

PROCUREMENT PRACTICES AND PROCUREMENT PERFORMANCE OF PUBLIC HOSPITALS IN KENYA: A CASE OF KENYATTA NATIONAL HOSPITAL

¹*Jillo, M.

Department of Business, St. Paul University, Kenya.

²Kibuine, M.K

Department of Business, St. Paul's University, Kenya.

³Kimemia D.W

Department of Business, St. Paul University

Publication Date: November 2024

ABSTRACT

Purpose of Study: The main objective of this research was to investigate the relationship between Procurement Practices and Procurement Performance of Public Hospitals in Kenya, with a focus on Kenyatta National Hospital (KNH). Specific objectives include to determine the factors that influence procurement methods and procurement performance, awareness of legal requirements in the procurement process and procurement performance in public hospitals.

Problem Statement: Procurement plays a crucial role in enabling the public sector to achieve its objectives and prepare for uncertainties. However, a significant portion of quality systems in public procurement have failed to deliver the anticipated benefits, posing a considerable challenge for government institutions.

Methodology: The study employed a descriptive research design and targeted 30 procurement officers who formed a sub department of the larger supply chain management department at Kenyatta National Hospital (KNH). Data was collected using structured questionnaire that was pretested for validity and reliability through a pilot study. Descriptive and Inferential statistics were used in this study to analyse data from the closed ended questions constructed on a Likert scale. Descriptive tools used in the study include mean as a measure of central tendency, percentages, as well as standard deviation as measure of variability.

Result: The study findings indicated that there was no relationship between procurement methods, legal awareness, and procurement performance. This indicated that there were other factors that influenced hospital procurement performance. Statistically insignificance of the individual

predictors suggested that other unmeasured variables also affect outcomes, warranting a more comprehensive evaluation.

Keywords: *Procurement Practices, procurement methods, awareness of legal requirement and performance measure.*

INTRODUCTION

Public procurement is a critical aspect of the public sector, involving the acquisition of goods, services, and works using public funds. It encompasses various activities such as order coordination, demand alignment, scheduling, and shipment arrangements to meet customer needs efficiently. Effective procurement practices offer organizations streamlined management mechanisms, reducing cycle times and enhancing reliability (Baily, 2011).

Globally, public procurement has garnered attention, with discussions revolving around reforms, restructuring, and regulatory frameworks. Many countries, both developed and developing, have embarked on procurement overhauls through legislative and regulatory measures. Public procurement constitutes a significant portion of government expenditure worldwide, with about 50% of the budget in developing countries allocated to procuring goods and services. Over the past decade, several countries have introduced or reformed their procurement regulations (Arrowsmith, 2016).

In developing nations, public procurement's role in service delivery is increasingly recognized, with it representing a substantial portion of the Gross Domestic Product (GDP). For example, in Kenya, it accounts for 60% of the GDP, while in Angola, Malawi, and Uganda, it ranges from 40% to 70% of public expenditure (Wittig, 2014). These figures exceed the global average of 12-20% (Froystad et al., 2012).

In Kenya, the enactment of the Public Procurement and Disposal Act of 2015 established a standardized framework governing procurement activity across public sector entities. However, this uniform approach has presented challenges for many government organizations, including elevated procurement costs, protracted procedures, and complexities in supplier negotiations. Over time, the evolution of Kenya's public procurement system has transitioned from a lack of regulations to a legally grounded framework, with significant legislation such as the Procurement and Disposal Act of 2015 and the Procurement Regulations of 2016.

In Kenya, public procurement has a long history that dates back to the establishment of the Public Procurement and Disposal Act of 2005. Initially, the government's procurement system was governed by the Supplies Manual of 1978, supplemented by periodic circulars issued by the Treasury (Mulei, 2016). A review of the country's public procurement systems conducted in 1999 revealed a lack of uniformity, attributed to the inconsistent application of flexible rules (Rotich, 2014)

Organizational performance denotes a public hospital's capacity to achieve its mission through effective management, robust governance, and a steadfast commitment to delivering results (Parasuraman, 2014). Performance in public hospitals is established through evaluating a comprehensive approach that considers several factors, such as patient satisfaction, service delivery, and resource efficiency (Gunson, 2010). Patient satisfaction reflects the quality of care and communication during hospital visits, while service delivery ensures the timely availability of

services, equipment, and essential drugs. Health outcomes like recovery rates and treatment success indicate whether patients are receiving effective care.

