

**INFLUENCE OF RELATIONSHIP MANAGEMENT FRAMEWORK ON THE
PERFORMANCE OF SUPPLY CHAIN MANAGEMENT IN HEALTH FACILITIES IN
NAIROBI CITY COUNTY, KENYA**

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Purpose: *the influence of relationship management framework on the performance of supply chain management in health facilities in Nairobi City County, Kenya.*

Materials and methods *the study adopted a descriptive cross sectional survey research design the target population was 201 Health facilities in Nairobi City County as listed by Master Facilities List. The unit of analysis was Health facilities in Nairobi City County and the population frame was the entire list of 201 Health facilities as listed by Master Facilities List in Nairobi City County 2018. The unit of observation was supply chain management specialists. The study used both convenient sampling and stratified random sampling. The sampling size was computed based on the Yamane sampling size formulae. Primary data was collected through questionnaire. The questionnaire had both structured and unstructured questions. A pilot study was conducted to identify potential problem areas and deficiencies in the data collection instrument. Multiple regression models were used to analyse the data and establish the extent of association between the variables. Descriptive statistics such as frequencies mean and standard deviation was used to describe the data. Statistical package for social science (SPSS) (version 23.0) was used to facilitate data analysis.*

Results: *The study established positive and significant relationship between Relationship Management Framework and supply chain performance. This implies that RMF enhances SCM performance of health facilities in Kenya is likely through collaborative relationship between stakeholders and operations of SCM. The study concludes that RMF significantly influence SCM practices*

Recommendations: *The study recommendation that Supplier relationship framework activities such as: Value based compensation structure to vendors, Quality Assurance Teams to ascertain quality at source, Problem solving teams to address disputes, Training Framework and Long Term Contracts for mutual benefits necessitates a consistency of approach and a defined set of behaviours that foster trust over time.*

Keywords: *Relationship Management Framework, Quality Assurance Teams, Problem Solving Teams, Long term Contracts, Training Framework and Value based compensation*

1.0 INTRODUCTION

1.1 Background to the Study

This chapter presents the background of the study, statement of the problem, general and specific objectives, and research questions, justification of the study and the scope of the study. Public organization have increased

their level of outsourcing and begun to rely more on their supply chain network as a foundation of competitive advantage (Beers, 2014). Companies have downsized, and they are more focused on their core competencies while leveraging their suppliers' capabilities and technologies (Bahinipati & Deshmukh, 2012). The role of purchasing and sourcing in a company is crucial and shifting towards a strategic direction. Professional sourcing of materials and services can be an enabler in a situation of aggressive competition in a varying business environment (Beers, 2014). As companies are more dependent on suppliers, poor decision making can have serious consequences (Awaysheh & Klassen, 2010). An inappropriate supplier rating can weaken a company's financial and operative stability.

Strategic supplier management in an organizations helps to deliver increasingly new forms of value to the business. Establishing a framework to develop strategic relationships that helps foster innovation and enables collaborative product design and cost optimization with strategic suppliers, (Beers, 2014). Strategic Supplier management practices is defined as a set of activities undertaken in an organization to promote effective management of its supply chain (Derek & Eyaa, 2012). It describes the latest evolution of SCM practices, which include vendor base rationalization, relationship management framework, Supplier collaboration, and supplier rating.

According to Ng'ang'a (2014) explains that supplier relationship management is increasingly regarded as a strategic weapon, centered on its ability to create collaborative relationships for a firm's advantage. Partnerships with suppliers enable a strong positive influence on firm's performance through the development of joint resources and the exchange of valuable knowledge with the organisation individual partners and suppliers through a developed strategic supplier base (Siddiquei, 2015).

Strategic supplier management involve integration of supplier's base at the operational level and making the supplier an extension of the organisation emphasising continuity of supply and an end-to-end pipeline (Sriram and Stump, 2012). Mechanisms for facilitating this integration include the participation of suppliers in design, relationship management framework, supplier rating, product specification compliance and customer complaints management as well as the use of ordering systems and information technology to exchange information. These linkages permit increased coordination between organisations and their suppliers at tactical level, enabling the firm to deal more effectively with the complexity and uncertainty present in their environment (Lau, 2010).

