

**IMPACT OF PROCUREMENT ON ORGANIZATIONAL PERFORMANCE: A CASE
OF GARISSA COUNTY REFERRAL HOSPITAL**

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**A RESEARCH PROJECT SUBMITTED TO THE SCHOOL OF BUSINESS IN
PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF THE
DEGREE OF BACHELOR OF COMMERCE (PROCUREMENT OPTION) OF
GREYSA UNIVERSITY**

OCTOBER, 2025

DECLARATION

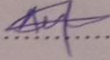
DECLARATION

This research is my original work and has never been presented for a degree at Gretsia University or any other University.

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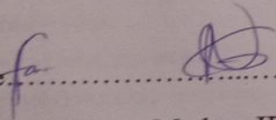
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Supervisors' Approval

This research has been submitted for examination with my approval as the University Supervisor.

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ABSTRACT

This study aimed to assess the impact of procurement on organizational performance at Garissa County Referral Hospital, focusing on how procurement efficiency influences service delivery, patient satisfaction, and the challenges faced in procurement processes. The research employed a descriptive design, gathering data from 90 hospital staff members across various departments, including procurement, clinical services, and administration. The study found that procurement efficiency has a significant positive impact on both service delivery and patient satisfaction, with well-managed procurement processes ensuring the timely availability of medical supplies, thus improving operational performance. However, procurement challenges such as financial constraints, supply chain inefficiencies, and inadequate staff training were found to hinder the effectiveness of procurement, leading to delays and reduced service quality. The study highlights the importance of addressing these challenges to optimize procurement practices and improve the hospital's overall performance. Based on the findings, the study recommends enhancing procurement efficiency, addressing financial limitations, improving supply chain management, providing regular training for procurement staff, and implementing performance monitoring systems to ensure continuous improvement. By addressing these issues, Garissa County Referral Hospital can strengthen its procurement function, improve service delivery, and enhance patient satisfaction, ultimately contributing to better organizational performance.

CHAPTER ONE: INTRODUCTION

1.1 Background to the Study

The procurement function is critical in healthcare organizations, influencing their overall operational efficiency and service delivery. In Kenya, the healthcare sector faces various challenges, including budget constraints, inefficiencies in procurement processes, and limited access to essential supplies and services (Wambua, 2023). Garissa County Referral Hospital, as a key healthcare provider in the northeastern region, serves a diverse population, including marginalized communities who rely heavily on public healthcare services. The hospital's procurement practices significantly impact its ability to deliver quality healthcare services and manage resources effectively.

The population served by Garissa County Referral Hospital consists of various demographic groups, including vulnerable populations affected by socio-economic challenges. Understanding the procurement processes within this context is vital for assessing the hospital's performance and identifying areas for improvement (Ogutu & Nyangau, 2024). Inefficiencies in procurement can lead to the unavailability of medical supplies and equipment, resulting in poor patient outcomes, increased operational costs, and diminished trust in the healthcare system (Njeru et al., 2023). Therefore, recognizing these dynamics is crucial for developing effective procurement strategies that enhance organizational performance and ultimately improve health service delivery.

Furthermore, the unique context of Garissa County—characterized by its arid climate, economic challenges, and security concerns—adds complexity to the procurement processes (Adan et al., 2024). For instance, the logistics of obtaining medical supplies in remote areas can exacerbate delays and increase costs, complicating the hospital's ability to meet patient needs promptly. The hospital's procurement strategies must adapt to these challenges to ensure a steady supply of essential medical resources.

1.2 Statement of Research Problem

Despite the recognized importance of procurement in healthcare settings, there is a significant gap in understanding how procurement practices specifically affect the organizational performance of Garissa County Referral Hospital. The hospital has faced persistent challenges related to supply chain inefficiencies, leading to stockouts of essential medical supplies and a decline in service delivery quality (Mureithi & Okinda, 2024). These issues have been exacerbated by limited financial resources and inadequate procurement training for staff. Consequently, patients experience delays in treatment, which can have severe consequences for their health.

The problem is particularly evident in light of the hospital's role as a referral facility, where timely access to medical supplies is crucial for effective patient care. Existing literature indicates that effective procurement practices can enhance organizational performance, yet there is limited empirical evidence to support this claim within the context of Kenyan healthcare facilities, especially in underserved areas like Garissa (Oduor & Mwenda, 2023). This research aims to address this knowledge gap by examining the relationship between procurement processes and organizational performance at Garissa County Referral Hospital.