In examining procurement practices and their impact on organizational performance in public hospitals in Kenya, it is crucial to focus on several key objectives that highlight the role of effective procurement management in enhancing hospital performance. To begin with, assessing the compliance processes in procurement is essential to understanding how well public hospitals adhere to legal and regulatory frameworks. Compliance in procurement ensures that public funds are used responsibly, processes are transparent, and potential risks like fraud or corruption are minimized. Regular audits, adherence to established procurement laws, and the implementation of compliance tools are critical in maintaining accountability and fostering trust in the management of hospital resources (García-Altés et al., 2023).

Secondly, examining the level of awareness of legal requirements within the procurement teams in public hospitals is vital for ensuring that all procurement activities are conducted within the confines of the law. This involves evaluating the knowledge and understanding of procurement officers regarding regulations such as the Public Procurement and Asset Disposal Act (PPADA) and sector-specific policies (PPADA, 2015). High levels of awareness among staff reduce the likelihood of procedural errors and legal disputes, ultimately supporting smooth and lawful procurement operations. To achieve this, hospitals should prioritize continuous professional development, capacity-building initiatives, and compliance training for staff.

Further, understanding the influence of various procurement methods on hospital performance is vital in identifying which strategies best support the unique needs of healthcare institutions. Public hospitals typically use multiple procurement methods, such as open tendering, restricted tendering, and direct procurement, depending on the urgency and nature of their requirements (Hussein, et al., 2014)). The choice of procurement method can significantly impact the efficiency, quality, and cost-effectiveness of service delivery. For instance, while open tendering may foster competition and transparency, restricted tendering or direct procurement could be more suitable for time-sensitive or specialized procurements. By evaluating the effects of different methods, hospitals can select the most appropriate strategies to achieve their performance goals.

Finally, establishing the overall impact of procurement practices on hospital performance is essential for developing a comprehensive understanding of how procurement influences operational efficiency, resource utilization, and patient outcomes (Mutegi, et al., 2017). Effective procurement practices encompass not only compliance and method selection but also supplier management, ethical considerations, and contract administration. When procurement is managed well, hospitals can maintain optimal stock levels, avoid supply chain disruptions, and ensure timely availability of quality medical supplies and services, leading to improved patient care and operational performance. Conversely, poor procurement practices can result in supply shortages, financial mismanagement, and a decline in service delivery standards.

Kenyatta National Hospital (KNH) was established in 1901, initially housing 40 beds and operating under the Ministry of Health until 1987 when it gained State Corporation status through Legal Notice No. 109 of April 6, 1987. Since then, it has undergone significant expansion, currently accommodated 1,800 beds and serving approximately 700,000 inpatients and 600,000 outpatients annually. It is renowned as a premier public hospital in Kenya and neighboring regions, offering specialized healthcare services of high quality to patients from East and Central Africa.

The hospital provides a wide array of specialized services including major surgeries, burn management, critical care, neonatal services, ophthalmology (including cornea transplants), oncology, palliative care, and renal services (including kidney transplantation). It serves as a teaching institution for the University of Nairobi (College of Health Sciences) and the Kenya Medical Training College (KMTC). Additionally, it collaborates closely with various affiliated institutions such as the Kenya Medical Research Institute (KEMRI), Government Chemist, National Radiation Protection Board, National Public Health Laboratories Services (NPHLS), National AIDS and STIs Control Programme (NASCOP), National AIDS Control Council (NACC), National Blood Transfusion Services (NBTS), and African Medical and Research Foundation (AMREF). It has established partnerships with international organizations to provide clinical services, outreach programs, and research initiatives.

STATEMENT OF THE PROBLEM

The performance of public hospitals in Kenya is often compromised due to ineffective procurement practices, which can lead to poor service delivery and mismanagement of resources. Although extensive research has explored procurement practices, most studies overlook the specific impact on procurement performance which is a crucial in healthcare. The existing literature often emphasizes on the procurement practices without adequately exploring how these practices impact tangible performance metrics in public hospitals. This oversight limits the understanding of the relationship between the independent variables, such as compliance processes and legal awareness and their direct effects on the dependent variable of organizational performance.

Existing studies on procurement practices tends to focus on broader public institutions or private sectors (Koech, 2015), which may not accurately reflect the unique challenges faced by public hospitals in Kenya. These hospitals operate within complex regulatory environments and often contend with limited resources, directly influencing their procurement strategies and ultimately their performance. This gap highlights the need for studies that consider the distinctive characteristics of public hospitals and addressing its crucial role for refining procurement strategies in public hospitals to enhance their overall performance, leading to better healthcare outcomes and more efficient use of public resources.

