



**PROCUREMENT PLANNING PRACTICES AND PROCUREMENT PERFORMANCE OF AGA KHAN HOSPITAL,
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¹Aswani, T. I., ²Kadima, M. J., & ³Juma, D.

¹Master Student, Jomo Kenyatta University of Agriculture and Technology [JKUAT], Kenya

² Lecturer, Jomo Kenyatta University of Agriculture and Technology [JKUAT], Kenya

³ Doctor, Lecturer, Jomo Kenyatta University of Agriculture and Technology [JKUAT], Kenya

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ABSTRACT

Growth and self sustainability of an organization depends on how the organization lays down her strategies on the functions that make the organization achieve her goals. Procurement as a function in an organization plays a major role; hence, binds together the organization and external environment in terms demanding and supplying relationship. Most of the organization normally experience poor procurement performance because of poor execution of procurement practices. The main purpose of this research study was to examine the Influence of Procurement Planning on Procurement Performance in Aga Khan Hospital, County Government of Kisumu; Kenya. Descriptive Survey research design was adopted for the study. The target population consisted of employees of Aga Khan Hospital in the County Government of Kisumu; Kenya. Descriptive and Inferential statistics was focused on and the computation was done by use of SPSS version 24 to test the primary data that was collected to satisfy the objectives of study. Structural regression equation model was developed to test the relationships between the variables. ANOVA was performed to analyze the effects of various relationships at the variables level as well at item level. The results after the analysis was; Procurement Planning had an influence on Procurement Performance of the Aga Khan Hospital, County Government of Kisumu; Kenya. The study recommended for the organization to embrace Procurement Planning since it improves the procurement performance. However, the study recommended for further studies on different organizations using different methods but on similar variables.

Key words: Procurement Planning, Procurement Performance

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INTRODUCTION

Procurement is more listed as fundamental for service delivery in less developed economies than developed economies; more so, in any organization expenditure takes a significant figure of the total income available (Basheka & Bisangabasaija, 2010). Procurement is referred to as acquisition of goods, services, capabilities and knowledge required by businesses, from the right source, the right quality, in the right quantity, at the right price and at the right time to maintain and manage a company's primary and support activities (Hui, 2011). According to Gelderman *et.al*, (2016), procurement is a process of identifying and obtaining goods and services. It includes sourcing, purchasing and covers all activities from pertinent suppliers contractually. At the beginning, the items needed to procure are defined, and then the process for acquiring those items is expounded in detail.

Procurement Performance has been defined by several authors differently, according to Gelderman *et.al*, (2016), the scholars look at it from three perspectives; delivery times, consumer satisfaction and cost reduction; hence Procurement performance, encompasses all the parties that are involved either directly or indirectly, in fulfilling a customer request. Procurement Performance includes manufacturers, suppliers, transporters, warehouses, retailers and even customers themselves. Walter *et al*, (2015) contemplates within each organization, procurement process includes all functions including receiving and filling a customer request. These functions includes new product development, marketing, operation, distribution, finance, customer service and other function that related to serving customer request.

In the study by Hui, (2011) on procurement performance, several nations, both the developed and under-developed have accordingly put in place procurement changes involving laws and regulations in order to improve on procurement performance; hence, regulatory compliance persistence as the major hindrance to it remains inadequate. De Boer and Telgen (2008) contended

that non-compliance predicament afflicts countries in the European Union as it does to third world countries. Gelderman *et al.*, (2016) further supports the argument by confirming that acquiescence in government procurement is a key problem. According to Hui (2011), procurement officials were accused of remissness and non-compliance with procurement policies and systems in Malaysia while investigating procurement problems that caused poor procurement performance. Basheka (2009) asserts, regardless of the effort by the governments of developing countries, like Kenya and development partners like the World Bank to improve performance of the procurement function, public procurement is still marred by shoddy works, poor quality goods and services.

