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Original Research Article

E-Procurement and Performance of Private Hospitals in Kisii County, Kenya

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Abstract: Technology powered procurement has given birth to e-procurement as styled as the new procurement lifestyle that changes the game in business. E-procurement encompasses all processes and activities concerning procurement that happens on the e- business platform. With e-procurement the entire procurement process is handled online, so the company decided to make the purchases of various types, from raw materials to services. E-procurement accounts for improved effectiveness and efficiency in term of quality and costs. In the context of healthcare systems, private hospitals have equally embraced e-procurement in the guise of web-based systems, e-tendering, e-ordering and e-payments. The challenge is establishing the relationship between e-procurement and performance of the private hospitals. The study employed a descriptive survey research design with a target population of 212 and a census was done. The study found out that e-procurement practices account for 79.9% of the performance of private hospitals. The regression model established was Y = -.134 + .471 [Web-based systems] +.229 [E-tendering] + .147 [E-ordering] + .266 [E-payment] + ε. The study concluded that e-procurement practices have a statistically significant relationship with performance of private hospitals in Kisii county Kenya.

Keywords: E-Procurement, Web-Based Systems, E-Tendering, E-Ordering, E-Payment, Performance.

INTRODUCTION

Supply chain management has evolved over time and grown in significance to performance of organizations. One area that has been vastly affected is procurement (Musi & Nsimbila., 2022). The emergency of technology has necessitated fast adoption to sustain and to compete against the potential competitors (Hassan, Hamed, 2022). Businesses admit that technological progress ushered in a new era in the procurement world. Notably, technology gas led to the birth and wide adoption of electronic procurement famously known as e-procurement (Koech *et al.*, (2016). e-procurement involves the application of internet to run procurement processes such as e-Tendering, e-Marketplace, e-Auction/Reverse Auction, and e-Catalogue/Purchasing, e-invoicing, e-payments, e-ordering (Amtu *et al*., 2021). According to Musi and Nsimbila (2022), the healthcare system is running on e-procurement benefits from broad selection, convenience, favorable pricing to competition, efficiency and more product range across multiple ranges. Use of e-procurement helps to lower the cost of procurement and also provides a platform for better coordination between different suppliers, quicker transaction time and improved process efficiency (Nyasetia, 2019).

Statement of the Problem

Procurement is a huge thrift spender consuming up to 80% of organizational working capital thus any step towards procurement efficiency is a timely call. E-procurement is the timely call (Jackson, 2019). According to Suleiman (2015) "e-procurement plays a key role that helps reduce the operation costs, increase efficiency and significantly reduce lead times. Private health care providers like other organizations have embraced e-procurement practices to take advantage of the accruing benefits. Despite the benefits that e-procurement generates literature provides that performance in delivery of healthcare service to the stakeholders and public has taken a dip. Challenges in procurement processes have significantly strained the availability of the necessary supplies for hospital operations (Rotich & Okello 2015). There are reported delays in tendering, ordering, approvals, tracking, invoicing that derail the entire procurement process (Ongeri & Osoro, 2021). These concerns peg the question on the role of e-procurement in the provision of health services to the public. It's in the foregoing that this

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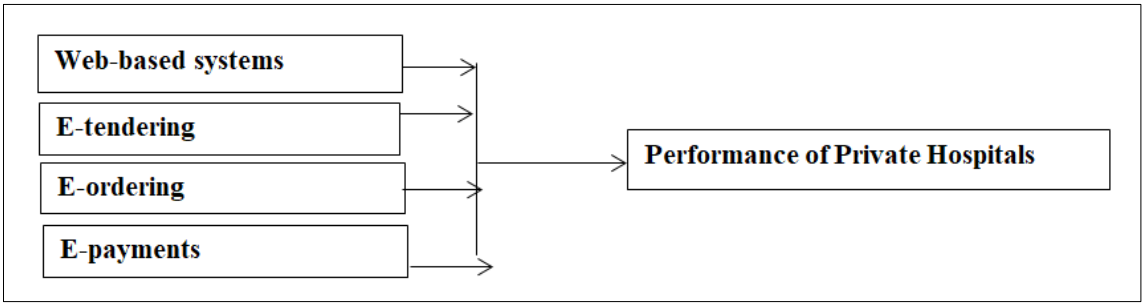
study seeks to examine the effect of implementation of e-procurement on performance of private hospitals in Kisii County, Kenya.

Objectives of the Study

The objective of the study was to examine the relationship between e-procurement practices and performance of private hospitals in Kisii County, Kenya.

Conceptual Framework



METHODOLOGY

The study employed a descriptive survey research design with a target population of 212. A census was conducted. Data was collected through questionnaires and 192 were returned. The collected data was analyzed both descriptively and inferentially.

RESULTS AND DISCUSSION

Response	Frequency	Response Rate
Returned	192	90.8%
Not Returned	20	9.2%
Total	212	100.00

The response rate was 90.8% which according to Sharma (2018), states that a response rate of 70% and above is believed to be a reliable response rate.

Descriptive Statistics

Descriptive Statistics for Web based Systems			
	N	Mean	Std. Deviation
Web-based systems in Kisii County, has E-notices on performance of private hospitals in Kisii County	192	3.833	.9202
Web-based systems has contribution to performance of Hospitals County	192	3.903	.9007
E-selection web-based systems enhances performances of private hospitals	192	4.060	.7950
E-mailing of private hospital in Kisii County enhance good performance	192	3.841	1.3020
Web-based systems enhances performance of private Hospitals in Kisii County	192	3.565	.8016

The mean was above 3.5 for all the questions implying that respondents were is strong agreement that web-based systems influence positively performance of private hospitals in Kisii county.

