairobi City County ( $r = 0.159$ ). This is tandem with the findings of Onger and Osoro (2021), who observed that all independent variables were found to have a statistically significant association with the dependent variable at over 0.05 level of confidence.

### Regression Analysis

To determine the relationship between the independent variables and the dependent variable and the respective strengths, the regression analysis produced coefficients of determination. Findings in table 5 reveal a positive relationship between the performances of level four hospitals in Nairobi City County in Kenya.

**Table 5: Regression coefficient Results**

	Unstandardized coefficients		Standardized coefficients	T	Sig.
	B	Std. Error	Beta		
(constant)	-.131	.060	-1.144	4.004	.002
Vendor control	.453	.132	.555	5.472	.003
Pre-qualification of vendors.	.214	.115	.321	2.657	0.001

a. predictors: (constants), vendor control, Pre-qualification of vendors

b. Dependent Variable: performance of level four hospitals in Nairobi City County in Kenya

A unit change in vendor control would thus lead to a .453 effect on performance of level four hospitals in Nairobi City County in Kenya sector *ceteris paribus*; while a unit change in pre-qualification of vendors would lead to .254 of sector. This finding is in line with the findings of Ongeru and Osoro (2021). This implies that among other factors, Vendor control, and Pre-qualification of vendors are significant determinants of performance of level four hospitals in Nairobi City County, Kenya.

### Conclusion

The study concludes that there is a positive relationship between Vendor control and Performance of level four hospitals. Speciation identification, periodic design assessment, continues improvement and proactive assessment are among the Vendor control factors that significantly influenced the performance of level four hospitals in Nairobi City County, Kenya. The study further concludes that by implementing Vendor control has enhanced performance of level four hospitals in Nairobi City County, Kenya, leading to operational increase in efficiency and effectiveness. Therefore, the study concludes that level four hospitals in Nairobi City County, Kenya has significantly increased their strategic ' quality management in the In Kenya government in strategic management processes.

The researcher concludes that there is a positive relationship between Pre-qualification of vendors and performance of level four hospitals in Nairobi City County, Kenya. Partnership enforcement policy, collective bargaining, alternative dispute resolution processes, free expression of concerns by involved processes are among the coordination factors that significantly influenced the performance of level four hospitals in Nairobi City County, Kenya. The researcher further concludes that by adopting alternative coordination and partnership mechanisms as it was observed at Nairobi City County in the level of performance of level four hospitals in Nairobi City County has increased. Therefore, the study concludes that Nairobi City County in Kenya has been experiencing significant increase in service delivery through embracing proper coordination in the strategic management processes.

### Recommendations

The study recommend that Vendor control formalizes relations between processes within a robust legal framework, but is much more besides; it is an opportunity to define the arrangements that encompass every aspect of what outcomes the Nairobi City County in Kenya wants from the strategic and how it wants the relationship to work. This means that the In Kenya needs to take an active role in the development of the quality mechanism early on; it should not be left as a supplementary activity post negotiation. At preparation of every quality management can contribute to strategic evaluation on performance of level four hospitals in Nairobi City County, Kenya. Proper Vendor control can result to high strategic management in Nairobi City County, Kenya.

This researcher recommends that pre-qualification of vendors had a strong relationship with performance of level four hospitals in Nairobi City County, Kenya. When relationship are not properly managed, they may cause strategic delays, undermine team spirit, increase delay costs, and, above all, damage business relationships. With the increase in the number of participants in a strategic management, it is obvious that more business interactions and arguments end up with an increase in the number of strategic relationship disputes. Research in preventing and

resolving relationship disputes supports the effort for better understanding and harmonization of the different cultures. Therefore, this study recommends to the management of Nairobi City County in Kenya to enhance and upgrade on the implementation of all applicable alternative disputes resolution mechanisms so to protect relationship with its stakeholders in the strategic management processes.

### Areas for Further Studies

This research focused on vendor control, and pre-qualification of vendors and performance of level four hospitals in Nairobi City County, Kenya. The study therefore recommends a further study to be conducted to other counties in Kenya. Then get their findings and compare with this and agree or disagree. The study also recommends replication of the study in other sectors such as manufacturing sector and public sector to allow comparison of research findings. Future researchers an investigate the factors affecting strategic management best processes broadly in all areas of concern in this profession on performance of level four hospitals the strategic management processes.

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