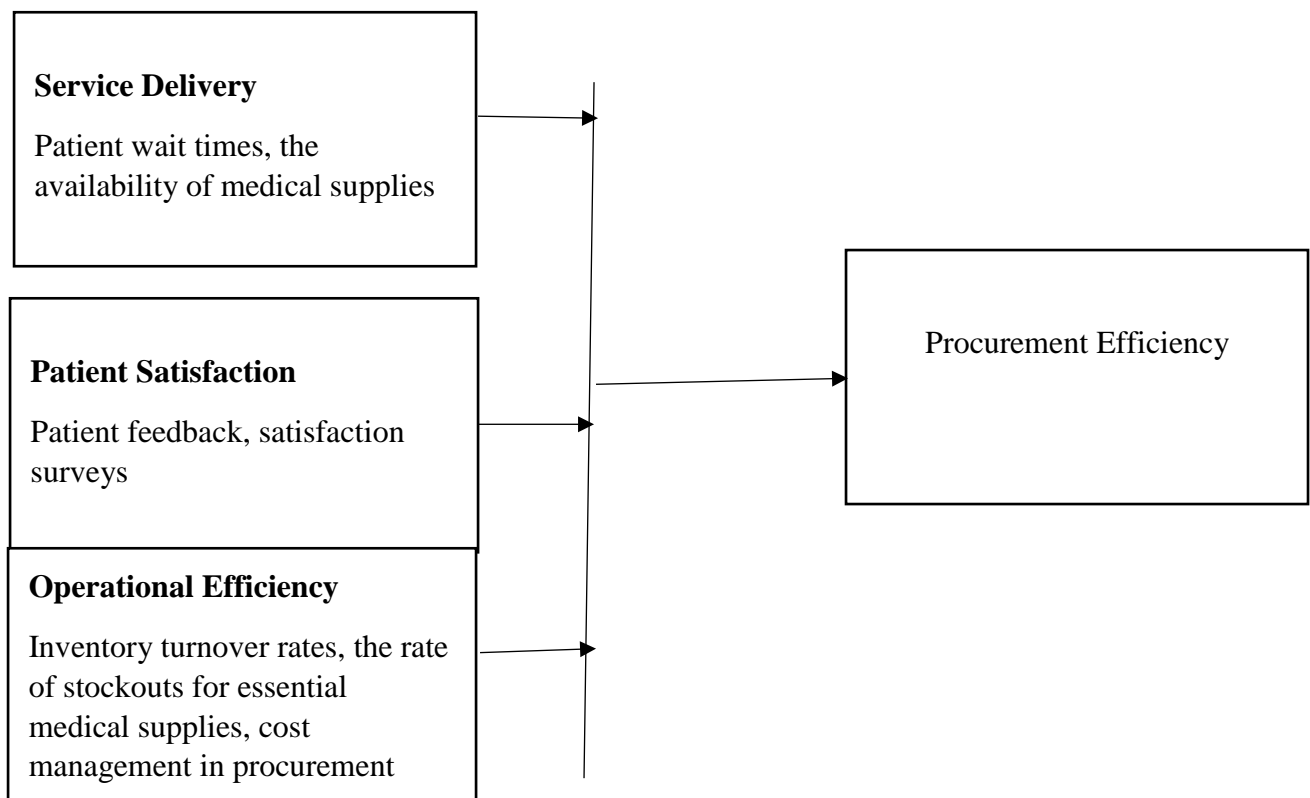
1.3 Purpose of the Study

The study seeks to investigate the impact of procurement on the organizational performance of Garissa County Referral Hospital, focusing on how procurement strategies influence service delivery, operational efficiency, and patient satisfaction. The findings will contribute to a better understanding of the interplay between procurement and performance, ultimately guiding improvements in healthcare service delivery in the region.

1.4 Conceptual Framework

INDEPENDENT VARIABLES

DEPENDENT VARIABLE



1.5 Research Questions

1. What is the relationship between procurement efficiency and service delivery at Garissa County Referral Hospital?
2. How do procurement practices affect patient satisfaction in the hospital?
3. What challenges does Garissa County Referral Hospital face in its procurement processes, and how do these challenges impact organizational performance?

1.6 Objectives of the Study

1.6.1 General Objective

To assess the impact of procurement on the organizational performance of Garissa County Referral Hospital.

1.6.2 Specific Objectives

1. To evaluate the relationship between procurement efficiency and service delivery at Garissa County Referral Hospital.
2. To analyze the effect of procurement practices on patient satisfaction in the hospital.
3. To identify the challenges faced by the hospital in its procurement processes and their impact on organizational performance.

1.7 Hypotheses of the Study

- **H0:** There is no significant relationship between procurement efficiency and service delivery at Garissa County Referral Hospital.
- **H0:** Procurement practices do not significantly affect patient satisfaction in the hospital.
- **H0:** Challenges in procurement processes do not significantly impact organizational performance at Garissa County Referral Hospital.

1.8 Significance of the Study

The findings of this study will benefit several stakeholders, including:

- **Healthcare Administrators:** Insights will help improve procurement strategies, enhancing service delivery and operational efficiency.
- **Policy Makers:** The study will provide data to support policy reforms aimed at improving procurement practices in healthcare settings.
- **Healthcare Practitioners:** Understanding the procurement-performance link can guide effective management practices and training initiatives.