Globally, most companies embrace procurement functions as very important for the success and development in assets and wealth maximization to the owners. In the study by Sollish and Semanik (2012) on procurement management, Procurement is considered to be acquisition of goods, services, capabilities and knowledge required by businesses, from the right source, the right quality, in the right quantity, at the right price and at the right time to maintain and manage a company's primary and support activities. Most scholars among them Gelderman *et.al*, (2016) regarded procurement as a spine of business functions; hence, procurement is a process of identifying and obtaining goods and services. Sollish and Semanik (2012) asserted procurement includes sourcing, purchasing and covers all activities from Procurement practices as a set of activities undertaken by an organization to promote effective management of its procurement functions. As concerns private firms, Walter *et al.*, (2015) stipulates procurement being the foundation for private firm's success. Its proper practices lead to competitive purchase and getting quality materials.

According to Kenya's Public Procurement and Disposal act (2015), a manager should put in place specific ways of managing the organization's suppliers to ensure that a win-win relationship

exists between them; hence, one of those ways is by establishing a unit in the organization that deals with all issues pertaining to supplies collectively referred to as procurement function. Given the important role that procurement function plays for all organizations, it is important that strategic management approaches are applied in its operations. The Kenya Public Procurement & Asset Disposal act (2015) asserts Procurement can be generally defined as the process of acquiring goods/services either through buying, leasing, renting, hire purchase or through any other legally acceptable means of acquisition which is allowed by the procuring entity's policy and the existing laws.

A study by Abere and Muturi (2015) on procurement performance of the county government of Nyamira revealed that a majority of the staff have not attended any procurement training, conference or workshop and experienced severe difficulties in implementing the provisions of the required procurement and Disposal Regulations, more so, same study also revealed further that for the few staff who had received training on procurement functions, were able to administer procurement proceedings without material difficulties. Waigwa and Njeru (2016) embraced for total study on procurement management practices; hence, the study revealed that adoption of technical skills & knowledge influenced procurement management practices to a greater extent, meaning that the employees working on the procurement functions must possess the required skills and hence use of procurement management practices enables and promotes transparency, accountability and reliability hence enhancing improved procurement management. Training was also found to be an important factor but it was not available for all, meaning that those who could not access training were likely to face challenges in procurement management practices.

Statement of the Problem

Most institutions globally encounter losses by use of poor procurement management practices; hence

provides negative performance indicators to such organizations through un-warranted procurement protocols. According to Masindano, Makokha and Namusonge (2018), unfinished projects, poor service or product delivery, corruptions and extended contract periods results from not following the professional procurement channels. Mamiro (2010) also concludes that major setbacks in procurement performance is poor procurement planning and management of the procurement processes which include needs that are not well identified and estimated, unrealistic budgets and inadequacy of skills of procurement staff responsible for procurement.

Procurement performance management is the process that ensures institutions fully meet their respective wants as efficiently and effectively as possible, in order to deliver the business and operational objectives required from them and in particular to provide value for money operational activities. As a result, developing and managing procurement planning in a professionally standard perspective, institutions would benefit from skilled practices that would at the end provide positive indicators of procurement performance as required by such entities (Migai, 2010). However, Proper Procurement Planning is not an end in itself unless consideration is placed on all factors affecting procurement performance (Yegon, 2018).

In the study by Basheka and Bisangabasaiija (2010), in developing countries, procurement planning is increasingly recognized as essential in service delivery; hence it accounts for a high proportion of total expenditure. Due to the colossal amount of money involved in procurement, there is need for accountability and transparency engraved within the public and private sector procurement protocols. Hui *et al.*, (2011) contemplates most institutions have lacked professional procurement protocol practices and have instituted procurement reforms involving laws and regulations that consequently worsens such procurement practices; hence compliance being affected. The major obstacle however, has been inadequate regulatory

compliance. Gelderman *et al.*, (2006) confirm that non-compliance problem affects not only the third world countries but also countries in the European Union.