LITERATURE REVIEW

The study was anchored on the systems theory which proposes that business functions do not operate in isolation but rather, they are affected by interactions with their environment (Hespanha, 2018). The theory perceives functions as systems that have interdependent components, which operate collectively towards a common goal. The processes in a particular function are perceived as the components of the functions. These components are required to work together to ensure that the general outcomes of the functions are desirable. Devaney (2018) explains that systems could either be open or closed. On the one hand, open systems are affected by the operations of their surrounding environments. On the other hand, closed systems are “immune” to the proceedings of the external environment. In most cases, business functions are open systems because their outcomes have a significant impact of the performance of each other (Hespanha, 2018). For instance, financial operations affect the procurement and human resource functions as a business. As such, the functions of a business can be perceived as the interrelated components that are required to work together in ensuring that the business, which is the system, progresses seamlessly (Devaney, 2018).

The procurement process is interconnected with various hospital functions, including inventory management, patient care, and financial sustainability. A systems approach allows for a holistic analysis of how procurement practices affect overall hospital performance, encouraging the identification of inefficiencies and areas for improvement. While Systems Theory provides a comprehensive framework, it can be overly complex, making it difficult to implement in practice. Identifying all interdependencies within a hospital's procurement system may be challenging, especially in a large organization like Kenyatta National Hospital (KNH).

EMPIRICAL LITERATURE REVIEW

Public hospitals employ various procurement methods to efficiently acquire goods and services while ensuring transparency and accountability. The procurement methods adopted by public hospitals in Kenya have a direct and substantial impact on their performance. The effectiveness, efficiency, transparency, and overall success of procurement activities are largely determined by the choice of procurement methods. Competitive bidding is a widely utilized approach, where suppliers submit proposals in response to formal solicitations, allowing for fair competition. This method promotes cost-effectiveness and ensures that public funds are allocated judiciously. Open tendering is a competitive bidding process open to all qualified suppliers. It is the most transparent procurement method, ensuring that all interested parties have the opportunity to submit bids. Open tendering enhances transparency and accountability, leading to fair competition and potentially better pricing and quality. However, it can be time-consuming and costly due to the extensive processes involved (Chemoiywo, 2014).

Additionally, some institutions may opt for negotiated procurement, especially when dealing with complex projects or unique requirements, enabling a more collaborative and flexible approach in selecting suppliers. Framework agreements are another common practice, streamlining the procurement process by establishing pre-approved terms and conditions with suppliers, expediting the acquisition of goods and services as the need arises. Public hospitals often strive to strike a balance between promoting fair competition and achieving efficiency in procurement, aligning their methods with regulatory frameworks to uphold integrity and value for taxpayers' money (Odhiambo, 2014). Restricted tendering, only prequalified suppliers are invited to submit bids. This method is used for specialized procurements where the number of capable suppliers is limited. Restricted tendering can expedite the procurement process by involving only capable suppliers, improving efficiency and reducing the risk of procurement failures. However, it may limit competition and transparency compared to open tendering (Rotich & Okello, 2015).

Direct procurement, or single-source procurement, is used in cases of urgency, proprietary goods, or when only one supplier is available. Direct procurement can be highly efficient in emergencies or when specific expertise is required. However, it poses significant risks of corruption, favoritism, and lack of transparency (Odhiambo & Kamau, 2003). Framework agreements involve long-term arrangements with suppliers to provide goods or services over a specified period. These agreements can streamline procurement processes for recurring needs, leading to cost savings and consistent supply. They require careful management to ensure that suppliers adhere to agreed terms of engagements (Chemoiywo, 2014). Different procurement methods have varying impacts on cost efficiency. Open tendering can result in competitive pricing, while direct procurement may lead to higher costs due to lack of competition. Request for Quotations (RFQs) and framework agreements can help achieve cost savings for routine purchases (Kiage, 2013).

Open tendering is the most transparent method, promoting accountability and reducing opportunities for corruption. In contrast, direct procurement and restricted tendering may pose transparency challenges if not properly managed (Ngugi & Mugo, 2020). Methods like request for proposals and restricted tendering allow for thorough evaluation of suppliers' capabilities, ensuring high-quality goods and services. Open tendering may sometimes prioritize cost over quality, potentially affecting performance negatively (Eyaa & Oluka, 2011). Direct procurement and framework agreements are beneficial for urgent or recurring needs, ensuring timely delivery and responsiveness to changing requirements. Open tendering, although transparent, can be time-consuming and may delay procurement processes (Obanda, 2010).