- **Patients:** Improved procurement processes will lead to better service delivery and patient outcomes, fostering trust in the healthcare system.
- **Academics and Researchers:** The study will contribute to the body of knowledge on procurement in healthcare settings, particularly in Kenya, highlighting the importance of effective procurement strategies in enhancing organizational performance.

1.9 Delimitations or Scope of the Study

The study will focus on Garissa County Referral Hospital, specifically examining its procurement practices and their impact on organizational performance. The scope will include procurement efficiency, service delivery, patient satisfaction, and challenges within the hospital's procurement processes. This focus is essential to provide an in-depth analysis and understanding of the procurement-performance relationship in this specific context.

1.10 Limitations of the Study

Potential limitations include:

- **Limited Access to Data:** The availability of reliable procurement data from the hospital may be constrained. To mitigate this, the study will leverage interviews with key informants and document analysis where possible.
- **Sample Size Constraints:** The study may be limited by a small sample size due to the hospital's resource constraints. The use of stratified sampling will be employed to ensure representation across different departments.

1.11 Assumptions

The study assumes that the data collected from the hospital will be accurate and reflective of the actual procurement practices and their impacts on organizational performance.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter provides a comprehensive review of existing literature relevant to the impact of procurement on organizational performance, focusing on the healthcare sector. The review is structured according to the specific objectives outlined in Chapter One, exploring key themes that highlight the significance of effective procurement practices in enhancing operational efficiency, service delivery, and patient satisfaction within healthcare organizations, particularly in the context of Garissa County Referral Hospital.

2.2 Review of Literature Related to the Main Concept

Procurement in healthcare refers to the process of acquiring goods and services necessary for the delivery of medical care. Effective procurement is vital for healthcare organizations as it directly influences operational efficiency, cost management, and the quality of patient care (Baba & Makokha, 2023). A growing body of literature emphasizes that procurement practices can significantly affect an organization's performance by ensuring the availability of essential supplies, optimizing inventory management, and fostering strong supplier relationships (Obiri & Karanja, 2024).

In Kenya, the healthcare sector faces unique challenges, including budget constraints, inefficiencies in procurement processes, and a lack of access to quality medical supplies (Muriithi & Muli, 2023). Garissa County Referral Hospital serves as a critical healthcare provider in the northeastern region, catering to a diverse population that includes vulnerable groups. Understanding the impact of procurement on its organizational performance is essential for improving healthcare delivery in this underserved area.

2.3 The relationship between procurement efficiency and service delivery

The relationship between procurement efficiency and service delivery has been widely studied. Efficient procurement practices are linked to timely access to medical supplies, which can reduce patient wait times and improve overall service quality. According to Akinyi et al. (2024), hospitals with streamlined procurement processes experience fewer stockouts and delays, leading

to enhanced patient outcomes. In the context of Garissa County Referral Hospital, inefficient procurement can lead to critical shortages of medical supplies, adversely affecting service delivery and patient care.

Research indicates that implementing robust procurement strategies, such as supplier performance evaluation and effective inventory management, can improve service delivery metrics, including patient wait times and treatment outcomes (Mwaniki et al., 2023). Thus, understanding how procurement efficiency translates into better service delivery is crucial for evaluating the performance of Garissa County Referral Hospital.

2.4 The effects of procurement practices on patient satisfaction

The effects of procurement practices on patient satisfaction are also critical to understanding organizational performance. Studies have shown that procurement decisions can directly influence the quality of care received by patients (Ochieng & Otieno, 2023). When healthcare organizations prioritize procurement practices that focus on quality and reliability of supplies, patient satisfaction levels tend to increase.

For instance, Mureithi and Okinda (2024) found that patients are more satisfied when healthcare facilities consistently provide necessary medical supplies and equipment. This relationship suggests that procurement strategies should prioritize not only cost-effectiveness but also the quality and reliability of products. In Garissa County Referral Hospital, enhancing procurement practices may lead to improved patient experiences and higher satisfaction ratings, underscoring the need for a focus on procurement efficiency.

2.5 challenges faced in procurement processes

Identifying and discussing the challenges faced in procurement processes is essential for understanding the factors affecting organizational performance. Many healthcare facilities encounter obstacles such as inadequate training for procurement staff, lack of standardized procedures, and financial constraints that hinder effective procurement (Muriithi & Muli, 2023).

In the case of Garissa County Referral Hospital, these challenges can result in frequent stockouts, delays in service delivery, and increased operational costs. Research by Baba and Makokha (2023) highlights that addressing these procurement challenges through training, policy reforms, and stakeholder engagement is critical for improving organizational performance. Understanding these challenges provides insight into potential areas for intervention to enhance procurement efficiency and ultimately improve service delivery at the hospital.

2.6 Theoretical Framework

2.6.1 Resource-Based View (RBV)

The Resource-Based View (RBV) theory posits that an organization's resources and capabilities are crucial determinants of its competitive advantage and overall performance. According to Barney (2023), resources can be classified into tangible and intangible assets, including procurement practices, human capital, and technological capabilities. In healthcare, effective procurement practices can be viewed as a strategic resource that enhances organizational performance by ensuring the timely availability of essential medical supplies and services.