1.1.1 Global perspectives of Strategic Supplier Management Practices

Strategic Supplier Management Practices are conceptualized to impact positively on supply chain performance (Lau, 2010). Sinha, (2012), states that in the USA Wal-Marts' have used supplier collaboration systems to support its lean supplier practices to improve SCM performance. Wal-Mart has made significant investments in inventory control, materials management through integration of their Warehouse Management Systems (WMS) to their suppliers for holding economic order quantities and sufficient stock for optimal operations (Pacheco *et al.*, .2010).

A study conducted by New Zealand government (2012) established that collaboration between government agencies and suppliers in buying goods and services provides favorable contract terms; not just pricing but also high quality goods and services.

Wieland and Durach (2016) states that Daimler AG from Germany, the world's biggest automobile truck maker, strategically aligned with their supplier, Chinese truck manufacturer Foton to build Mercedes-Benz trucks in China and sell the Chinese brand models of its partner internationally because of the rising demand

for low-cost commercial vehicles in the emerging markets. The development of a strategic partnership approach is fundamental to the success of supplier integration efforts within the china trucks manufacturers. The approach is based on competitive supplier rating and eventually supplier base rationalizing for long term relationships and supplier selection criteria, and other formal processes. Ultimately, integrating suppliers into well-managed strategic supplier relationships is found to have a lasting effect on the competitiveness of the entire Daimler AG, supply chain in china and the rest of the world assembling factories in United States of America (Liu, and Bao 2012).

According to Yusoff *et al.*, (2012) Zara in U.S.A integrated its supply chain systems to those of its suppliers and focused on supplier collaborations through system integration, process alignment and vendor managed inventories. According to Davangashu Dutta, (2002) agile manufacturing and strategic supplier management capabilities allow Zara to maintain low levels of inventory across the supply chain and replenish as often as two times a week

Total is a French multinational integrated oil and gas company and one of the seven super major oil companies in the world. It uses strategic supplier management to manage the gasoline inventories at the service stations that they supply. Total is also a large scale chemicals manufacturer (Azizi & Tarhandeh 2014). Total is a major player in low-carbon energies and uses technique with larger suppliers of manufactured goods. Relationship management framework helps them to foster a closer understanding and develop long term contracts between the supplier and manufacturer. Strategic purchasing is supported by associated supply management practices such as formal socialization processes, supplier integration and supply base flexibility. (Bahinipati & Deshmukh, 2012).

1.1.2 Regional perspectives of Strategic Supplier Management Practices

An increasing focus on core competencies, and the increase in outsourcing of components and services, has placed greater emphasis on supplier management strategies in firms by developing focused strategic alliance (Shalle & Guyo 2014). Ng'ang'a, (2014) states that offshore outsourcing service requiring specialized expertise in managing and coordinating suppliers activities across East and central africa geographic, sectoral, and functional boundaries (Shall & Guyo 2014).

The supply chain management (SCM) restructuring initiative undertaken by Unilever in Uganda, one of the world's largest food and consumer goods companies through supplier management practices and supplier relationship management framework characteristics have a large impact on the performance of the buyer firm. (Lambert, 2010).The supply base flexibility reflects the degree to which unilever key suppliers are able to customize their products, be responsive to delivery changes, and to accept late 'mix' and volume changes. Unilever has effective supplier collaboration system that enables quality of data they receive from their suppliers or from third party providers. (Mohamed and Azizan 2015). This is related to both, information about Unilever, vendors, their companies, locations, financial, or contact information, as well as the information about the products or services they provide.

Supplier Management practices in General Motors East Africa Limited have extended the lifetime of suppliers contract by ensuring that certain levels of performance are met during the beginning of a partnership and on a continuous basis afterward. Supplier Performance Management is particularly crucial for companies dealing with a complex or global supplier network (Mamad & Chahdi 2013).

According to Diageo, (2011) East Africa Breweries has achieved its competitiveness through proper management of downstream and upstream integration of supply chain operations, vendor base rationalization

and extensive supplier collaboration. Strategic supplier management practices in East Africa Breweries is the gateway between the external suppliers and the internal functions creating and delivering value for customers. This shift has incredibly enhanced the importance of the supplier base.

Sinha and Kotzab, (2012), states that while the old arms length collaboration is perfectly suitable for some suppliers others should be treated as close partners. East Africa Breweries overall framework of supplier relationship management (SRM) integrating such different types of suppliers along the course of the relationship remains desirable. Developing a frame-work for Supplier Relationship Management in East Africa Breweries brought insights for customer relationship management (CRM) as well as existing findings in supplier management practices (Saini,2010).