Ensuring compliance with the legal framework governing public procurement can be challenging. Non-compliance can lead to legal issues and affect procurement performance (Ngugi & Mugo, 2020). Effective implementation of various procurement methods requires skilled personnel with expertise in procurement planning, evaluation, and contract management. Many public hospitals face a lack of capacity and training, impacting their performance (Amemba et al., 2013). Despite robust legal frameworks, corruption and procurement malpractices remain significant challenges. Methods like direct procurement are particularly susceptible to abuse, affecting procurement efficiency and integrity (Odhiambo & Kamau, 2003). The effectiveness of procurement methods is influenced by market conditions, such as the availability of suppliers and the level of competition. Limited supplier markets can constrain procurement options and affect performance (Rotich & Okello, 2015).

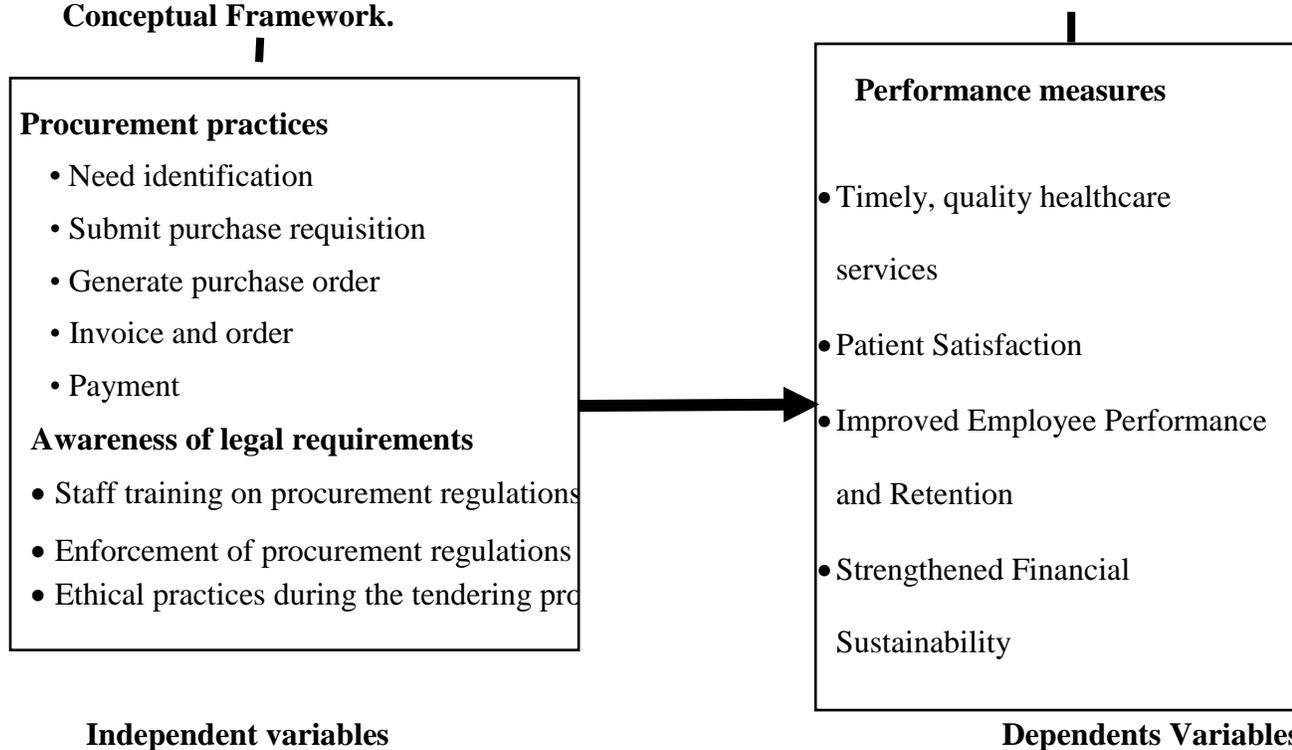
Legal awareness is another aspect of public procurement that is necessary for good performance and it entails a comprehensive understanding of the relevant procurement laws, regulations, and guidelines essential for ensuring compliance in procurement processes. In public hospitals, procurement activities are often governed by a range of national and institutional laws, such as the Public Procurement and Asset Disposal Act (PPADA) in Kenya. The PPADA establishes a regulatory framework that sets out standardized procedures for the acquisition of goods, services, and works to ensure transparency, accountability, and value for money (Chemoiywo, 2014). Failure to comply with these legal requirements can lead to significant risks, including mismanagement of resources, inefficiencies, and potential corruption (Amemba, et al., 2013).