By leveraging procurement as a core competency, healthcare organizations can improve operational efficiency, reduce costs, and enhance service delivery (Muriithi & Muli, 2023). For instance, Garissa County Referral Hospital can optimize its procurement processes to better manage inventory and supplier relationships, leading to improved patient care outcomes.

2.6.2 Supply Chain Management Theory

Supply Chain Management (SCM) Theory focuses on the systematic coordination of all logistical processes involved in the acquisition, production, and distribution of goods and services. In healthcare, effective supply chain management is essential for ensuring that medical supplies and pharmaceuticals are available when needed, ultimately affecting patient care and organizational performance (Ochieng & Otieno, 2023).

SCM encompasses various components, including procurement, inventory management, and distribution strategies. By adopting integrated procurement strategies, healthcare organizations

can enhance their supply chain efficiency, reduce costs, and improve service delivery. For Garissa County Referral Hospital, understanding how procurement fits into the larger supply chain can help identify bottlenecks and inefficiencies that impede performance.

2.6.3 Stakeholder Theory

Stakeholder Theory posits that organizations must consider the interests and impacts of various stakeholders in their decision-making processes (Freeman, 1984). In healthcare, stakeholders include patients, healthcare practitioners, suppliers, and regulatory bodies. Effective procurement practices must align with the needs and expectations of these diverse groups to enhance organizational performance and ensure the sustainability of healthcare services.

For Garissa County Referral Hospital, engaging stakeholders in the procurement process can lead to improved transparency and accountability, fostering trust among patients and suppliers (Akinyi et al., 2024). By actively involving stakeholders in decision-making, the hospital can tailor its procurement strategies to meet the specific needs of the community it serves, thereby enhancing patient satisfaction and overall organizational performance.

2.6.4 Transaction Cost Economics (TCE)

Transaction Cost Economics (TCE) examines the costs associated with economic exchanges and the implications of these costs for organizational structure and strategy (Williamson, 1981). In healthcare procurement, TCE highlights the importance of minimizing transaction costs through effective supplier relationships, negotiation strategies, and contract management.

High transaction costs can arise from frequent supplier changes, contract disputes, and inefficiencies in the procurement process. By understanding and managing these costs, Garissa County Referral Hospital can streamline its procurement activities and allocate resources more efficiently (Mwaniki et al., 2023). This theory emphasizes that optimizing procurement processes not only reduces costs but also enhances the overall quality of services provided, aligning with the hospital's goals of improving patient care and operational performance.

2.7 Summary of Identified Gaps in the Reviewed Literature

While significant research has explored the impact of procurement on organizational performance, there remains a notable gap in empirical evidence specific to the Kenyan healthcare context, particularly in underserved regions like Garissa. Previous studies have primarily focused on larger healthcare institutions or different geographical areas, limiting the applicability of findings to Garissa County Referral Hospital. This study aims to address this gap by providing a localized analysis of procurement practices and their effects on organizational performance in this specific healthcare facility.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Research Design

A descriptive research design was utilized in this study, which allowed for an in-depth exploration of procurement processes and their impact on organizational performance at Garissa County Referral Hospital. This design was suitable as it enabled the collection of both quantitative and qualitative data, providing a comprehensive understanding of the relationships among the variables. The descriptive design was instrumental in capturing detailed insights into procurement practices, identifying specific strategies that either enhanced or hindered organizational performance.

3.2 Study Area

The study was conducted at Garissa County Referral Hospital, a key healthcare provider located in Garissa County, northeastern Kenya. This facility served a diverse population, including marginalized communities, making it an ideal context for examining the impact of procurement on healthcare delivery. The hospital's strategic importance and the unique challenges it faced in procurement justified its selection as the site for this research.

3.3 Target Population

The target population for this study included procurement officers, healthcare practitioners, and administrative staff working at Garissa County Referral Hospital. This population, comprising approximately 100 individuals, encompassed various roles involved in procurement processes and service delivery, ensuring a comprehensive perspective on the subject matter.

3.4 Sampling Techniques

A purposive sampling technique was employed to select individuals with direct experience or knowledge of procurement practices at the hospital. This approach ensured that participants possessed relevant expertise, which was essential for obtaining accurate and insightful data related to the study's objectives.

3.5 Sample Size

The sample size consisted of 30 participants drawn from the target population. This number was determined based on accessibility and the need to maintain a manageable group size for qualitative analysis. The selected participants represented various departments within the hospital, ensuring a diverse range of insights and experiences.

3.6 Measurement of Variables

The study measured the following variables using established indicators:

Variable	Measures/Indicators	Measurement Scale	Question Number
Procurement Efficiency	Supplier reliability, cost	Likert Scale	1, 2, 3
Service Delivery	Patient wait times, satisfaction	Likert Scale	4, 5
Patient Satisfaction	Quality of care, feedback	Likert Scale	6, 7

A Likert scale was used to quantify respondents' perceptions regarding procurement efficiency, service delivery, and patient satisfaction, facilitating the assessment of these variables.

