



## STRATEGIC PROCUREMENT PRACTICES AND PERFORMANCE OF PROFESSIONAL BODIES IN NAIROBI CITY COUNTY, KENYA

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### ABSTRACT

Strategic procurement is essential for competitiveness of procurement function in any organization. The major objective of strategic procurement is to engage with suppliers who align with the strategic business and operational goals. The general objective of this study was to assess the effect of strategic procurement practices and performance of professional bodies in Nairobi City County, Kenya. The specific objectives were; to determine effect of strategic contract management and strategic inventory management on performance of professional bodies in Nairobi City County, Kenya. The study was guided by contract theory and inventory control theory. The study employed descriptive research design. The target population was 81 management staff of the professional bodies from the procurement, finance, and ICT departments. Census was used hence all 81-management staff was sampled. Primary data was collected using questions. A pilot was conducted with 10% of the sample hence 8 management staff. Validity was tested using content and construct validity. Cronbach's Alpha Coefficient was used to measure questionnaires' reliability. Data was analyzed with descriptive statistics (frequency, percentage, mean) and inferential statistics (correlation, regression) and tabulated. Findings show that; there is a moderate significant relationship between strategic contract management and performance ( $r=0.388$ ,  $r=0.001$ ), a strong significant relationship between strategic inventory management and performance ( $r=0.515$ ,  $r=0.000$ ). The conclusions are; the institutions ensure that obligations and responsibilities are well defined and contract management teams are well informed on the contract terms. The institutions have good inventory management practices but they have failed in automation of the inventory management systems which would help to improve the levels of service delivery. The researcher recommends that the management should; implement strategic contract management practices within the existing legal framework provided by public procurement acts and regulations, they have put in place an inventory management systems achieve accurate demand forecasting so as to keep appropriate stock levels.

## Background of the Study

Strategic procurement is the process of creating alignment and consistency of action that establishes the long range objectives and overall strategy or course of action by which procurement function fulfills its mission. Strategic procurement sets out the means by which procurement policy objectives will be achieved through prioritized 'action plans' (Isaac & Robert, 2015). Timothy (2015) viewed strategic procurement from three focal dimensions which included development and management of important suppliers, in-house functioning of the procurement function and synchronization of purchasing and other functions in the firm, as well as efforts to accomplish or surpass customer expectations.

Strategic procurement is essential for competitiveness of procurement function in any organization (Klasa *et al.*, 2018). One major objective of strategic procurement is to engage with suppliers who align with the strategic business and operational goals (Sollish & Semanik, 2018). Strategic procurement is a critical function of an organization since it helps to save costs, improve operational efficiency, access to trusted suppliers, and improve in quality of product or service, and sharing of best practices (Magnus, 2016). Dale-Clough (2015) noted that strategic procurement management in Europe, is associated with building rapport between purchasers and suppliers. Depending on the volume of business done by the company with the supplier, it may also be possible to find ways to expedite delivery as well. According to Aliyu (2016), most enterprises have been unable to implement the necessary procurement concepts and practices that increase the achievement of organizations' defined objectives. Karanja and Kiarie (2015) stated that procurement approaches significantly affect performance of business entities in the private sector and aid to reduce operational expenses.

## Statement of the Problem

The Professional bodies enhance career progression and also act as a watchdog for various professionals. They have a great influence on public perception by creating the reputation and defining professionalism by ensuring professional code of conduct is observed. Professional groups help in maintaining ethics, upholding code of conduct, and adhering to set professional standards. This play a great role not only in the career prospects of the members, but in growing the economy as well as enhancement of social wellbeing through provision of quality goods and services. Additionally, in many companies in Kenya prefer to potential employees who belong to professional bodies hence their chances of hiring quacks are reduced.