According to Kenyanya *et al.*, (2011), Kenya has undergone significant development in the past three decades on procurement planning as a function; however most of the studies have been carried out on public sector organizations. Masanja (2018) stipulates the development of Public Procurement and Asset Disposal act (2015) in Kenya reflected positive procurement indicators in most institutions for both service and manufacturing industries, though most of the studies have been in public sector, however the scholar persist for less having been done on private sector procurement performance though private sector contributes a lot to the economies. For the purpose of the study, the argument raised by some scholars, among them Gelderman *et al.*, (2006) and Kenyanya *et al.*, (2011) on compliance with the procurement planning, more so, the argument by Masanja (2018) gave and necessitated arising research gap for study on finding out how relevant the procurement planning could be on the procurement performance of Aga Khan Hospital, County Government of Kisumu; Kenya, considering the institution was a private sector and in a service industry as well.

Research Objective

The objective of the study was to examine the effect of Procurement Planning Practices on Procurement Performance of Aga Khan Hospital in County Government of Kisumu; Kenya. The study was guided by the following hypothesis;

- **H₀:** Procurement Planning practices has no significant effect on Procurement Performance of Aga Khan Hospital, County Government of Kisumu; Kenya

LITERATURE REVIEW

Transaction Cost Theory (TCT)

Transaction Cost Theory was first developed by Ronald Coase in 1937. TCT states that a firm's

ownership decision is based on minimizing the sum of its transaction and production costs. Transaction costs occur in the exchange between client and vendor. Williamson (1994) also asserts that transaction costs are comprised of the costs of seeking the suppliers, inspection of goods and establishing and formalizing the terms of agreement, including the means to both guarantee compliance with the terms and protect against the potential expropriation of the investments made, to ensure that contract conditions are fulfilled. These aspects form the pillar to successful outsourcing from third party providers given the delivery by each party to the relationship. According to Espino-Rodriguez and Gil-Padilla (2006) the greater the transaction costs, that is, the costs of information, negotiation and supervision of compliance entail, the less the tendency to outsource the activity.

Queuing Theory

According to Sundarapandian (2009), queuing theory is a mathematical study of waiting lines or queues. The theory enables mathematical analysis of several related processes, including arriving at the back of the queue, waiting in queue (a storage process) and being served in front of the queue.

The theory permits the derivation and calculation of several performance measures including the average waiting time in the queue or the system, the expected number waiting or receiving service, and the probability of encountering the system in certain states such as empty, full having an available server or having to wait a certain time to be served (Boucher & Couture-Piché, 2015). Queuing model can be utilized to model the material handling system variations and genetic algorithm can be implemented to solve the integrated optimization problem. It is also demonstrated that the proposed optimization approach can significantly improve a production system with respect to total travelling time, total work-in-progress in the system, utilization and quantity of material handling equipment and required area (Sundarapandian, 2009). In this study, the queuing theory is used to explain the association between warehouse

management and organizational performance. The use of the queuing theory helps organization to optimize facilities layout design and material handling systems while minimizing storage cost (Sundarapandian, 2009). Warehouse management in an organization helps to reduce the number of staff required, storage area as well as time taken to store or retrieve various materials for use.

Just In Time (JIT) Model

JIT is a Japanese management philosophy which has been applied in practice since the early 1970s in many Japanese manufacturing organizations. It was first developed and perfected within the Toyota manufacturing plants by Taiichi Ohno as a means of meeting consumer demands with minimum delays. Taiichi Ohno is frequently referred to as the father of JIT. Toyota was able to meet the increasing challenges for survival through an approach that focused on people, plants and systems. Toyota realized that JIT would only be successful if every individual within the organization was involved and

committed to it, if the plant and processes were arranged for maximum output and efficiency, and if quality and production programs were scheduled to meet demands exactly (Yin, 2014). JIT manufacturing has the capacity when properly adapted to the organization, to strengthen the organization’s competitiveness in the marketplace substantially by reducing wastes and improving product quality and efficiency of production. When first developed in Japan in the 1970s, the idea of just in-time (JIT) marked a radical new approach to the manufacturing process. It cut waste by supplying parts only as and when the process required them. The old system became known (by contrast) as just in- case; inventory was held for every possible eventuality, just in case it came about. This is an inventory management systems method whose goal is to maintain just enough material in just the right place at just the right time to make first the right amount of the product (Lewin, 2012).