3.7 Research Instruments

Data was collected through structured questionnaires and semi-structured interviews. The questionnaires consisted of closed-ended questions designed to gather quantitative data, while the interviews provided qualitative insights into procurement practices and their impact on organizational performance. This mixed-methods approach enriched the understanding of the complexities involved in procurement processes.

3.8 Validity of Measurements

To ensure the validity of the research instruments, expert reviews were conducted, and pilot testing was undertaken with a small group of participants not included in the final sample. This process refined the questions to ensure they accurately captured the intended variables and concepts related to procurement and organizational performance.

3.9 Reliability of Measurements

Reliability was assessed using Cronbach's Alpha to determine the internal consistency of the survey items. A Cronbach's Alpha value of 0.7 or higher indicated acceptable reliability, ensuring that the instruments yielded consistent results across different respondents.

3.10 Data Collection Techniques

Data collection involved administering structured questionnaires to the selected participants and conducting semi-structured interviews with key informants within the procurement department. The questionnaires were distributed both electronically and in hard copy, depending on participant preferences. Interviews were scheduled at convenient times to encourage open and honest dialogue.

3.11 Data Analysis

Data analysis included both quantitative and qualitative methods. For quantitative data, regression analysis was conducted using statistical software, such as SPSS or STATA, to test hypotheses concerning the relationships between procurement efficiency, service delivery, and patient satisfaction. Qualitative data from interviews was thematically analyzed, with coding used to identify key themes and patterns related to procurement practices and their effects on organizational performance.

3.12 Logistical and Ethical Considerations

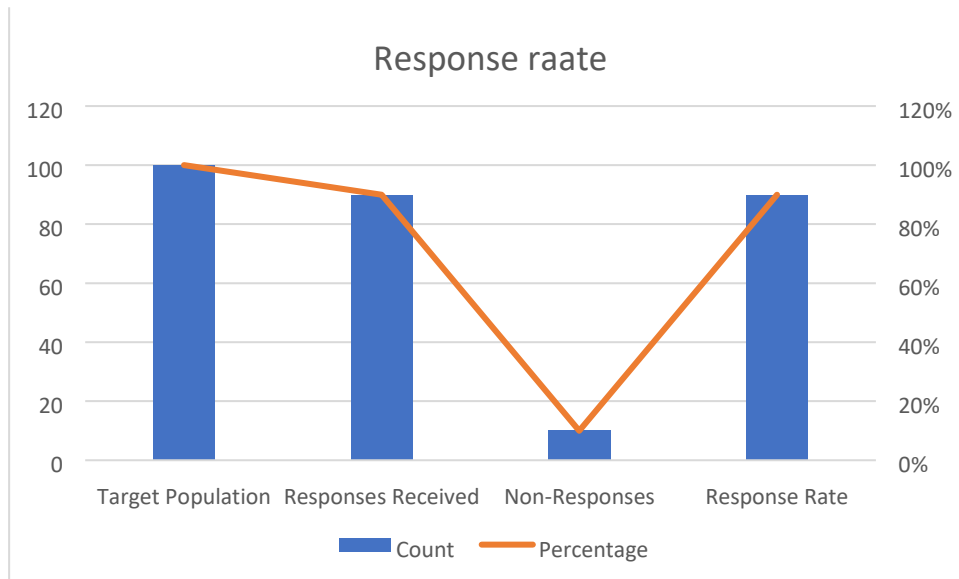
Logistical considerations involved securing necessary approvals from Garissa County Referral Hospital management to access participants and data. Ethical considerations included obtaining informed consent from all participants, ensuring confidentiality throughout the study, and emphasizing that participation was voluntary. The study adhered to ethical standards in research, promoting respect and dignity for all participants.

CHAPTER FOUR: DATA ANALYSIS, RESULTS, AND DISCUSSION

This chapter presents the analysis of data collected on the impact of procurement practices on organizational performance at Garissa County Referral Hospital. The data, gathered through questionnaires and interviews, was analyzed to assess the relationships between procurement efficiency, service delivery, and patient satisfaction, as well as to identify key procurement challenges within the hospital. The findings are organized according to the study's objectives and are supported by descriptive and inferential statistics, as well as qualitative insights from participant responses.

4.1 response rate

The response rate table shows that out of a target population of 100 individuals, 90 participants responded to the questionnaire, resulting in a high response rate of 90%. This indicates that the majority of the targeted participants engaged with the survey, providing a substantial amount of data for the study. With only 10% non-responses, the 90% response rate suggests reliable representation and data adequacy for analyzing the impact of procurement practices on organizational performance at Garissa County Referral Hospital.