However, regardless of their membership in a professional body, some professionals particularly the procurement professionals breach the code of ethics. A study by Public Procurement Regulatory Authority (PPRA, 2020) showed that procurement professionals both in the public and private sector buy goods at an average of 60% above the current market price making it an avenue for corruption. The report further showed unexplained delay in service delivery, favoritism, exorbitant prices, and awarding same contracts to different bidders. Tendering fraud has overtaken bribery and corruption among professionals in Kenya (Mukhwana, Too, & some, 2017). Kenya National Qualifications Authority (KNQA, 2021) estimated that 30 to 40% of all qualifications in the country are fake and/or do not meet the national standards. This situation if allowed to continue will affect quality of professionalism in Kenya. The professional bodies have not been able to meet their performance targets. The Institute of Certified Public Accountants of Kenya (ICPAK) described the revenue targets in the 2021/2022 budget estimates as overly ambitious. The actual revenue collection for the professional bodies in the F/Y 2021/2022 fell below the target of Kshs. 107.9 million and widen fiscal deficits by more than the projected.

There exist various studies on strategic procurement in Kenya; Nyabuto (2016) study on effect of strategic procurement on performance of Kenya Power Company indicated that strategic procurement has a positive impact on the performance of public enterprise. Wanjiku (2019) on effect of strategic procurement practices on organizational performance in public organizations found that strategic procurement practices enhances overall optimal performance of Kenya School of Revenue Administration. Chepng'etich (2022) study on impact of strategic procurement practices on the functioning of Kenya's devolved government revealed that strategic supplier relationships, strategic e-procurement practices, strategic negotiation practices, and strategic contract management are significant predictors of Devolved Systems of Governance performance. There is however study limitation in the professional bodies in Kenya. None of the aforementioned studies (Nyabuto 2016, Wanjiku 2019, & Chepng'etich 2022) focused on professional bodies in Kenya. This study hence sought to assess the relationship of strategic procurement practices and performance of professional bodies in Nairobi County, Kenya.

## General Objective

The general objective of the study was to assess the relationship of strategic procurement practices and performance of professional bodies in Nairobi City County, Kenya.

## Specific Objectives

- i. To determine the relationship of strategic contract management on performance of professional bodies in Nairobi City County, Kenya.
- ii. To establish the relationship of strategic inventory management on performance of professional bodies in Nairobi City County, Kenya.

## LITERATURE REVIEW

### Theoretical Review

#### Contract Theory

Contract theory was propounded by Leviathan (1651). Contract theory is the study of how people and organizations develop legal agreements in situations with uncertain conditions, unknown factors and information asymmetry (Mohr & Spekman, 1994). Exchange between organizations and contractors need high levels of interpersonal qualities namely commitment, shared adjustment to exchange associates' wants, trust, and the anticipations of continuousness of the association, communication, cooperation, commitment, shared aims, interdependence, and performance satisfaction. Hughes and Maed (2002) stated that the contractual associations among main partners are critical. According to Alsagoff and McDermott (1994), customers frequently heed to lawful and contractual sanctioning processes when disagreements transpired. The immediate gains of association between parties for contractors according to Akintoye et al. (2000), rest on increased competitiveness and profitability as well as decreased bureaucracy.

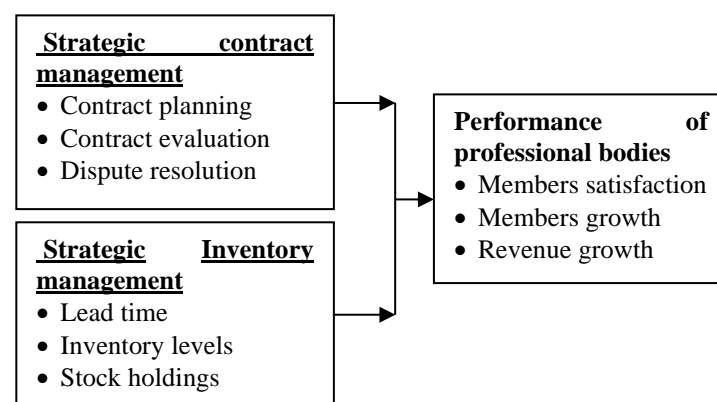
Relational contract theory suggests that the social associations and effect of behavior activities causes' interpersonal authority to work to alleviate the specific interchange risks steered by formal contracts such as risks connected to exchange associations, specifically insecurity, particular investments and challenging performance dimension. This theory relates to the objective on strategic contract management. That is services provided by professional bodies allow institutions to have a great interpersonal relationship with the people or organizations seeking their services. It is important to all suppliers and other institutions seeking professionals' services to abide by the set terms and conditions of the contracts.