For procurement officials, legal awareness involves not only a familiarity with the statutory provisions but also the ability to interpret and apply these laws in diverse procurement scenarios (Kiage, 2015). This expertise is crucial for selecting appropriate procurement methods, preparing accurate and compliant documentation, and ensuring that all procurement activities are conducted ethically and in line with legal mandates (Mutegi, et al., 2017). Procurement officials who are well-versed in these legal requirements can effectively navigate the complexities of procurement regulations, thereby minimizing risks such as conflicts of interest, bid-rigging, and fraud—common challenges in public procurement (Odhiambo, 2014).

Additionally, a strong understanding of anti-corruption laws and ethical standards is fundamental in promoting transparency and accountability within the procurement process (Eyaa et al., 2018). Legal awareness among procurement staff ensures that procurement activities are conducted openly, reducing the likelihood of unethical practices that can undermine the integrity of the procurement function (Njoroge 2016). By adhering to these legal standards, procurement officers help establish a culture of compliance, which not only safeguards the organization's reputation but also enhances procurement performance and service delivery in public hospitals (Rotich 2015).

According to De Boer and Telgen (2018), one of the factors contributing to non-compliance with procurement regulations in the public sector is the level of understanding of procurement legislation, many procurement officials lack sufficient training and capacity building on the legal requirements governing public procurement and this leads to non-compliance and suboptimal procurement practices (Ngugi & Mugo, 2020). The legal requirements governing procurement can be complex and cumbersome, making it difficult for procurement officials to fully understand and implement them. Simplifying these frameworks and providing clear guidelines can help improve compliance (Rotich & Okello, 2015). Awareness of legal requirements is a fundamental aspect that significantly influences the procurement performance of public hospitals in Kenya, since it will ensure compliance, promotes transparency and accountability, improves efficiency, and enhances the quality of procurement outcomes. However, challenges such as inadequate training, complexity of legal frameworks, and resistance to change need to be addressed to fully realize the benefits of legal awareness.

Conceptual Framework.



RESEARCH METHODOLOGY

The study adopted descriptive research design and the targeted population was 30 employees of Kenyatta National Hospital which comprised of the staff members employed in the procurement department. A structured questionnaire constructed on a Likert scale was employed to collect data. A pilot study was also undertaken to assess the face validity and reliability of the questionnaire. Content validity was established through an extensive review of relevant literature, consultation with supervisors who possessed expertise in procurement, and by incorporating suggestions provided by a panel of experts during the proposal presentation. Validity pertains to whether a questionnaire accurately measures what it is intended to assess (Bryman, 2017). Descriptive and

inferential statistics were used for data analysis. Descriptive tools used included measures of central tendency, percentages, frequency distributions, as well as dispersion measures.

FINDINGS AND DISCUSSION

The study sought to explore procurement practices at Kenyatta National Hospital and results are as shown in Table 1 below; which shows the findings responses from the respondents regarding procurement processes such as effects of: staff training on procurement regulations, ethical practices during the tendering process, timely submission of purchase requisitions, need identification in maintaining procurement compliance and proper documentation and record-keeping in support of the procurement compliance at Kenyatta National Hospital (KNH).

Table 1: Procurement Practices

Statement	Strongly N (%)	Disagree N (%)	Neutral N (%)	Agree N (%)	Strongly agree N (%)	Mean	Std. deviatio n
Staff training on procurement regulations influences compliance.	3(10.71)	2(7.41)	4(14.29)	7(25.00)	12(42.86)	3.82	1.362
Ethical practices during the tendering process affect compliance.	3 (10.71)	2(7.14)	5(17.5)	8(28.57)	10(35.71)	2.32	1.362
Timely submission of purchase requisitions enhances compliance.	2(7.14)	1(3.57)	6(21.43)	8(28.57)	11(39.29)	3.89	1.197
Need identification is crucial in maintaining procurement compliance.	1(3.57)	2(7.4)	5(17.86)	7(25.00)	15(53.57)	1.93	1.120
Proper documentation and record-keeping support procurement compliance.	3(10.71)	2(7.41)	4(14.29)	7(25.00)	12(42.86)	3.82	1.362