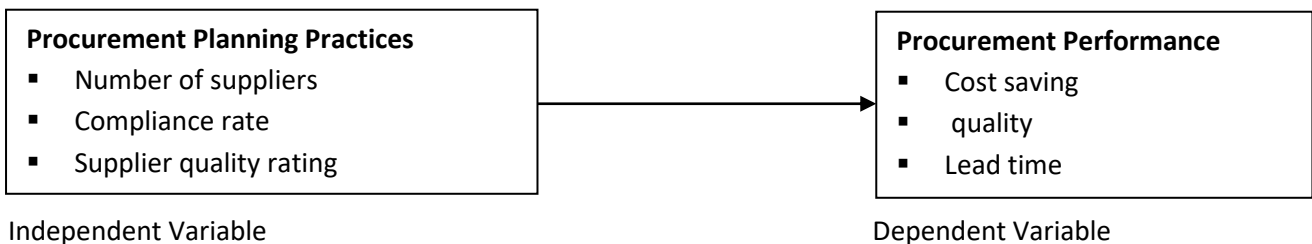


Figure 1: Conceptual Framework

Review of the Variable

Planning is a process that consists of many steps and the bottom line is that planning is not concerned with future decisions but rather with the future impact of decisions made today (Thai,2004).Procurement is the process of obtaining goods or services in any way, including borrowing, leasing, and even force or pilferage. It also embraces clearing out unnecessary acquisitions either due to obsolescence or due to depreciation in their usefulness and value to an entity. Procurement planning is the primary function that sets the stage for subsequent procurement activities; it fuels and then ignites the engine of the procurement process. It is the process of

determining the procurement needs of an entity, their funding and timing of their acquisition such that operations are met as required in an efficient manner, Arrowsmith & Hartley (2002). In developing countries, public procurement is increasingly recognized as essential in service delivery (Basheka and Bisangabasaija, 2010), and it accounts for a high proportion of total expenditure. Due to the colossal amount of money involved in government procurement and the fact that such money comes from the public, there is need for accountability and transparency (Hui *et al.*, 2011).

Consequently, various countries both in developed and least developed countries have instituted

procurement reforms involving laws and regulations. The major obstacle however, has been inadequate regulatory compliance. De Boer and Telgen (1998) confirm that non-compliance problem affects not only the third world countries but also countries in the European Union. This position is further supported by Gelderman et al., (2006) who contend that compliance in public procurement is still a major issue. Hui *et al.*, (2011) while analyzing procurement issues in Malaysia established that procurement officers were blamed for malpractice and non-compliance to the procurement policies and procedures. Gelderman *et al.*, (2016) stipulate that compliance occurs when the target performs a requested action, but is apathetic about it, rather than enthusiastic, and puts in only a minimal or average effort. However, as an organizational outcome, compliance has traditionally been understood as conformity or obedience to regulations and legislation (Lisa, 2010). Kenyanya *et al.*, (2011) stipulate many studies have been carried out on procurement planning; hence, major findings of the studies were that public procurement was not operating efficiently and that the state was losing a lot of money through shoddy deals. According to Nyeko (2004) on his studies on Procurement Processes and Performance; the efficiency and effectiveness of the Procurement Function depends on procurement planning processes. Rotich (2011) embraced on Influence of Planning on Procurement Performance in the Kenya Public Financial Sector and noted the evaluation or measurement of procurement performance being a vexing problem for procurement professionals. The scholar asserts, firms concentrate on analyzing their own internal trends, which does not portray the true picture on how they compare well with competitors. Whereas the above studies dwelled on procurement processes, public reforms and the influence of planning, none of them addressed on performance indicators to gauge whether institutions have complied with the established procurement plans in delivering service to the public, more so, nothing

was held for the study on private sector procurement processes.