## Inventory Control Theory

Inventory control theory was developed by Starr and Miller in 1962. Inventory control involves the actual control of inventory; this can mean inventory of raw materials, works-in-progress or finished goods. Regardless of the type of inventory in question, inventory requires storage, and there is always a cost associated with that storage. Therefore, inventory control theory is concerned with all actions related to the storing of items and the consequences, both positive and negative, thereof. One of the most common applications of inventory control theory is in the determination of the optimal quantity of inventory to be held. There are several mathematical models in use that can act as a useful tool in inventory control. These models strive to balance storage costs with order costs; the cost of shortages is also considered. While inventory control theory tends to be a bit shortsighted regarding the non-monetary costs of storage, and it makes assumptions regarding future demand and delivery that could not be known, inventory control theory is still a cost-saving tool, and is considered part of good business practice in manufacturing environments (O'Farrell 2010). Inventory control theory is applicable to inventory management which ensures that the stock levels are well maintained to meet demand of the members and staff

## Conceptual Framework

### Independent Variables      Dependent Variables



**Figure 1: Conceptual Framework**

### Strategic Contract Management

A procurement contract is an agreement in which a buyer agrees to acquire goods or services from a seller in exchange for consideration (Bakari, 2015). Contract Management is the practice that

guarantees both interested groups to a contract that completely satisfy their separate duties competently and effectively in order to provide the operational goals necessary from the contract and specifically to offer value for money. The development of a contract management strategy is designed to establish the form of the procurement and provide assistance in determining the formulation and award of the contract and the style and type of management to be adopted for the subsequent service delivery, relationship management and contract administration (Islam et al., 2019).

Contract management is an important component of the procurement process as it enables a clear set of contract requirements and objectives to be managed and monitored throughout the contract term. Contract administration ensures appropriate performance by each party in achieving their agreed-upon contractual duties. Since contracts do not enforce themselves, contract administration is essential for resolving conflicts quickly, reducing disputes, controlling changes, maintaining relevant records, and addressing contradictions or discrepancies among various contract documents (Hamie & Abdul-Malak, 2018).

Dispute resolution is another practice or activity involved in contract management. A dispute resolution provision is a system that gives a peaceful and fair approach to work through and addresses these issues. In the event of a dispute or misunderstanding, a clause for dispute resolution reduces the likelihood of the parties being forced into a lengthy and expensive court action to address their differences. Before bringing a lawsuit, contracting parties are frequently obligated to try to resolve their differences out of court. Conflict, disagreement, or claim settlement can be accomplished through a variety of techniques known as dispute resolution (Alzara et al., 2016).

According to Parkera and Hartley (2017), Kenya loses taxpayers' money to improper procurement processes, specifically poor contract management practices. This commonly happens in the country's state corporations due to issues, such as, corruption, litigations, contract cancellations and substandard service or product delivery. This calls for the pressing need to make appropriate policies and decisions to save the situation. Since the state

requires to realize its value for money in the process of the serving its people organizations and institutions are required to account for its expenses (Contract Monitoring Kenya Network, 2018). Therefore, contract management is a valuable step in procurement as it ensures that service or product delivery is undertaken as per the contractual terms and conditions.

### **Strategic Inventory Management**

Strategic Inventory management is defined as a structure used by businesses to track inventory levels in connection to the quantity purchased, lead time, warehousing expenses, and the appropriate time to restock (Hussein & Makori, 2018). It entails preserving records and keeping supplies level, forecasting future sales, and determining when and where to keep inventory (Mulanid & Ismail, 2019). Organizations maintain stocks for a variety of reasons, including satisfying client needs and demands, ensuring a continuous production flow, preventing stock outs, and meeting expected consumer demands. Inventory management models and techniques assist an organization in controlling and maintaining needed inventory amounts in order to achieve important business performance (Karani & Osoro, 2020).