Table 1 above shows that the item, staff training on procurement regulations influenced compliance at KNH, had a mean of 3.82, and a standard deviation of 1.362, variability in responses suggested a moderate spread of opinions, indicating that while many agreed, some may have differing views. A significant portion of respondents, 67.86%, agreed or strongly agreed that staff training on procurement regulations influenced compliance, reflecting a positive perception of the

hospital's commitment to continuous improvement. Effects of ethical practices during the tendering process on compliance at Kenyatta National Hospital was rated at a mean of 2.32 and a standard deviation of 1.362. On average, respondents tend to disagree about the effects of ethical practices during the tendering process on compliance. At Kenyatta National Hospital, 64.28% of respondents agreed or strongly agreed that ethical practices during the tendering process affected compliance. This indicated a participative approach to decision-making, which was likely to foster a collaborative working environment. In relation to the effective timely submission of purchase requisitions on compliance, the study established that in Kenyatta National Hospital there was a general agreement that the facility embraced timely submission of purchase requisitions which was represented by the mean of 3.89 and a standard deviation of 1.197.

The study established that need identification was not crucial in maintaining procurement compliance at the Kenyatta National Hospital. This is represented by a mean of 1.93 and a standard deviation of 1.120 which implied that, respondents disagreed with the statement regarding need identification when it came to maintaining procurement compliance. The lowest standard deviation among the variables indicated that, there was a more uniformity in responses. In the area of how proper documentation and record-keeping supported procurement compliance at Kenyatta National Hospital, the respondents generally agreed that proper documentation and record-keeping supported procurement compliance with a mean of 3.82, and a standard deviation of 1.362, the variability in responses suggested a spread of opinions, indicating that while some agreed, others had differing views. A significant portion of respondents, 67.86%, agreed that proper documentation and record-keeping supported procurement compliance, reflecting a positive perception of the hospital's commitment to continuous improvement.

Another section of the questionnaire sought to establish awareness of legal requirements and the results are shown on Table 2 below. The study sought to examine the level of awareness of legal requirements at Kenyatta National Hospital (KNH). The areas of focus were: Public Procurement and Asset Disposal Act, 2015, enforcement of procurement regulations, ethical guidelines during tendering and contracting, compliance with supplier eligibility criteria, procedures for handling supplier complaints.

Table 2: Awareness of Legal Requirements

Statements	Strongly disagree N (%)	Disagree N (%)	Neutral N (%)	Agree N (%)	Strongly agree N (%)	Mean	Std. Deviation
Public Procurement and Asset Disposal Act, 2015	4(14.29)	2(7.14)	3(10.71)	8(28.57)	11 (39.29)	3.71	1.436
Enforcement of procurement regulations	5(17.86)	2(7.14)	7(25.00)	6 (21.43)	8 (28.57)	3.96	1.170
Ethical guidelines during tendering and contracting	1(3.57)	3 (10.71)	4 (14.29)	8(28.57)	12 (42.86)	3.36	1.446
Compliance with supplier eligibility criteria	3 (10.71)	1 (3.57)	2(7.14)	8(28.57)	14 (50.00)	4.04	1.319
Procedures for handling supplier complaints	3(10.71)	6(21.43)	9(32.14)	8(28.57)	4.07	1.152	2(7.14)

On Public Procurement and Asset Disposal Act, 2015A mean score of 3.71 and a standard deviation of 1.436 were recorded indicating a moderate awareness of the Act among the staff and with a variation in responses. This suggested that while some staff were familiar with the Act, there was a lack of uniform understanding across the organization, which may have led to inconsistent application of the law.

On enforcement of Procurement Regulations had a mean of 3.96 and a standard deviation of 1.170, implying that there was a variation in agreement that procurement regulations were enforced. This pointed to a sporadic enforcement, which might have undermined trust in the procurement system and possibly created opportunities for non-compliance. The systems theory (Hespanha, 2018), explains that proper enforcement is vital to ensure that all components of the procurement process function cohesively. Effective enforcement ensures accountability and consistency in procurement, enhancing organizational efficiency (Kinyanjui, 2016).

Ethical Guidelines during Tendering and Contracting item had a mean score of 3.36 and a standard deviation (1.446). This suggested that while ethical guidelines were known, adherence varied. Stakeholder Theory (Freeman, 1984) explains that, ethical compliance is crucial to maintain legitimacy and positive relationships with suppliers and the public. Adherence to ethical standards in procurement is necessary for building trust and ensuring fair competition (Hong, 2017).