1.1.3 Strategic Supplier Management Practices in Kenya

The purchasing function is becoming widely recognized as an important contributor to strategic success, helping firms meet the challenges of an increasingly competitive and dynamic environment (Lau, 2010). In Kenya strategic supplier management practices allows the supply chain function to play a greater role in corporate planning, reduces a firm's exposure to opportunistic behaviours, and more likely lead to successful collaborative relationships (Lau,2010).

Mission of Essential Drugs (MEDS) currently provides a reliable supply of essential medicines and medical supplies of good quality at affordable prices to over 1,800 public and private health facilities in Kenya through their devolved distribution network. This aspect is supported by the fact that (MEDS) purchasing department have reduced their supplier base in order to cooperate closely with optimal number. Their suppliers are assessed regarding five categories: excellence in development, product quality, logistics, entrepreneurial performance order-turn-around time, product specification compliance, customer complaints management. The supply chain Excellence in MEDS has been achieved through development of relationship management framework that ensure maintenance of long term contracts with suppliers, setting up of problem solving and quality assurance teams (Kenya Healthcare Federation, 2016).

Kenya Electricity Generation Company (Kengen) has been having systematic collaboration with Kenya Power for a long period of time. Kengen has integrated various aspects of SSM practices including supplier rating in their operations including delivery time aimed at improving supply chain performance (Kengen 2014).

Kengen conduct sourcing strategies to ensure that they have selected proper suppliers, or at least those with the lowest prices. They also spend significant time and resources segmenting their supply base to understand which suppliers are critical to their success in various strategies and which are easily replaceable that is transactional. (Mohamed and Azizan (2015). They implement supplier performance management programs to ensure suppliers rating have goals to improve quality, cost and delivery so as to reap the benefits of collaboration. These steps are fundamental and has enabled Kenya Electricity Generation company in developing a sound supplier management program, that provide sustained competitive advantage of a disciplined supplier collaboration process (Yusoff et al., 2012).

Bidco Africa Ltd has manufacturing factories in Kenya; The Group's products are marketed to 13 African countries (Cmuscm, 2014). Bidco Africa Ltd has applied supplier collaboration and entered into strategic partnerships with key suppliers to support thousands of small scale farmers take advantage of agri-business opportunities in oil seed production. An integral component. Bidco Africa Ltd developed strategic supplier relationship management practices involving working together with its agriculture based suppliers, to tailor its

supply chain and meet its individual needs (Bidco, 2014). Bidco is achieving this through joint research & product design and joint training of farmers.

1.1.4 Health facilities in Nairobi City County

Nairobi City County is one of the 47 counties of Kenya (Constitution of Kenya 2010). The smallest in size yet most populous of the 47 Counties. It is the capital and largest city in Kenya. Nairobi City County was founded in 2013 on the same boundaries as Nairobi Province, after Kenya's 8 provinces were sub-divided into 47 Counties (Constitution of Kenya 2010).

There are about 5,000 Health Facilities in Kenya (MOH, 2013). Hospitals in Kenya are classified based on the agency that owns the health facility (MOH, 2013). The players in the health sector are the Government of Kenya, which manages public health institutions, faith – based organisation (FBOs) and non-governmental organizations (NGOs), donors and private investors (MOH 2013). Hospitals in Kenya are structured in levels which includes dispensaries and private clinics, health centres, sub-county hospitals and nursing homes, county hospital and private hospitals, level five hospitals and referral hospitals, (MOH, 2013).

At national level health services management and delivery of medical commodities falls under Health Cabinet Secretary, Principal Secretary, Director of Medical Services and heads of various departments (MOH, 2013). At the County level the structure of health care sector is headed by Chief executive Committee member of health, Chief Officer of health, Director of health and County heads of departments: Nursing, Pharmacy, Laboratory, Malaria, and Aids/HIV programs (Health Sector Framework Report 2017/2018). Christian health association of Kenya (CHAK) formed in 1946 is a faith based organization is also providing health programs under protestant churches in Nairobi and Kenya at large. (CHAK website).

The county health service provides Essential drugs as well as specialized medicines/supplies, Dental supplies, surgical supplies, and Radiological consumables. The supply of these products is fully financed by the county. Other health's products are currently provided by the National Government are program commodities through KEMSA. They include Reproductive Health commodities, HIV/AIDS commodities, Malaria commodities, TB commodities, and Vaccines, (The Kenyan Ministry of Health, 2013).