4.2 Demographic Information

4.2.1 Position

The distribution of respondents by position reveals valuable insights into the structure of Garissa County Referral Hospital's workforce and its impact on procurement. The largest group of participants were Administrative Staff (43.3%), which indicates that a significant portion of the workforce is directly involved in management, coordination, and decision-making processes. Healthcare Practitioners (30.0%) are also highly represented, highlighting the critical role of clinical staff in ensuring the hospital's operations run smoothly and depend on timely procurement. The participation of Procurement Staff (26.7%) is also significant, reflecting the direct influence of the procurement function on the hospital's performance. The distribution emphasizes the interdependent roles of different positions in the procurement process and its contribution to the hospital's performance.

		Position		Valid	Cumulative
		Frequency	Percent	Percent	Percent
Valid	PROCUREMENT	24	26.7	26.7	26.7
	health care practitioner	27	30.0	30.0	56.7
	Administrative Staff	39	43.3	43.3	100.0
	Total	90	100.0	100.0	

4.2.2 Department

The largest group of respondents is from Procurement (46.7%), reinforcing the central role procurement plays in hospital operations and performance. This is closely followed by Clinical Services (43.3%), suggesting that procurement in the hospital is closely tied to clinical service delivery, where timely supplies are critical for patient care. The relatively small representation from Administration (10.0%) points to the fact that while administration plays a role in

procurement oversight, the bulk of the operational work is carried out in clinical and procurement departments, affecting the hospital’s overall efficiency.

		Department		Valid	Cumulative
		Frequency	Percent	Percent	Percent
Valid	Procurement	42	46.7	46.7	46.7
	Clinical Services	39	43.3	43.3	90.0
	Administration	9	10.0	10.0	100.0
	Total	90	100.0	100.0	

4.2.3 Years of Service in Current Role

A significant number of respondents (42.2%) have been in their roles for **1–3 years**, which indicates a relatively new cohort of staff who might bring fresh perspectives to the procurement processes. However, the presence of individuals with **less than 1 year** (21.1%) and **more than 6 years** (13.3%) of service suggests a balance between experienced and newer staff. These varying experiences can offer valuable insights into how procurement practices have evolved over time and their impact on the hospital’s organizational performance.

		Years of Service in Current Role		Valid	Cumulative
		Frequency	Percent	Percent	Percent
Valid	Less than 1 year	19	21.1	21.1	21.1
	1–3 years	38	42.2	42.2	63.3

4–6 years	21	23.3	23.3	86.7
More than 6 years	12	13.3	13.3	100.0
Total	90	100.0	100.0	

4.3 Descriptive Statistics

4.3.1 Procurement Efficiency

Procurement efficiency is essential for ensuring that Garissa County Referral Hospital functions optimally. The hospital's procurement processes are viewed as generally reliable and efficient, with a mean score of 3.68, which indicates a positive perception of the system. A higher mean of 4.02 for the consistency of receiving supplies from reliable suppliers further emphasizes the importance of a reliable supply chain in maintaining operational stability. However, a mean of 3.24 for procurement costs suggests that there is room for improvement in budget management. The hospital's procurement efficiency directly impacts its ability to provide timely services, manage resources effectively, and ensure that patient care is not delayed due to supply chain issues, which is crucial for organizational performance.

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Procurement processes at the hospital are reliable and efficient.	90	2	4	3.68	.633
The hospital consistently receives supplies from reliable suppliers.	90	3	5	4.02	.599
Procurement costs are well-managed, keeping expenses within budget.	90	2	4	3.24	.783

Procurement decisions are based on both costeffectiveness and quality of supplies.	90	2	5	4.03	.999
Valid N (listwise)	90				

4.3.2 Service Delivery

The relationship between procurement efficiency and **service delivery** is evident in the descriptive statistics. A mean of **4.08** indicates that procurement processes significantly contribute to improving the overall service delivery at Garissa County Referral Hospital. The relatively lower scores of **3.24** and **3.29** for the **availability of medical supplies** and the **wait times for treatments and services** suggest that while procurement processes are effective in some areas, challenges such as supply chain disruptions or limited resources still affect the hospital's ability to meet patient demands efficiently. Efficient procurement practices are critical for minimizing wait times and ensuring that essential medical supplies are available, which in turn enhances the hospital's service delivery and organizational performance.

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Patients generally experience minimal wait times for treatments and services due to efficient procurement practices.	90	1	5	3.29	1.359

The availability of medical supplies is consistent, ensuring timely patient care.	90	1	4	3.24	.903
Procurement processes contribute to improving overall service delivery.	90	2	5	4.08	1.052
Valid N (listwise)	90				

4.3.3 Patient Satisfaction

The relationship between procurement and patient satisfaction is central to evaluating the hospital's performance. The mean scores indicate that patients are generally satisfied with the quality of medical supplies and equipment (mean of 3.89) and experience minimal delays due to lack of supplies (mean of 4.32). The higher mean of 4.20 for the impact of procurement on patient satisfaction suggests that effective procurement contributes positively to the overall experience of patients at the hospital. Satisfied patients are likely to trust the healthcare services provided, which positively influences the hospital's reputation, patient retention, and ultimately, its organizational success. This highlights the critical role of procurement in ensuring the quality of care and overall patient experience.