The statement; compliance with supplier eligibility criteria had the highest mean score of 4.04 and a relatively lower standard deviation (1.319) which indicate strong awareness and consistent compliance with supplier eligibility criteria. This suggested that Kenyatta National Hospital had a robust procedure in place to ensure that only qualified suppliers were engaged, which contributed to quality procurement outcomes. The findings were consistent with proposition of Resource-Based Theory (Lewis et al., 2010), that organizations can achieve competitive advantage by optimizing their internal resources. In this context, Kenyatta National Hospital strategic selection of qualified suppliers allows it to effectively utilize its procurement resources, ensuring that high-quality materials and services are procured. This, in return, supports enhanced service delivery and operational efficiency, aligning with the theory's emphasis on leveraging valuable resources to achieve superior performance outcomes.

On the item; procedures for handling supplier complaints had a mean score of 3.36 and a standard deviation of 1.446. This suggested a moderate level of awareness and substantial variability in how these procedures were perceived. This was supported by the Stakeholder Theory (Freeman, 1984), that states, consistent complaint handling is vital to maintaining good supplier relationships and meeting stakeholder expectations for fairness and transparency. An effective supplier complaint mechanism is associated with improved supplier satisfaction and fewer disputes (Njagi & Karanja, 2015). The findings shows that while there was general awareness of procurement laws and procedures, gaps in knowledge and inconsistent enforcement of regulations might have undermined compliance and lead to inefficiencies. After establishing the general trends in procurement practices and awareness of legal requirements, regression analysis was used to determine procurement practices and, awareness of legal requirements, predicted procurement performance.

Table 3: Procurement Practices on Procurement Performance

Legal requirement and Compliance				
Compliance with the procurement processes.	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.951 ^a	.904	.892	.471
a. Predictors: (Constant), influence of procurement methods, Awareness of Legal Requirements, compliance to procurement practices				

The Table 3 above presents the results of a multiple regression analysis aimed at evaluating the impact of procurement methods, awareness of legal requirements and procurement performance in public hospitals. The R value of 0.951 represented a correlation between the variables which implied that there was a linear relationship and analysis by use of linear regression analysis could proceed). This high correlation (R = 0.951) suggested that there was a positive correlation between procurement practices and procurement performance.

The Adjusted R Square of 0.892 provided a more accurate measure of the proportion of variance explained by the model by adjusting for the number of predictors. It shows that after accounting for the number of predictors, the model explained 89.2% of the variance in performance measures.

Table 4: ANOVA Results

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	49.929	3	16.643	75.068	.000 ^b
	Residual	5.321	24	.222		
	Total	55.250	27			

a. Dependent Variable: Performance Measures

b. Predictors: (Constant), influence of procurement methods, Awareness of Legal Requirements, compliance to procurement practices

The ANOVA table 5 above presents the F-statistic of 75.068 and the p-value of < .001 indicated that the regression model was fit in predicting the relationship under investigation and therefore further analysis was conducted. Coefficients of the independent variables was assessed to determine the extent to which they influenced the dependent variable.

Table 5: Regression Coefficients on performance measure

Coefficients		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.449	.213		2.107	.046
	Influence of procurement methods	.174	.481	.175	.362	.721
	Awareness of Legal Requirements	.447	.347	.433	1.288	.210

a. Dependent Variable: Performance Measures

The table 6 above shows constant value (B = 0.449). And p-value of (0.046) indicating that the constant had a meaningful contribution to the model. The unstandardized coefficient (B = 0.343) indicated that for every unit increase in compliance with procurement practices, the performance measures was expected to increase by 0.343 units. Influence of procurement methods had a beta coefficient of, 174 and a P Value of .721. Legal awareness had a Beta coefficient of. 447 and P value of .210. The P values of both the variables were greater than 0.05 level of significance. Therefore, procurement methods and awareness of legal requirements did not influence procurement performance at KNH. There were other factors not included in the study that had significant effect on procurement performance compared to the variables considered in this study.

The not statistically significant, indicating that the effect of compliance on performance was not significant in this model. Although compliance to procurement practices had a positive relationship with performance, its impact was not statistically significant, suggesting that compliance alone could not be a strong determinant of performance without the support of other factors.