Descriptive Statistics for E-tendering			
	N	Mean	Std. Deviation
E-tendering in Kisii County, Kenya is used on Performance of Private hospitals in Kisii County, Kenya	192	3.850	.8311
E-tendering enables performance of Private hospitals in Kisii County, Kenya	192	4.033	1. 9206
Online monitoring goods in transit can enhances Performance of Private hospitals in Kisii County, Kenya	192	4.041	.8302
E-Tendering in Kisii enhances performance of Private hospitals in Kisii County, Kenya	192	4.111	.7117
Online follow up enhances procurement performance of Private hospitals in Kisii County, Kenya	192	4.094	.8016
Electronic requisition can boost procurement performance of private hospitals in Kisii county, Kenya.	192	4.251	.8164

The elements of the e-tendering construct recorded a mean above 3.85 on the Lirket scale. This is a indication that the respondents strongly agreed that e-tendering enhances performance of private hospitals in Kisii County, Kenya. Effective E-tendering minimizes or eliminates problems and potential claims and disputes. This coincides with the outcome of Oliech, & Mwangangi, (2019).

Descriptive Statistics for E-ordering			
	N	**Mean**	**Std. Deviation**
Approval of workflow use e-ordering on performance of Private hospitals in Kisii County, Kenya	192	3.805	.7802
Private hospital in Kisii County, Kenya e-expediting on performance of Private hospitals in Kisii County, Kenya	192	3.411	.9206
Through in, Kenya on performance of Private Hospitals in Kisii County, Kenya	192	4.603	.7836
Online ordering enhances our performance of Private hospitals in Kisii County, Kenya	192	3.192	.7023
Online follow up enhances procurement performance of Private hospitals in Kisii County, Kenya	192	4.094	.8016
Through online orders, performance is improved in private hospitals in Kenya	192	4.107	.7047

The respondents agreed on the positive that e-ordering e-ordering has effect on performance of Private hospitals in Kisii County, Kenya. The discoveries concurs with the discovery of Boit and Osoro (2021), who argued that it is critical to E-orderings frequently and at regular intervals after award to ensure that the supplier is providing the goods and services on schedule and within the procurement plan, and that quality standards are being met, especially for the highest-risk and most complex contracts.

Descriptive Statistics for E-payment			
	N	**Mean**	**Std. Deviation**
E-payment leads to secure and safer transactions thus enhance performance of Private hospitals in Kisii County, Kenya	192	4.038	.7306
E-payment is a convenient and credible means of payments enhance performance of Private hospitals in Kisii County, Kenya	192	4.004	.8306
We electronically pay all vendors enhance performance of Private hospitals in Kisii County, Kenya	192	4.010	.7872
I know how to electronically post payments enhance performance of Private hospitals in Kisii County, Kenya	192	3.926	.8305
Suppliers can send their bills and invoices online enhance performance of Private hospitals in Kisii County, Kenya	192	4.108	.8054
E-procurement offers better efficiency and cost savings enhance performance of Private hospitals in Kisii County, Kenya	192	4.084	.8107

Respondents of the study strongly opined that e-payments promotes better performance in private hospitals in Kisii County Kenya. These results are in agreement with the result of Mushi & Nsimbila (2022) who observed that the characteristic of E-payment are the best value reaction to sort out non-performance of, after E-payment, for resolving return on investment. The problem areas giving rise to disputes are mainly related to Hospitals County's matters.

Inferential Statistics

Model Goodness of Fit			
R	R2	**Adjusted R**	**Std. Error of the Estimate**
0.774	0.799	0.732	0.067

a. Predictors: (constants); Web-based systems, E-tendering, E-orderings and E-payment
b. Dependent Variable: performance of Private hospitals

ANOVA TEST					
Model	**Sum of Squares**	**Df**	**Mean Square**	**F**	**Sig**
Regression	4.155	1	1.0192	4.41	.001
Residual	6.466	191	.531		
Total	**10.611**	**192**			

Regression Coefficient Results					
	Unstandardized coefficients		Standardized coefficients		
	B	Std. Error	Beta	T	Sig.
(constant)	-.134	.060	-1.144	.004	.003
Web-based systems	.471	.132	.858	5.472	.002
E-tendering	.229	.067	.162	2.471	.001
E-ordering	.147	.0192	.563	4.385	.002
E-payment	.266	.115	.321	2.657	.003

a. Predictors: (constants), Web-based systems, E-tendering E-orderings and E-payment
b. Dependent Variable: performance of Private hospitals in Kisii County, Kenya

The findings indicate that the correlation coefficient between e-procurement and performance of private hospitals was R=v0.774. This implies that e-procurement strongly and positively influences performance of private hospitals. The coefficient of determination R^2 = 0.0.799 implies that 79.9% of the performance of private hospitals is accounted by e-procurement leaving 20.1% unexplained. The analysis of variance (F = 4.41, P-value = 0.001>0.05) established that the model is overall significant. The regression model established was Y = -.134 + .471 [Web-based systems] + .229 [E-tendering] + .147 [E-ordering] + .266 [E-payment] + ε. The study concluded that e-procurement practices have a statistically significant relationship with performance of private hospitals in Kisii county Kenya.

CONCLUSION

The study was informed by the findings to safely conclude that web-based systems, e-tendering, e-ordering and e-payments, all variations of e-procurement compositely influence the performance of private hospitals in Kisii County, Kenya. The study therefore concluded that e-procurement positively and statistically significant influences performance of private hospitals in Kisii County.

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