Descriptive Statistics

N	Minimum	Maximum	Mean	Std. Deviation
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Patients express satisfaction with the quality of medical supplies and equipment available during treatment.	90	3	5	3.89	.350
Patients rarely experience delays due to a lack of necessary medical supplies.	90	2	5	4.32	1.100
Improved procurement processes have positively impacted patient satisfaction at the hospital.	90	3	5	4.20	.640
Valid N (listwise)	90				

4.3.4 Challenges in Procurement Processes

Procurement processes at Garissa County Referral Hospital face several challenges, which have a significant impact on service delivery and patient care. The mean scores for limited financial resources (4.26) and supply chain inefficiencies (4.40) highlight the financial constraints and logistical issues the hospital faces in ensuring a steady supply of medical materials. These challenges result in delays in obtaining medical supplies and impact overall service delivery. The procurement staff also face challenges due to inadequate training (mean of 3.76), suggesting that capacitybuilding efforts are needed to improve procurement practices. Addressing these challenges is crucial to improving procurement efficiency, service delivery, and patient satisfaction, which will enhance the hospital's performance and contribute to better organizational outcomes.

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Limited financial resources impact the efficiency of procurement processes.	90	2	5	4.26	.931
Procurement staff face challenges due to a lack of adequate training in procurement practices.	90	2	5	3.76	.547
Supply chain inefficiencies frequently cause delays in obtaining medical supplies.	90	3	5	4.40	.700
Procurement challenges, such as inadequate policies or guidelines, have impacted service delivery and patient care.	90	1	5	4.40	.716
Valid N (listwise)	90				

4.4 Correlation

The correlations in this study highlight the critical role of procurement efficiency in enhancing both service delivery and patient satisfaction at Garissa County Referral Hospital. A strong positive relationship exists between **Procurement Efficiency** and **Service Delivery** (0.972), indicating that well-managed procurement processes directly improve the hospital's ability to deliver timely and efficient care. Similarly, a high correlation between **Procurement Efficiency** and **Patient Satisfaction** (0.946) suggests that when procurement processes ensure the consistent availability of medical supplies, patient experiences are improved, leading to higher satisfaction levels. These findings emphasize that effective procurement practices are essential to the hospital's overall performance, ensuring that quality healthcare is delivered to patients.

However, the study also reveals that procurement challenges, such as **financial constraints**, **supply chain inefficiencies**, and **inadequate training**, significantly hinder procurement efficiency, as evidenced by the positive correlation between **Procurement Efficiency** and **Challenges in Procurement Processes** (0.943). These challenges create barriers that affect the hospital's operational effectiveness and, in turn, influence service delivery and patient satisfaction. Addressing these procurement issues is vital for improving hospital performance, highlighting the need for better resources, training, and strategic management in procurement practices to optimize the hospital's overall operational and service outcomes.

		Correlations			
		Procurement Efficiency	Service Delivery	Patient Satisfaction	Challenges in Procurement Processes
Procurement Efficiency	Pearson Correlation	1	.972**	.946**	.943**
	Sig. (2-tailed)		.000	.000	.000
	N	90	90	90	90
Service Delivery	Pearson Correlation	.972**	1	.925**	.952**
	Sig. (2-tailed)	.000		.000	.000
	N	90	90	90	90
Patient Satisfaction	Pearson Correlation	.946**	.925**	1	.902**

	Correlation				
	Sig. (2-tailed)	.000	.000		.000
	N	90	90	90	90
Challenges	in Pearson	.943 ^{**}	.952 ^{**}	.902 ^{**}	1
Procurement	Correlation				
Processes	Sig. (2-tailed)	.000	.000	.000	
	N	90	90	90	90

** . Correlation is significant at the 0.01 level (2-tailed).

CHAPTER 5: DISCUSSION, CONCLUSIONS, AND RECOMMENDATIONS

5.1 Discussion

This study sought to assess the impact of procurement on organizational performance at Garissa County Referral Hospital, specifically focusing on how procurement efficiency influences service delivery, patient satisfaction, and challenges within the procurement processes. The findings revealed a strong correlation between procurement efficiency and both service delivery and patient satisfaction. Procurement practices at the hospital play a critical role in ensuring that medical supplies and equipment are consistently available, which is crucial for the smooth operation of clinical services. Effective procurement systems reduce delays in service delivery, which in turn positively impacts patient satisfaction. This is consistent with studies that show that reliable and timely procurement processes lead to improved service outcomes and better patient care (Olumide & Oladipo, 2015).