Poor procurement planning has been one of the major stumbling blocks to the economic development of Africa and it has been clear that a number of African countries have not paid adequate attention to the proper management of public resources (Bianchi & Guidi, 2010). An efficient public procurement system is vital to the advancement of African countries and is a concrete expression of the national commitment to making the best possible use of public resources. Additionally, general public procurement professionals have confronted a constantly changing environment typified by rapidly growing technologies, increasing product choice, environment concerns, and the complexities of international and regional trading agreements (Khi, 2009). A well-functioning procurement system is built on certain benchmarks, which revolves around four pillars legislative and regulatory framework, institutional framework and management capacity, procurement functions, market practices, and integrity of procurement practices (Agaba & Shipman, 2016).

In the study by Oballah, Waiganjo and Wachira (2015) on procurement performance, the scholars contemplated a procurement plan being an instrument for implementation of the budget and should be prepared by the user departments with a view to avoiding or minimizing excess votes in the entities' budgets and to ensure that procurements do not proceed unless there are funds to pay for them; hence, implies that all procurement plans must be well integrated into the budget process based on the indicative budget as appropriate and in compliance with the procurement law. Procurement planning is the process used by companies or institutions to plan purchasing activities for a specific period of time, this is commonly completed during the budgeting process, and the primary concept of procurement planning is that advance planning will result in cost savings, more efficient business operations, and therefore

increased profitability. Aledejebi and Adedeji(2015) asserted Planning is a process that consists of many steps and the bottom line is that planning is not concerned with future decisions but rather with the future impact of decisions made today.

Mamiro (2010), in his findings underscores these facts and concludes that one of the major setbacks in procurement is poor procurement planning and management of the procurement process which include needs that are not well identified and estimated, unrealistic budgets and inadequacy of skills of procurement staff responsible for procurement. Similarly, Kakwezi and Nyeko (2010), argue that procurement performance is not usually measured in most public entities as compared with the human resource and finance functions. They conclude in their findings that failure to establish performance of the procurement function can lead to irregular and biased decisions that have costly consequences to any public procuring entity. Procurement planning is the primary function that sets the stage for subsequent procurement activities; it fuels and then ignites the engine of the procurement process. It is the process of determining the procurement needs of an entity, their funding and timing of their acquisition such that operations are met as required in an efficient manner (Arrowsmith & Hartley, 2002).

METHODOLOGY

This study adopted a descriptive survey research design since data involved was quantitative in nature and more so descriptive study focuses on explaining situations the way it is. Target population encompassed staffs of Aga Khan Hospital that were at the level of making decisions; hence the departments considered; Finance, Human Resources, Procurement, Warehousing and ICT. The study target 53 respondents from the 5 departments under study. A sampling frame is a listing of the accessible population from which the sample is drawn (Cooper and Schindler, (2013). Sampling is the representation of the target population and comprises of all the units that were potential members of a sample. The sampling frame

of this study comprised of employees of Aga Khan Hospital Kisumu; Kenya. The current study used purposive technique to derive its sample population from the Aga-Khan Hospital employees from Kisumu that included; staff from Finance, Human Resource, Procurement, Warehousing and ICT departments. All the mentioned 53 persons were to be respondents. The study used a questionnaire as an instrument to collect data. According to Creswell (2014), questionnaires are crucial in collecting unbiased data from a large sample. Research instruments are testing devices used for measuring a given phenomena designed to obtain data on a topic of interest from research subject (Maina, 2012); hence a structured questionnaire was used as a primary data collection instrument in collecting general information on procurement planning and procurement performance of Aga Khan Hospital. The collected data was thoroughly examined and checked for errors and tabulated accordingly. The study used descriptive statistics to analyze the data to establish patterns, trends and relationships. Data was presented in frequency tables. The effect of procurement Planning on Procurement Performance of Aga Khan Hospital in Kisumu; Kenya was established by using linear regression analysis. The applicable regression model is shown below:

$$Y = \beta_0 + \beta_1 X_1 + \epsilon$$

Where:

Y is a dependent variable that implies Procurement Performance, B_0 is a constant, the independent variable of coefficient, β_1, X_1 – Procurement Planning, ϵ -residual error

FINDINGS AND DISCUSSIONS

This chapter presented details of empirical findings and discussion of results of relationship between Procurement Planning and Procurement Performance of Aga Khan Hospital, County Government of Kisumu; Kenya. Data Analysis in line with the objective was interpreted and implications of the study findings reflected thereof.