According to Langat (2015) healthcare sector in Nairobi City County is estimated to loss between ten percent (10%) and eighteen percent (18%) in revenue due to inventory glitches. Nyaga, (2013) estimated that Kenyatta National hospital and Mbagathi Sub-County Hospital experienced high supply cost and inventory holding costs of between thirty and forty percent (30% & 40%) due to oversupply of requirement.

1.2 Statement of the Problems

The healthcare sector in Nairobi City County is facing major challenges (Langat, 2014). Healthcare providers and institutions are under an increased pressure to deal with a number of suppliers who are not able to meet set targets of service delivery, (Odhiambo, 2014). Healthcare sector incur huge loses, according to Langat (2014) it is estimated that the sector loss between ten percent (10%) and eighteen percent (18%) in revenue due to inventory glitches. Nyaga, (2013) estimated that Kenyatta National hospital and Mbagathi Sub-County Hospital experienced high supply cost and inventory holding costs of between thirty and forty percent (30% and 40%) due to oversupply of requirement.

Nyaga, (2013) states that due to lack of essential drugs in some public Hospitals in Nairobi City County, has led to insurgence in incidences of Malaria, for example, it is estimated that more than 40% of all out-patients and 60% of cases in hospital paediatric wards are suffering from malaria. It is also estimated that malaria is

responsible for almost 30% of all hospital deaths. The proportion of children who are underweight due to malaria related causes is 0.32% (CIPD, 2014).

Consequently a number of techniques have been tried in order to improve performance in health facilities to help meet the World Health Organization (WHO) goal of quality, affordable and accessible health care services for all such as training of doctors, reduction of doctors to patient ration, free health care policy by the government with minimum desired results (Landry, 2013).

Therefore there is a need to find an approach that shall ensure reduction of cost of operation and at the same time improve performance of health care facilities. As a result a number of health facilities have started to embrace Strategic Supplier Management (SSM) concept as a way of improving performance. However, there has been very minimal empirical research linking SSM and performance especially in the health sector. It is against this background that this study aims to evaluate the influence of Strategic Supplier Management Practices on the performance of Supply Chain Management in health facilities in Nairobi City County, Kenya.

1.3.1 General objective

The General objective of the study was the influence of relationship management framework on the performance of supply chain management in health facilities in Nairobi City County, Kenya.

1.3.2 Specific objectives

- i. To establish the effect of Quality Assurance Teams on the performance of supply chain management in Health facilities in Nairobi City County.
- ii. To determine the effect of Problem Solving Teams on the performance of supply chain management in Health facilities in Nairobi City County.
- iii. To assess the effect of Long term Contracts on the performance of supply chain management in Health facilities in Nairobi City County.
- iv. To examine the effect of Training Framework on the performance of supply chain management in Health facilities in Nairobi City County.
- v. To evaluate the effect of Value based compensation on the performance of supply chain management in Health facilities in Nairobi City County.

2.2 Theoretical review

A theoretical framework refers to how the researcher develops thoughts on what the possible answers could be (Kumar et al., 2005). According to Kothari (2009), a theory is a coherent group of tested propositions commonly regarded as correct that can be used as principles of explanation and prediction for a class of phenomena.

2.2.2. Resource dependence theory (RDT)

This study was based on resource dependence theory (RDT), in establishing influence of relationship management framework on the performance of supply chain management in Health facilities in Nairobi City County. Resource dependence theory takes the view that a business relationship is a social exchange of critical resources with mutual dependency among the exchange partners. Thus, the survival and growth of organizations largely depends on the ability to secure critical resources from the external environment

(Teijlingen & Hundley, 2011). But a relationship between organizations is not free. Resource dependence theory focuses on ex-ante mutual dependence between exchange partners due to critical resources. This theory recognizes the existence of inter-dependency between exchange partners and the importance of securing valued resources from environmental and behavioural uncertainty (Davis & Cobb, 2010).

Resource dependency and competence theory stress that, one of the main reasons for a firm to form relationships with other firms is to gain access to the resources that the firm does not possess, contends (Doney & Cannon, 2007). The survival and growth of organizations largely depends on the ability to secure critical resources from the external environment. According to Enarsson, (2008), Carr and Pearson, (2009) stated that the collaboration across public procurement functions provides opportunities for better utilization of procurement skills and resources; thereby providing value for money; maximizing benefits and the spread of best practice.