Gatari, Shale and Osoro (2022) posits that inventory management should be oriented toward meeting customer needs in the adequate amount and quality at the appropriate time. To satisfy client requirements, an organization must ensure that inventory gaps are avoided and inventory expenses are carefully monitored (Jepchirchir & Noor, 2019). It is also vital to have precise demand forecasting methods in place in order to keep necessary stock levels. Inventory records are essential in assuring proper stock monitoring in order to keep suitable stock levels. As a result, according to Hussein and Makori (2018), inventory management requires careful assessment of the expenses of maintaining suitable amounts of stock in order to minimize inventory costs.

Maintaining optimal stock levels reduces the cost of delays in business functions caused by stock outs, lowers restocking costs, and protects against market price fluctuations in goods (Lemayian & Moronge, 2018). Inventory management requires a proper method of choosing the right items to order, how much to order, and when to make an order, as

well as methods of tracking the stock available to avoid inventory deficits and excess stock (Mkonu & Gichana, 2019). Inventory decisions are influenced by current inventory, anticipated demand, lead time, and inventory-related expenses. Mulandi and Ismail (2019) believe that the lack of appropriate inventory control systems in public agencies will render macroeconomic expense analysis challenging.

Inventory management systems that are exclusively responsible for keeping records and documenting on supplies to more strategic inventory needs in order to plan, estimate, and complete orders placed and boost profits (Aithal, 2020). According to Kipchumba and Keitany (2021), the latest development in inventory control and administration is vendor-managed inventory (VMI) platforms and pacts. In a VMI system, distribution companies and/or producers collaborate to manage their clients' inventory. According to Schaefer and Konur (2015), the distributor refills the buyers' inventories as required according to daily reports forwarded automatically from the buyer to the supplier. Farhat and Owayjan (2017) add another technology in which, rather than investing for separate resources or platforms to handle various aspects of the business, ERP systems for inventory management manage numerous working components concurrently, lowering total workload and costs.

### **Performance of Professional Bodies**

A professional body is a non-profit organization seeking to further a particular profession, the interests of individuals engaged in that profession, and the public interest. The bodies are formed by a group of people in a learned occupation who are entrusted with maintaining control or oversight of the legitimate practice of the occupation. The body also safeguards the public interest through protecting the interest of the professional practitioners, and also maintain the privilege of professionals (Turner, 2016).

Professionals associate with professional bodies because it offers a platform for self-regulation and lobbying or promotion of member welfare. It also has the tax advantages and liability protections of a business corporation. Though professional bodies often act to protect the public by maintaining and enforcing standards of training and ethics in their

profession, they often also act like a labor union (trade union) for the members of the profession (Smith, 2012). According to Jui and Wong (2013), a professional is characterized by having a professional organization, a Code of Conduct and Ethics, a body of knowledge and research activities. Jung (2020) asserted that professional associations allow organizations within the same community to interact, and understand reasonable conduct and the behavioural dues of membership. However, professional associations face the challenge of member engagement.

### **Empirical Review**

#### **Strategic Contract Management and Performance**

Dagba, and Dagba (2019) assessed effect of contract management practices on performance of road construction projects in Ghana. The study adopted a mixed methodology and purposive sampling was used to sample the respondents. Findings showed that contract management positively affected performance of road construction projects in Ghana. Rasheli (2017) examined procurement contract management in the local government authorities in Tanzania. Findings showed that costs incurred in procurement contract management were related with poor accountability and a lack of competition, transparency and efficiency throughout public procurement chains.

Masuruli (2021) examined effect of contract management practices on the procurement performance in public procuring entities at the Ministry of Finance and Planning. The study employed a sample of 81 respondents from the Ministry. Interviews, questionnaire and documentary reviews were used to collect data. Results showed that the main contract management practices were contract administration, contract risk management and contract dispute resolution. Findings also showed that contract administration, contract risk management and dispute resolution were positively and significantly related to procurement performance in public procuring entities at the Ministry.