The study involved 58 questionnaires being dispatched for data collection, 51 questionnaires were returned completely filled, representing a response rate of 87.9% which was good because of over average and for generalization of the research findings to a wider population.

Descriptive Statistics

Descriptive statistics: Procurement Planning and Procurement Performance

The descriptive results are presented in table 1.

Table 1: Descriptive statistics; Procurement Planning

Statement	5	4	3	2	1	Mean	Std. Dev
Procurement Planning procedures are often reviewed on consideration of changing circumstances	16(20.8)	34(43.2)	8(10.4)	12(15.5)	7(9.1)	3.52	0.923
Procurement planning is considered a priority among the procurement managerial functions	10(13.0)	27(35.1)	17(22.1)	12(15.6)	11(14.2)	3.37	0.926
Procurement Planning function is integrated among other procurement function for synergy on procurement performance	13(16.9)	37(48.1)	8(10.4)	10(13)	9(11.6)	3.49	0.926
Procurement Planning of activities is linked to budgets	9(11.7)	39(50.6)	9(11.7)	8(10.4)	12(15.6)	3.32	0.927
The exists Procurement Planning Capacity building in the Hospital	11(14.3)	33(42.9)	12(15.6)	10(13)	11(14.2)	3.39	0.928
Procurement planning activities and functions are in the strategic plan	13(16.9)	38(49.3)	9(11.7)	9(11.7)	8(10.4)	3.51	0.929
Valid list wise=51							
Grand mean =3.33							

From table 1, most respondents agreed (43.2%) that the Procurement Planning procedures are reviewed well considering the circumstantial conditions, while 15.5% disagreed to the statement, implying that there are respondents who don't even know whether reviewing is normally done. More closely, only 35.1% agreed while 22.1% of respondents were certain that procurement planning is considered majorly as a priority in the strategies of the organization; thus revealing existence of inefficiency of some of Procurement Planning inefficiencies experienced by respondents.

Further, while 48.1% of respondents agreed that procurement plans are integrated in other functional activities of the system, 13.0% of respondents disagreed revealing no integration of functions in the organization. More so 50.6% of respondents agreed that procurement planning are linked to budgetary plans, while 42.9% of

respondents also agreed there exist procurement building capacity within the department of procurement.

Lastly, most respondents agreed (49.3%) and strongly agreed (16.9%) that procurement activities are in the strategic plan, implying that any activity taken has been planned for. Rotich (2011) embraced on Influence of Planning on Procurement Performance in the Kenya Public Financial Sector and noted the evaluation or measurement of procurement performance being a vexing problem for procurement professionals. The scholar asserts, firms concentrate on analyzing their own internal trends, which does not portray the true picture on how they compare well with competitors. Whereas the above studies dwelled on procurement processes, public reforms and the influence of planning, none of them addressed on performance indicators to gauge whether institutions have

complied with the established procurement plans in delivering service to the public, more so, nothing

was held for the study on private sector procurement processes.

Inferential Statistics

Table 2: Correlations

		Procurement Planning	Procurement Performance
Procurement planning	Pearson Correlation	1	
	Sig. (2-tailed)		
	N	51	
Procurement Performance	Pearson Correlation	.825**	1
	Sig. (2-tailed)	.000	
	N	51	51

Multico-linearity tests whether two or more conceptualized independent variables are highly correlated with each other. This leads to problems with understanding which independent variable contributes to the variance explained in the dependent variable, as well as statistical problems in calculating a multiple regression model. This assumption was tested using correlation analysis. Most researchers insist that if correlation coefficient, (r) is close to 1 or -1, then there is multi-collinearity but if correlation coefficient (r) is not

above 0.9, then there is no multi-collinearity In this study (table 2 on correlation analysis), the correlation coefficient on Procurement Planning, is 0.825, which is below the threshold of 0.9, thus multi-collinearity assumption was checked and met.