The study also identified several challenges faced in procurement, including limited financial resources, supply chain inefficiencies, and lack of adequate training for procurement staff. These challenges were found to negatively affect procurement efficiency, which consequently hampers service delivery and diminishes patient satisfaction. The strong correlation between procurement efficiency and procurement challenges highlights the need for the hospital to address these obstacles to improve overall performance. Previous studies have highlighted similar challenges in healthcare procurement, where financial constraints and logistical inefficiencies significantly undermine the effectiveness of procurement functions (Baker et al., 2017). As the study suggests, overcoming these challenges is essential for optimizing procurement processes and ensuring that procurement positively impacts the hospital's organizational performance.

5.2 Conclusions

Based on the findings of this study, it can be concluded that procurement efficiency plays a significant role in improving the performance of Garissa County Referral Hospital. Well-managed procurement systems are essential for ensuring timely and consistent availability of medical supplies, which is crucial for high-quality service delivery and patient satisfaction. The hospital's ability to meet patient demands and deliver effective care is directly influenced by the effectiveness of its procurement processes. Conversely, procurement challenges, including

financial limitations, supply chain issues, and staff training gaps, hinder the procurement function and, by extension, reduce service quality and patient satisfaction. Addressing these challenges is critical to enhancing the hospital's operational efficiency and overall performance.

5.3 Recommendations

1. **Enhance Procurement Efficiency:** The hospital should prioritize improving the procurement processes to ensure that supplies are consistently available without delays. This could involve streamlining procurement procedures, adopting automated procurement systems, and ensuring that procurement staff are adequately trained and equipped to handle the hospital's demands.
2. **Address Financial Constraints:** Financial resources are a significant barrier to effective procurement. The hospital management should seek to increase the budget allocated to procurement and explore alternative funding sources, such as grants or partnerships with suppliers, to ensure that procurement is not hindered by financial limitations.
3. **Improve Supply Chain Management:** Supply chain inefficiencies were identified as a major challenge in procurement. The hospital should consider partnering with reliable suppliers, improving stock management systems, and enhancing coordination between procurement and other hospital departments to reduce delays in obtaining medical supplies and equipment.
4. **Capacity Building for Procurement Staff:** Inadequate training was noted as a challenge in the procurement process. It is essential to invest in regular training and professional development for procurement staff to ensure they are knowledgeable about the latest procurement best practices, technologies, and regulatory standards. This will help improve procurement practices and, ultimately, hospital performance.
5. **Implement Performance Monitoring Systems:** To ensure the continuous improvement of procurement processes, the hospital should establish performance monitoring systems that track key procurement metrics, such as lead times, costs, and supplier reliability. Regular evaluation of procurement performance can help identify areas for improvement and ensure that procurement activities align with the hospital's overall goals.

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Questionnaire

Instructions

This questionnaire is part of a study on procurement practices and their impact on organizational performance at Garissa County Referral Hospital. Please answer all questions honestly. Your responses will remain confidential and will only be used for research purposes.

Section A: Demographic Information

1. Position

- Procurement Officer
- Healthcare Practitioner
- Administrative Staff

2. Years of Service in Current Role

- Less than 1 year
- 1–3 years
- 4–6 years
- More than 6 years

3. Department

- Procurement
- Clinical Services
- Administration

Section B: Procurement Efficiency

Please indicate your level of agreement with the following statements regarding procurement efficiency at Garissa County Referral Hospital.

(1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree)

4. Procurement processes at the hospital are reliable and efficient.
 - 1 2 3 4 5
5. The hospital consistently receives supplies from reliable suppliers.
 - 1 2 3 4 5
6. Procurement costs are well-managed, keeping expenses within budget.
 - 1 2 3 4 5
7. Procurement decisions are based on both cost-effectiveness and quality of supplies.
 - 1 2 3 4 5

Section C: Service Delivery

Please indicate your level of agreement with the following statements about service delivery at Garissa County Referral Hospital.

(1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree)

8. Patients generally experience minimal wait times for treatments and services due to efficient procurement practices.
 - 1 2 3 4 5
9. The availability of medical supplies is consistent, ensuring timely patient care. ○ 1 2 3 4 5
10. Procurement processes contribute to improving overall service delivery.
 - 1 2 3 4 5

Section D: Patient Satisfaction

Please indicate your level of agreement with the following statements regarding patient satisfaction.

(1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree)

11. Patients express satisfaction with the quality of medical supplies and equipment available during treatment.

• 1 2 3 4 5

12. Patients rarely experience delays due to a lack of necessary medical supplies.

• 1 2 3 4 5

13. Improved procurement processes have positively impacted patient satisfaction at the hospital.

• 1 2 3 4 5

Section E: Challenges in Procurement Processes

Please indicate your level of agreement with the following statements about the challenges faced in procurement processes at the hospital.

(1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree)

14. Limited financial resources impact the efficiency of procurement processes.

• 1 2 3 4 5

15. Procurement staff face challenges due to a lack of adequate training in procurement practices.

• 1 2 3 4 5

16. Supply chain inefficiencies frequently cause delays in obtaining medical supplies.

• 1 2 3 4 5

17. Procurement challenges, such as inadequate policies or guidelines, have impacted service delivery and patient care.

- 1 2 3 4 5