Kabuoh, Egwuonwu, and Ajike, (2015) revealed that negotiators frequently interact with potential business partners from marked different cultural or social background. The study also found out that

sellers may negotiate price, credit terms, delivery times, trade-in values and other aspects of the commercial transactions all focused towards effective and efficient sales management, which enhance increased sales and organizational performance. Negotiation can be used to resolve conflict that might arise because of things not made clear to any transaction stakeholder or by the sales person himself. Maina and Osoro (2020) studied effect of contract management on organizational performance in telecommunication sector in Kenya. The study used descriptive research design. Findings showed that contract planning, contract administration, contract and dispute resolution affect performance of telecommunication sector in Kenya. The study further revealed that it is critical to monitor a contract's performance frequently and at regular intervals after award to ensure that the contractor is providing the goods and services on schedule and within budget, and that quality standards are being met.

### **Strategic Inventory Management and Performance**

Iqbal *et al.* (2018) aimed to investigate the effect of lead-time variables on the operational performance of textile companies in Faisalabad, Pakistan. The study employed an explanatory and cross-sectional research methodology, with primary data gathered via structured questionnaire. A sample of 283 middle-to-higher procurement management officers was obtained. The study findings were derived using a structural equation model. The study's findings underscore the significance of procurement lead time in better operational performance.

Ibrahim, Kalash, and Sabsab (2018) investigated the impact of inventory management on the success Turkish firms. The researchers obtained a sample of 47 industrial enterprises. The research obtained data from companies listed on the Istanbul stock market between 2015 and 2016 using the KAP database. Based on the results, the relationship between inventory turnover time and operating income was insignificant. Conversely, the inventory conversion phase had substantial and unfavorable impact on the ratio of working cash flows to asset value.

Srour (2021) investigated the effect of inventory management as defined by inventory turnover on

business performance in Egypt. The data was obtained from the Egyptian stock exchange market. This research was analyzed using Eviews 12 for both descriptive and regression analysis. According to the findings, there is a significant relationship between inventory turnover and return on assets. Atnafu and Balda (2018) aimed to investigate the effect of inventory management practices on competitiveness and organizational performance on in Ethiopian SMEs. The study employed a quantitative survey method. Stratified random sampling methods were used to select a sample size of 200 entities. Questionnaires were used to gather data for the research from 188 respondents. According to the findings, better levels of inventory management practices can contribute to a greater competitive edge and increased organizational performance. Furthermore, competitive advantage has a direct and favorable influence on business success.

Kipchumba and Keitany (2021) set out to study the impact of inventory control systems on procurement practices in the county government of Uasin Gishu, Kenya. The target group was procurement personnel involving 65 respondents. A pilot study was performed to evaluate questionnaire's validity and dependability. The research was based on primary data gathered through structured questionnaires. According to the findings, appropriate inventory management systems increase efficiency and better procurement processes. Also, Jepchirchir and Noor (2019) conducted research on the impacts of inventory optimization on the efficiency of Kenyan government ministries. The study used a case study research methodology. The research discovered that inventory management policies, staff skills, and the use of automatic record management all had a significant impact on inventory management.

Gatari, Shale, and Osoro (2022) investigated the impact of inventory management on the long-term success of Kenyan state companies. A descriptive research method was used to conduct the research. The respondents involved the leaders of finance and procurement departments from all 187 Kenyan state companies. In the research, census data was used to identify the heads of finance and procurement and finance within every state corporation, yielding a sample of 374 respondents.

A questionnaire was employed as the primary tool in the research to gather primary data. According to the findings, maintaining inventory management is critical in guiding the long-term success of state corporations.