Handfield et al., (2009) concurs with cooperation approach positioning that firms are no longer able to develop major product or service innovations alone because of the dispersion of knowledge and technological resources driven by organizational specialization. In addition, Handfield et al., (2009) further noted that the growing need for greater effectiveness in their operation has forced more companies to engage in partnerships leading to increased dependence on each other's resources and capabilities.

According to Wilson, (2010), the increasing complexity of markets makes it difficult for firms to possess all the resources to compete effectively, and exchange leads to relational interdependency. Sako, (2012) argues that the performance and the internal efficiency of a business is viewed as dependent on its ability to develop resources through relationships rather than its ability to exploit resources in isolation from other companies, and resource development is seen as taking place between companies rather than just within companies. However, Romero, (2011) warns that organizations should collaborate to achieve these benefits where it makes logical and commercial sense to do so.

Resource dependence theory argues that a firm creates potential market value through a unique positioning and can claim those values through a competitive advantage based on firm-specific resources (Scannell, 2010). In an effort to achieve competitive advantage in the market, firms align themselves with exchange partners (customers and suppliers) and create joint values, such as cost reduction and/or value addition, through investments in buyer-supplier relationship. This theory links the effect of Relationship Management Framework through joint problem teams, value base compensation structure and long term contracts to performance on Supply Chain Management.

2.2.3 Relationship Management Framework

Supplier relationship management is the systematic, enterprise-wide assessment of suppliers' assets and capabilities with respect to overall business strategy, determination of what activities to engage in with different suppliers, planning and execution of all interaction with suppliers (Chen and Tain, 2011).

According to Lambert (2010) definition states that relationship management framework describes as long-term supply chain strategy in which emphasis is on building and maintaining long-term relationship. Purchasing aims to achieve strong, lasting relationships with suppliers with a view to securing mutual benefits and the added value of competitive advantages for both parties (Mamad & Chahdi 2013). Purchasing or procurement focuses on supplier relationship management to establish communication channel, joint planning and forecasting, increased trust, enhanced value based compensation structure and perspectives with improved value for both parties and establish common goals and focus on long term benefits (Mangan & Lalwani 2016).

2.2.4 Supply chain management performance

Supply chain performance refers to how well an organization achieves its market-oriented goals as well as its financial goals (Hitt & Dacin, 2010). The short-term objectives of SCM are primarily to increase productivity and reduce inventory and cycle time, while long-term objectives are to increase market share and profits for all members of the supply chain (Anderson, 2014). Financial metrics have served as a tool for comparing organizations and evaluating an organization’s behavior over time (Ng’ang’a,2014).

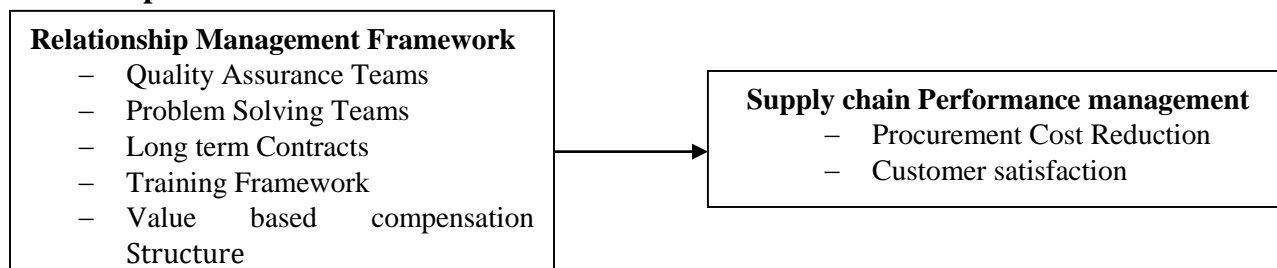
Supply chain performance is considered as the extent to which the SCM function is able to realize its predetermined goals at the minimum of the organization resources and at the delight of customers (Jean, Martin & Nathaniel, 2016). Supply chain management performance measurement in this study is defined to include: procurement cost reduction and customer satisfaction. Vollman, (2012); Modi and Mabert, (2007) used supply chain effectiveness and customer satisfaction as dimensions of looking at supply chain management performance.

2.2.5 Relationship Management Framework and Supply Chain Management Performance

Lee, (2010) conducted a study on the framework for supplier relationship management, the study established that relationships need to be developed with key customers with consideration to cross-functional relationships with a small number of key suppliers, and maintain more traditional buyer and salesperson relationships with the others. The study further found that management should identify those suppliers and supplier groups to be targeted as part of the firm’s business mission. It was found that supplier relationship management teams work with key suppliers to tailor Product and Service Agreements (PSAs) to meet the organization’s needs, as well as those of the selected suppliers. Standard PSAs are crafted for segments of other suppliers.