CONCLUSION AND RECOMMENDATIONS

From the descriptive analysis, staff training on procurement regulations was crucial for ensuring compliance. A significant proportion of respondents acknowledged the positive impact of training on compliance, highlighting the necessity for the ongoing training initiatives to address gaps and improve understanding of procurement processes. Timeliness of purchase requisitions is positively correlated with compliance, indicated that efficient processes were in place. However, the need for improvement in the identification of procurement needs was noted, which highlighted a gap in the initial stages of the procurement process. The moderate awareness of legal requirements on the procurement regulations among staff, coupled with significant variability in knowledge, suggested that not all employees were equally informed. This inconsistency might lead to uneven compliance. The insignificant relationship between procurement methods, legal awareness, compliance, and performance measures indicated that there were other factors that affected procurement performance and therefore it is important that the hospital investigates these factors for the purposes of either enhancing them or mitigating there influence on procurement performance.

LIMITATIONS OF THE STUDIES

The primary limitation of the study was accessibility of information due to hindrances by the target population. This limitation was managed through the assurance that the information collected was used for academic purposes only. The organizational confidential policy restricted most of the respondents from providing information that is relevant to the study. The introduction letter, obtained from the university addressed to the organization's management was instrumental in delimiting the research study by ensuring access, cooperation, trust, ethical compliance, and clarity, thereby mitigating many logistical and ethical limitations that could hinder the research process.

REFERENCES

- Amemba, C. S., Nyaboke, P. G., Osoro, A., & Mburu, N. (2013). Challenges Affecting Public Procurement Performance Process in Kenya. *International Journal of Research in Management*, 3(4), 41-55.
- Arrowsmith, N. (2016). *Managing projects: a team-based approach*, International Edition, Singapore, McGraw- Hill.
- Afriyie, B. B. (2015). *Factors influencing the selection of procurement methods for construction works in Ghana* (Doctoral dissertation).
- Ahmadi, A., Pishvaei, M. S., & Torabi, S. A. (2018). *Procurement Management in Healthcare Systems. In Operations Research Applications in Health Care Management* (pp. 569-598). Springer, Cham.
- Akuffo, M. K. (2014). *Assessing the level of compliance with the public procurement Act 2003,(Act 663) in selected public entities in Upper Denkyira East Municipality, Central Region*(Doctoral dissertation).
- Amayi, F. K., & Ngugi, G. K. (2013). Determinants of public procurement performance in Kenya: Case Ministry of Environment, Water and Natural Resources. *International Journal of Social Sciences and Entrepreneurship*, 1(5), 647-667.
- Amemba, C. S., Nyaboke, P. G., Osoro, A., & Mburu, N. (2013). Challenges affecting public procurement performance process in Kenya. *International Journal of Research in Management*, 3(4), 41-55.
- Amo Asante, F. (2016). *Evaluation of procurement processes and its operational performance in the public sector of Ghana: A case study of Kumasi South Hospital* (Doctoral dissertation).
- Arrowsmith, S., & Quinot, G. (Eds.). (2013). *Public procurement regulation in Africa*. Cambridge University Press.
- Baily, P. (2011). *Purchasing principles and management. (8th edition)*, London city: Pearsons education limited
- Baily, P., Farmer, D., Crocker, B., Jessop, D., & Jones, D. (2008). *Procurement principles and management*. Pearson Education.

- Basheka, B. C. & Bisangabasaija, E. (2010). Determinants of unethical public procurement in local government systems of Uganda: A case study. *International Journal of Procurement Management*, 3(1), 91–104.
- Beckford, J. (2016). *Quality: A critical introduction*. Routledge.
- Bhatt, P. (2014). Government procurement as a policy tool in South Africa, *Journal of Public Procurement* 6(3), 193.
- Bochenek, J. (2014). The contractor selection criteria in open and restricted procedures in public sector in selected EU countries. *Procedia Engineering*, 85(0), 69-74.
- Cogburn, L. R. (2017). An empirically based operational definition of strategic purchasing. *European Journal of Purchasing and Supply Management*, 3(4), 199 – 207.
- Cha, K. J., Lee, Z. K. & Cha, J.S., (2014). ‘Strategies for successful supplier relationship management (SRM) in the SI industry’, *Journal of Society for e-Business Studies* 17(3), 105–116.
- Chandra, P. (2006). *Projects: planning, analysis, review; (667th ed.)* Chemoiywo, P. K. (2014). Public Procurement Procedures and Supply Chain Performance in State Corporations in Kenya. *European Journal of Logistics, Purchasing and Supply Chain Management*, 2(3), 79-137.