## RESEARCH METHODOLOGY

This study employed a descriptive research design. According to Kothari (2014), descriptive research design is a type of research used to obtain data that can help determine specific characteristics of a group. The target populace was the registered professional bodies in Kenya. There are 27 registered professional bodies in Kenya. The study target comprised of managers from procurement, finance, and ICT departments. Therefore, the target was 81 management staff. The study used census survey. Census is used when the target is less than 100. Therefore, all the 81-management staff was the study sample. Primary data was collected using questions. The questionnaire was designed based on the research questions. A pilot test was conducted prior to the actual study. The test help to establish whether the questionnaire would help the researcher to achieve the study objectives. A pilot was conducted with 10% of the sample as recommended by Orodho (2014). Therefore 8 management staff were sampled for piloting. The collected data was presented sorted, coded, and keyed into a statistical analysis tool (SPSS Version 28). Data was analyzed to generate statistics to enable interpretation of study findings. Data was analyzed with descriptive statistics (frequency, percentage, mean) and inferential statistics (correlation, regression) and tabulated

## RESEARCH FINDINGS AND DISCUSSIONS

The sample size of this study was 81 management staff of professional bodies in Kenya. A pilot was conducted with 8 management staff who were excluded from the study. Questionnaires were administered to 73 respondents and 65 were answered successful hence 89% response rate. The response rate is considered good for analysis as recommended by Babbie (2004) that the response rate of 50% is acceptable for further analysis and 60% is good.

### Strategic Contract Management

The second objective was to assess the effect of strategic contract management on performance of

professional bodies in Nairobi City County, Kenya. Respondents were asked to tick on the statements that reflects their opinion on strategic contract management. Findings are presented in Table 1.

**Table 1: Strategic Contract Management**

Statements	M	Std. Dev
The institution empathizes on compliance with the contract conditions by the supplier/service provider	3.98	1.184
The organization comply with the contract conditions by awarding the contract to the most suitable party	4.40	0.954
Understanding of contract document is very relevant and important in order to sustain the desired cost, time and quality	2.54	1.244
The legal department is the main party involved in drafting contracts and managing them	2.09	1.225
Certifications in negotiations are mandatory to gain negotiation skills	4.38	1.240
The institution has assured that the contract terms and provisions are followed	4.37	0.943
Contract supervisors with relevant qualifications, knowledge, and skills are appointed by the organization	4.09	1.452

Findings show that the managers of the professional bodies strongly agreed that they comply with the contract conditions by awarding the contract to the most suitable party ( $m=4.52$ ), and the legal department is the main party involved in drafting contracts and managing them ( $m=4.25$ ). The respondents also agreed that; certifications in negotiations are mandatory to gain negotiation skills ( $m=4.15$ ), the institution empathizes on compliance with the contract conditions by the supplier/service provider ( $m=4.06$ ), understanding of contract document is very relevant and important in order to sustain the desired cost, time and quality ( $m=4.02$ ), contract supervisors with relevant qualifications, knowledge, and skills are appointed by the organization ( $m=4.02$ ), and the institution has assured that the contract terms and provisions are followed ( $m=3.85$ ).

Findings imply that the professional firms are very cautious when awarding contracts to suppliers. The managed have established policies that the legal channels are followed when awarding contracts. This helps to avoid contract issues that lead to financial losses or delayed service delivery. The management ensures that the contract document is easy to understand and also seek legal input from



the institutions' lawyers which helps to avoid any ambiguous terms that the supply may misinterpret. All the contract terms and provisions are strictly followed hence the institutions are able to maintain products/service quality. Findings are in agreement with Maina and Osoro (2020) Findings that contract planning, contract administration, contract and dispute resolution affect firm performance. Rasheli (2017) also found that costs incurred in procurement contract management are due to poor accountability of contractors.

### Strategic Inventory Management

The second objective sought to the relationship of strategic inventory management on performance of professional bodies in Nairobi City County, Kenya. Respondents were asked to tick on the statements that reflects their opinion on strategic inventory management. Findings are presented in Table 2.