Sriram & Stump, (2012) carried out study on supplier relationship management; the research has shown that the goal is to develop PSAs that addresses the major business drivers of both the organization and the supplier. The findings from the study established that performance reports are designed to measure the profit impact of individual suppliers on the firm as well as the firm’s impact on the profitability of suppliers. Supplier relationship management represents an opportunity to build on the success of strategic sourcing and traditional procurement initiatives. It involves developing partnership relationships with key suppliers to reduce costs, innovate new products and create value for both parties based on a mutual commitment to long-term collaboration and shared success.

2.3 Conceptual Framework



3.0 METHODOLOGY

A descriptive cross sectional survey research design was used for this study. The target population was 201 Health facilities in Nairobi City County as listed by Master Facilities List. The unit of analysis was Health facilities in Nairobi City County and the population frame was the entire list of 201 Health facilities as listed by Master Facilities List in Nairobi City County 2018. The unit of observation was supply chain management

specialists. The study used both convenient sampling and stratified random sampling. The sampling size was computed based on the Yamane sampling size formulae. Primary data was collected through questionnaire. The questionnaire had both structured and unstructured questions. A pilot study was conducted to identify potential problem areas and deficiencies in the data collection instrument. Multiple regression models were used to analyse the data and establish the extent of association between the variables. Descriptive statistics such as frequencies mean and standard deviation was used to describe the data. Statistical package for social science (SPSS) (version 23.0).

RESEARCH FINDINGS , ANALYSIS AND DISCUSSION

4.1 Introduction

The study aimed to establish the influence of strategic supplier management practices on the performance of supply chain management in health facilities in Nairobi City County, Kenya . Consequently, the chapter reports the response rate analysis, reliability test results, demographic analysis, descriptive statistics and inferential statistics in terms of summary statistics. Tables and bar charts are used to present findings of each tested factor. The findings from all the tests are reported according to each study objectives.

4.3 Response Rate

This section sought to establish the rate of response. A total of 134 questionnaires were distributed. Out of this, 112 (83%) were returned completely filled and 22 (17%) were not fully filled leaving a total of 112 (83%) as valid questionnaires which were analysed, which translated to 83% response rate for the study. However, according to Mugenda and Mugenda (2012), a response rate of 70% and above is considered acceptable. This study response rate of 83% which is above the threshold given by (Mugenda & Mugenda, 2012) was therefore considered good and acceptable. Table 1 illustrates the study response rate.

Table 1: Response Rate

Response	Frequency	Percentage
Returned questionnaires	112	83
Unreturned questionnaires	22	17
Total	134	100

4.4 Demographic Information

4.4.1 Gender of the respondents

The study sought to ascertain the composition of gender on the target respondents. The findings indicate that 56% were male and 44% were female. This implies that health sector is no different from all other sectors in the developing economy where men are still dominant gender in the economic development as a result of cultural practices which still confine females to domestic related activities (Hilary, 2015). This finding was supported by National Cohesion and Integration Commission Act No.12 of 2008 which ranks males as the majority in work places. (GOK, 2008).