Linear influence of Procurement Planning on Procurement Performance

This tested the direct influence of Procurement Planning on Procurement performance of Aga Khan Hospital, County Government of Kisumu; Kenya. The results were shown table 3.

Table 3: Direct influence of Procurement Planning on Procurement Performance

Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	F Change	df1	df2	Sig. F Change
1	.825 ^a	.680	.676	.69397	.680	159.562	1	51	.000
ANOVA ^b									
Model		Sum of Squares	Df	Mean Square	F				Sig.
1	Regression	76.844	1	76.844	159.562				.000 ^a
	Residual	36.120	51	.482					
	Total	112.964	51						
Coefficients ^a									
Model		Unstandardized Coefficients		Standardized Coefficients					Sig.
		B	Std. Error	Beta		T			
1	(Constant)	.682	.232			2.945			.004
	Procurement Planning	.919	.073	.825		12.632			.000

a. Dependent Variable: Procurement Performance

From table 3, the model summary showed that $R^2 = 0.680$; implying that 68.0% variations in the procurement performance of Aga Khan Hospital, County Government of Kisumu; Kenya was explained by Procurement Planning while other factors not in the study model accounts for 32.0% of variation in Procurement Performance of Aga Khan Hospital, County Government of Kisumu; Kenya. Further, coefficient analysis showed that Procurement Planning has positive significant influence on procurement performance of Aga Khan Hospital, County Government of Kisumu; Kenya ($\beta = 0.919$ (0.073); at $p < .01$). This implied that a single improvement in effective Procurement Planning will lead to 0.919 unit increase in the Procurement performance of Aga Khan Hospital, County Government of Kisumu; Kenya. Therefore, the linear regression equation was;

$$(i) y = 0.682 + 0.919X_1$$

Where;

y = Procurement Performance

X_1 = Procurement Planning

Testing of study hypothesis

Hypothesis (H_0) stated that Procurement Planning does not significantly influence Procurement Performance of Aga Khan Hospital, County Government of Kisumu; Kenya. Regression results indicated that Procurement Planning significantly influence procurement performance of listed commercial banks ($\beta = 0.568$ (0.079) at $p < 0.05$). The hypothesis was therefore rejected. The results indicated that that a single improvement in effective Procurement Planning will lead to 0.613 unit increase in the procurement performance of Aga Khan Hospital, County Government of Kisumu; Kenya. Procurement planning is the primary function that sets the stage for subsequent procurement activities; it fuels and then ignites the engine of the procurement process. It is the process

of determining the procurement needs of an entity, their funding and timing of their acquisition such that operations are met as required in an efficient manner, Arrowsmith & Hartley (2002). In developing countries, public procurement is increasingly recognized as essential in service delivery (Basheka and Bisangabasaija, 2010), and it accounts for a high proportion of total expenditure.

CONCLUSIONS AND RECOMMENDATIONS

The general objective of the study was to examine influence of Procurement Planning on procurement performance of Aga Khan Hospital, County Government of Kisumu; Kenya. The study tested the hypothesis; H_0 : Procurement Planning does not significantly influence procurement performance of Aga Khan Hospital, County Government of Kisumu; Kenya. This tested the influence of Procurement Planning on procurement performance of Aga Khan Hospital, County Government of Kisumu; Kenya. The study found that Procurement Planning affect procurement performance. Study results were consisted with earlier researchers that found that Procurement Planning is vital for the performance of an organization on consideration of procurement.

The study concluded that Aga Khan Hospital could have improvement in procurement performance if procurement planning practices are well managed since the practices have an influence on procurement performance. The study recommended and embraces the Aga Khan Hospital management to apply standard procurement practices, for example Procurement Planning practices in order to improve on current performance.

Areas for further research

Similar study can be done on any organizations that have the procurement functions using different methods, however, similar variables.

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