**Table 2: Strategic Inventory Management**

Statements	M	Std. Dev
The management ensures that products and services are always available as per members' demands	3.74	1.241
The institution adopts best inventory management practices to prevent stocks build up	3.91	1.195
The institution has automated its inventory management systems to improve the levels of service delivery	2.41	1.100
The cost of operations has reduced because of adoption of Record keeping system	2.26	1.149
The institution stocks on demand in order to manage inventory costs	4.02	1.111
The institution orders materials from the suppliers only when there is demand for from members	4.28	1.153

Results show that the respondents strongly agreed that; the institution orders materials from the suppliers only when there is demand for from members ( $m=4.28$ ). Findings also show that; the institution stocks on demand in order to manage inventory costs ( $m=4.02$ ), the institution adopts best inventory management practices to prevent stocks build up ( $m=3.91$ ), and the management ensures that products and services are always available as per members' demands ( $m=3.74$ ). Respondents disagreed that the institution has automated its inventory management systems to improve the levels of service delivery ( $m=2.41$ ),

and the cost of operations has reduced because of adoption of Record keeping system ( $m=2.26$ ).

Results imply that the institutions try to adopt best inventory practices to maintain stock levels. The institutions orders for materials when the demand is high and suppliers may take advantage of the high demand to raise the costs of the products which may affect the financial performance of the institutions. This is an indication that the professional bodies have poor demand forecasting techniques. Accurate demand forecasting would enable them to know when the demand is high and order earlier enough then wait for the high season to make more profits. Majority of the professionals bodies have not automatized their inventory management which imply that they may still be using orthodox documentation methods which cause delay in service delay and higher operation costs. Findings concur with Atnafu and Balda (2018) that better levels of inventory management practices can contribute to a greater competitive edge and increased organizational performance. Kipchumba and Keitany (2021) also noted that appropriate inventory management systems increase efficiency and better procurement processes.

### Performance of Professional Bodies

The study sought to assess the performance of performance of professional bodies in Nairobi City County, Kenya based on members' complaints, revenue, and growth on members. Respondents were asked to tick on the statements that reflects their opinion on performance. Findings are presented in Table 3.

**Table 3: Performance of Professional Bodies**

Statements	M	Std. Dev
There are less members' complaints	3.64	0.788
Revenue has been growing over the years	1.49	0.504
Members have been growing every year	2.32	0.471

Findings show that the managers agreed that there are less members' complaints ( $m=3.64$ ). Managers further disagreed that the members have been growing every year ( $m=2.32$ ), and revenue has been growing over the years ( $m=1.49$ ). Results indicate that although the professional bodies delivery quality services, the members have been increasing and the revenue too which are indicators



of poor performance. Findings are in support of the ICPAK (2022) report that actual revenue collection for the professional bodies in the F/Y 2021/2022 was below expectations.

## Inferential Statistics

### Correlation

Correlation indicates the strength and significance of the relationship between the study variables. Correlation findings are presented in Table 3.

**Table 4: Correlation Coefficients**

Variables		Performance	Strategic Contract management	Strategic Inventory management
Performance	Pearson Correlation Sig. (2-tailed)	1		
Strategic Contract management	Pearson Correlation Sig. (2-tailed)	.388** N 65 .001	1	
Strategic Inventory management	Pearson Correlation Sig. (2-tailed)	.515** .000	.487 .000	1

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

Findings show that; there is a moderate significant relationship between strategic contract management and performance ( $r=0.388$ ,  $r=0.001$ ), a strong significant relationship between strategic inventory management and performance ( $r=0.515$ ,  $r=0.000$ ). Findings imply that there is a relationship between strategic procurement practices (strategic contract management and strategic inventory management) and performance of professional bodies. Findings are in agreement with Masuruli (2021) strategic contract management is positively and significantly related to procurement performance, Srour (2021) that there is a significant relationship between strategic inventory turnover and return on assets

### Regression Analysis

A regression analysis aimed at establishing how a unit change in the independent variable would predict changes in the independent variable. Regression analysis has three main output; Model summary, ANOVA, and regression coefficients as presented in Table 5-7.

**Table 5: Model Goodness Fit**

Model	R	R <sup>2</sup>	Adjusted r <sup>2</sup>	Std. Error of the Estimate
1	0.763	0.781	0.427	.878

*Predictors: (constant) Strategic contract management, Strategic inventory management*

Table 6 show the value of R<sup>2</sup> from the model goodness fit is 0.781 (78.1%). This means that strategic supplier management, strategic contract management, strategic inventory management and strategic sourcing account for 78.1% of changes in performance of professional bodies in Nairobi County, Kenya. Therefore, variation of other strategic procurement practices that were not part of the study scope account for 21.9% changes in performance of professional bodies in Nairobi County in Kenya. Results are in agreement with Wanjiku (2019) that strategic procurement practices enhances optimal organization performance.