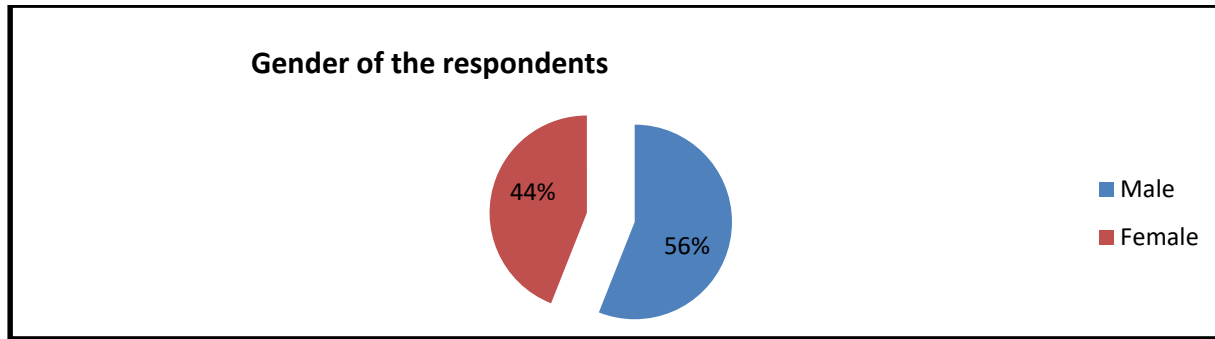


Figure 4.1: Gender of the respondents

4.4.2 Respondent’s Level of Education

The study sought to establish the level of education attained by the respondents. The findings presented in Table 2, confirms that 60.71% of the respondents had attained university level of education, 39.29% had attained college level of education. The high level of education by the majority implies that a good number of the respondents were in good position to respond effectively to the study questionnaire. The findings confirm Panagiotis (2014) study which established that current firms have embraced professionalism in the management of Sopy chain.

Table 2: Respondent’s Level of Education

Highest level of education	Frequency	Percentage
College	68	60.71
University	44	39.29
Total	112	100

4.4.3 Job Category

The study sought to establish job category of the respondents. The findings in Table 3 show that majority comprising 62.50% of the respondents indicated that they were in the middle level and 37.50% indicated that they were in top level management. This implies that SCM professionals in Kenya are yet to get proper recognition at the strategic level of the management. These findings are in line with Babbie (2013) findings which established that firms in the developing countries are yet to recognise SCM functions as strategic.

Table 3. Job Category

Job Category	Frequency	Percent
Top Level management	42	37.50
Middle Level	70	62.50
Total	112	100

4.4.4 Respondents Period of Working

On the period the respondents had worked at Health facilities as indicated in Table 4, twenty one percent (21.42 %) indicated that they had worked at the Health facilities for nine to twelve (9-12) years, forty one percent (41.07%) of the respondents indicated that they had worked at Health facilities for more than twelve (12) years,

twenty percent (20.54%) of the respondents had worked at Health facilities for between six to eight (6-8) years, while sixteen percent (16.97%) of the respondents indicated that they had worked at Health facilities for less than three (3) years. This clearly indicated that majority of the respondent had worked at the Health facilities in Nairobi City County for at least 3 years and had enough experience and information to effectively respond to the study questions. The finding are in line with that of Dehghan, (2013) assertion that experience is critical for employees to gain enough and relevant knowledge about their firms operations and therefore will be able to produce valid and reliable responses to interview questions.

Table 4: respondents Period of Working

Length of Respondent Working Period	Frequency	Percent
Above 12 years	46	41.07
9- 12 years	24	21.42
6- 8 years	23	20.54
less than 3 year	19	16.97
Total	112	100

4.5.2 Relationship Management Framework (RMF)

The study aims to assess facility practices that constitute RMF in the health sector. The respondents were required to indicate the level of these practices within their facilities using a five point Likert scale and the results were as follows: Use of Value based compensation structure to vendors (mean 4.20, STD 0.96), Quality Assurance Teams to ascertain quality at source (Mean 4.17, STD 0.79), Problem solving teams to address disputes (mean 4.16, STD 0.84), Training Framework (mean 4.06, STD 1.05) and Long Term Contracts for mutual benefits (mean 3.91, STD 0.66).

The data findings shows that using Value based compensation structure to vendors, Quality Assurance Teams to ascertain quality at source, Problem solving teams to address disputes, Training Framework and Long Term Contracts for mutual benefits were explicit across the facilities surveyed having an overall mean score of 4.20, 4.17, 4.16, 4.06 and 3.91 respectively out of the possible score of 5 points. This imply that health facilities in Nairobi City County have a embraced RMF in their SCM operations as reported by Otieno & Getuno, (2016) that a number of firms have embraced on steps to streamline ways of managing vendors in order to minimize conflicts and solve the emerging issues. The findings are presented on table 4.7:

Table 5: Relationship Management Framework

Statement	Mean	Variance	Std
Quality Assurance Teams to ascertain quality at source	4.17	0.62	0.79
Problem Solving Teams to address disputes	4.16	0.71	0.84
Long term Contracts for mutual benefits	3.91	0.44	0.66
Training Framework for joint training	4.06	1.11	1.05
Value based compensation Structure to vendors	4.20	0.93	0.96

4.6 Inferential Analysis

4.6.2 Relationship Management Framework and Supply Chain Performance

The study question was derived from the study specific objective: “To determine the effect of relationship management framework on the performance of supply chain management in Health facilities in Nairobi City County”. Study question 2: “What is the effect of relationship management framework on supply chain management performance in Health facilities in Nairobi City County?”.

The Multiple regression analysis ($y = B_0 + B_2X_2 + \epsilon$) was run with SCM performance as the dependent factor and RMF as the predictor variable. The results indicate the value of Variance R^2 to be 0.515. This means that 51.5% of SCM performance is explained by RMF (regression line). The value of $P < 0.05$ ($P = 0.00$) shows that RMF is statistically significant predictor of SCM performance, the regression line is good fit of the data. Therefore the study question was answered in the affirmative. The regression model based on the findings in Table 6 from the SPSS is given by: $SCM\ performance = 3.065 + 0.40X\ RMF$.

Table 6: Relationship Management Framework and Supply Chain Performance

Model	Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig.
	B	Std. Error			
1 (Constant)	3.065	.168		18.205	.000
Relationship Management Framework	.408	.038	.717	10.798	.000

R Square=.515 **Adjusted R Square**=.510 **Sig.**0.000

4.7.2 RMF and SCM Performance

The study intended to ascertain the influence of RMF on SCM performance in health facilities in Nairobi City County. Number of authors has contended that RMF influence SCM performance. This study was grounded on such studies.

The study findings demonstrate that facilities that have embraced RMF concept in managing their supply chain experience significant improvement on the performance of SCM. The MRA result indicate that RMF has a positive statistically significant influence on SCM performance of health facilities; $P < 0.05$ ($P = 0.00$) with explanatory power of 51.5%. Therefore the research question: “What is the effect of relationship management framework on supply chain management performance in Health facilities in Nairobi City County” is answered in the affirmative.

This finding agrees with Dung (2012) findings under the partner selection theory which asserts a positive significant relationship between RMF and SCM performance. It further augment Johnstone and Cheng, (2012) notion that collaboration is suitable for suppliers and motivates closer working arrangement with the potential of resulting in quality assurance teams to ascertain quality at source, longer contracts for mutual benefits, joint integration of processes and improved quality of service which are all signs of performing SCM according to Baldi, (2014).

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary of key data findings and draws conclusions from the findings based on the objectives. The chapter also presents the recommendations made from the findings. The objective of the study was to establish the influence of Strategic Supplier Management practices on the performance of supply chain management performance in Health facilities in Nairobi City County, Kenya.

5.2 Summary of the Finding

This section presents the summary of the study based on the study objectives as discussed in the sub-section to follow: In this chapter, the researcher makes a summary of the study then draws a conclusion and gives recommendations based on the research findings and analysis done in the previous chapter. The summary is a brief overview of the research process while the conclusion is the report of the crucial findings and the recommendations are suggestions and advice based on the research findings. The main purpose of the study was to establish the influence of Strategic Supplier Management practices on the performance of supply

5.2.2 Relationship Management Framework and supply chain performance

The study objective was to determine the effect of RMF on the performance of supply chain management in Health facilities in Nairobi City County". The study finding answered the study question, "what is the effect of relationship management framework on supply chain management performance in the affirmative?" The study established that relationship management framework positively and significantly affects SCM performance. The study finding indicates that RMF has the greatest influence on SCM performance. ($\beta_2=0.624$, $p=0.000<0.05$).

5.3 Conclusion

The study established positive and significant relationship between Relationship Management Framework and supply chain performance. This implies that RMF enhances SCM performance of health facilities in Kenya is likely through collaborative relationship between stakeholders and operations of SCM. The study concludes that RMF significantly influence SCM practices.

5.4 Recommendations of the study

The study recommendation that Supplier relationship framework activities such as: Value based compensation structure to vendors, Quality Assurance Teams to ascertain quality at source, Problem solving teams to address disputes, Training Framework and Long Term Contracts for mutual benefits necessitates a consistency of approach and a defined set of behaviours that foster trust over time in line with Otieno and Getuno (2016). This study established that Supplier relationship framework positively predicts supply chain performance R Square=0.515, $Sig.000<0.005$) with an explanatory power of 51.5 percent. Therefore effective supplier relationship requires not only institutionalizing new ways of collaborating with key suppliers, but also actively dismantling existing policies and practices that can impede collaboration and limit the potential value that can be derived from key supplier relationships. Therefore the study recommends the supply chain management in health facilities in Nairobi City County, Kenya should incorporate RMF strategies within their SCM strategies in order to increase SCM performance.

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