**Table 6: Analysis of Variance**

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	21.518	1	5.380	6.976	.000 <sup>b</sup>
Residual	46.266	64	.771		
<b>Total</b>	<b>67.785</b>	<b>65</b>			

*Predictors: (constant) strategic contract management, strategic inventory management*  
*Dependent variable: performance*

Results show that regression model had an F value 6.976 ( $p= 0.000$ ). The significance value of 0.000 indicates that the regression relationship is highly significant in predicting how strategic procurement practices would cause changes in performance of professional bodies in Nairobi County in Kenya. The F calculated is greater than 1 showing that the overall model is suitable for running a regression analysis. Results are in support of Chepng'etich (2022) that strategic supplier relationships, strategic inventory management, and strategic contract management are significant predictors of institution performance.

**Table 7: Regression Coefficients**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
Constant/Y Intercept	.687	.954		3.866	.000
Strategic Contract management	.426	.184	.281	2.386	.024
Strategic Inventory management	.699	.271	.461	2.579	.013

Based on the findings,

Institution Performance =  $.687 + 0.426$  (Strategic Contract management) +  $0.699$  (Strategic Inventory management).

The equation also shows that a unit increase in Strategic contract management results in a 0.426 change in performance of professional bodies, a unit increase Strategic in inventory management results in a 0.699 change in performance of professional bodies services.

The independent variables cause significant change of the independent variable (performance of professional bodies) since they all have a positive significance value ( $p < 0.05$ ). The t statistics show that strategic inventory management (2.579) had the greatest effect on performance of professional bodies followed by strategic contract management ( $t = 2.386$ ),

### Conclusion

Strategic contract management enable management ensure that materials and services delivered meet the required standards and the contractors meet the explicit standards set by the professional bodies. The institutions ensure that obligations and responsibilities are well defined under contract they enter into, contract management teams are well informed on the contract terms. Good contract management ensures that every party to the agreement fulfills their obligation to ensure quality and timely delivery of goods and services.

The institutions have good inventory management practices but they have failed in automation of the inventory management systems which would help to improve the levels of service delivery. Inventory automation helps to reduce lead time which is very important for the organization because it may help

in avoiding uncertainty and minimizes potential problem of shifting inventories. Inventory automation also helps to have updated records on stock levels to avoid over or under stocking which enhances service delivery and organization productivity.

### Recommendations

The management should implement strategic contract management practices within the existing legal framework provided by public procurement acts and regulations. The management should ensure that contract duties and responsibilities are fully specified before formalizing signing contracts, and that contract management teams are established. All parties involved in the procurement contracts need to pay attention of all steps involved in contract management including preparation of contract documents, contract administration, contract implementation and termination. This should be done as well as ensuring they maintain positive relationship with suppliers for possible collaborations

The professional bodies should ensure that they have put in place an inventory management systems achieve accurate demand forecasting so as to keep appropriate stock levels. Inventory management automation helps to keep track of inventory in stock through regular stock taking, asset inspection and inventory auditing. The adoption of enabling technologies such as a Logistics Information System (LIS), often in the form of Electronic Data Interchange (EDI) or Value-Added Network (VAN) or the internet are desirable so that different parties in the supply chain can gain access to the needed information for decision making and timely delivery.

### Areas for Further Study

A similar study focusing on a wider scope. This study focused on the management of the professional bodies and a similar study targeting all staff of procurement would contribute to more knowledge on the strategic procurement practice in the professional bodies.

The study shows that the strategic procurement practices studied contribute to 78.1% on performance of professional bodies in Nairobi City County. A further study is recommended to establish the other strategic procurement practices

that contribute to 21.9% of performance of professional bodies in Nairobi City County, Kenya.

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