

**INFLUENCE OF SUPPLY CHAIN AMBIDEXTERITY ON
PERFORMANCE OF ACCREDITED HOSPITALS IN KENYA**

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**Influence of Supply Chain Ambidexterity on Performance of
Accredited Hospitals in Kenya**

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DECLARATION

This thesis is my original work and has not been presented for a degree in any other university.

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DEDICATION

This research thesis is dedicated to my family who gave me the needed encouragement and support.

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LIST OF ACYRONYMS AND ABBREVIATIONS

| | |
|----------------|--|
| AIR | Association of Institution Research |
| AVE | Average Variance Extracted |
| BCP | Business Continuity Plans |
| CM | Crisis Management |
| DEA | Data Envelopment Analysis |
| DMR | Data Management Resources |
| DV | Dependent Variable |
| EACC | Ethics and Anti-corruption Commission |
| ERP | Enterprise Resource Planning |
| FBO | Faith Based Organizations |
| HRM | Human Resource Management |
| ICT | Information Communication Technology |
| IT | Information Technology |
| IV | Independent Variable |
| JIT | Just In Time |
| KHF | Kenya Healthcare Sector |
| KHSSP | Kenya Healthcare Sector Strategic Plan |
| KMO | Kaiser- Meyer Olkins |
| KTDA | Kenya Tea Development Authority |
| NACOSTI | National Commission for Science, Technology and Innovation |
| NHIF | National Hospital Insurance Fund |

| | |
|----------------|-------------------------------------|
| NHS | National Health Service |
| OLS | Ordinary Least Square |
| Ph.D | Doctor of philosophy |
| PMR | Performance Management Resources |
| R&D | Research and design |
| RCT | Relational Competency Theory |
| ROA | Return on Asset |
| ROK | Republic of Kenya |
| SC | Supply Chain |
| SCA | Supply Chain Analytics |
| SCD | Supply Chain Design |
| SCI | Supply Chain Integration |
| SCM | Supply Chain Management |
| SCMI | Supply Chain Management Integration |
| SCO | Supply Chain Orientation |
| SCX | Supply Chain Ambidexterity |
| SME | Small and Medium Enterprise |
| SSC | Service Supply Chain |
| UK | United Kingdom |
| US | United States |
| VHC | Village Health Committee |
| VIF | Variance Inflation Factors |

OPERATIONAL DEFINITIONS OF TERMS

- Accredited Hospital:** It is defined as a whole or part of a public or private institution, building or place, whether for profit or not, that is licensed to operate or designed to provide in-patient or out-patient treatment, diagnostic or therapeutic interventions, nursing, rehabilitative, palliative, convalescent, preventative or other health services (RoK, 2017).
- Lean Supply Chain:** It refers to a set of organizations directly linked by upstream and downstream flows of products, services, finances and information that collaboratively work to reduce cost and waste by efficiently and effectively pulling what is needed to meet the needs of the individual customer (Kovac, 2013).
- Performance:** It is defined as the process that involves the quantifying the effectiveness and efficiency of coordination and integration of all the entities among the various supply chain partners (Lenin, 2014).
- Supply Chain Ambidexterity:** It alludes to organization's ability to concurrently demonstrate alignment and adaptability, exploitation and exploration, efficiency and flexibility or incremental change and revolutionary change across supply chain partners (Hafkesbrink & Schroll, 2014).
- Supply Chain Analytics (SCA):** It is defined as the use of data, quantitative tools and techniques, statistical analysis, explanatory, predictive and prescriptive models to improve operational and supply chain performance (Chae, Olson, & Sheu, 2014).

Supply Chain Integration: It refers to collaboration of functional departments, suppliers and customers to link and coordinate information flow and processes so that the supply chain is able to achieve accurate and on-time delivery (Stadtler, 2015).

Supply Chain Management (SCM): It is defined as a management philosophy that requires a systematic approach to viewing the supply chain as a whole versus a divided set of entities (Tinney, 2012).

Supply Chain Orientation: It alludes to recognition by a company of the systematic, strategic, implications of the activities and processes involved in managing the various flows in a supply chain (Shanmugan & Kabiraj, 2012).

Supply Chain Resilience: It refers to the ability to survive and thrive in crises and turbulences through establishing better short-term contingency measures through higher operational flexibility and better long-term strategies through business continuity plans, along with growth strategies via market penetration, diversification and transformational initiatives. (Fisher, 2017).

ABSTRACT

The study sought to establish the influence of application of supply chain ambidexterity on performance of accredited hospitals in Kenya. To achieve this aim, the study assessed the ambidextrous application of five supply chain practices and their influence on performance of level three to level six accredited hospitals in Kenya. The specific objectives were to assess the influence of supply chain orientation on performance of accredited hospitals in Kenya, to examine the influence of lean supply chain on performance of accredited hospitals in Kenya, to examine the influence of supply chain analytics on performance of accredited hospitals in Kenya, to assess the influence of supply chain integration on performance of accredited hospitals in Kenya, to evaluate the influence of supply chain resilience on performance of accredited hospitals in Kenya and to evaluate the mediating effect of hospital size in promoting performance of accredited hospitals in Kenya. The target population was all 773 accredited hospitals offering both inpatient and outpatient services in Kenya as listed by NHIF. The sample size was 264 hospitals derived using simplified Yamane formula. The sampling technique was stratified random sampling. The study used self administered questionnaires to collect data. The descriptive statistics, reliability and validity tests of the constructs, correlation, factor and regression analysis models were used to analyze the collected data. Data was presented in tables and charts as was deemed appropriate in the study. The study findings indicated that private hospitals had a higher Data Envelopment Analysis score compared to the public and faith based hospitals. The findings implied that private hospitals were generally efficient than other type of hospitals. Further, the study determined that supply chain orientation, supply chain resilience and supply chain integration had a positive significant influence on performance. However, lean supply chain and supply chain analytics did not have a significant influence on performance. The study also found an R^2 value of 0.935 which implied that 93.5% of the variation in performance of hospitals in Kenya could be attributed to supply chain orientation, supply chain resilience, supply chain integration and hospital size. The study concluded that supply chain ambidexterity is a key antecedent of hospital performance. The study also concluded that hospital size had a positive mediating effect of hospital size on the relationship between supply chain ambidexterity and performance of hospitals. Further, the study concluded that simultaneous application of supply chain resilience, supply chain integration and supply chain orientation improved hospital performance more than implementing the individual strategies separately. The study recommended that hospitals need to simultaneously adopt the three supply chain ambidexterity strategies by investing in spare capacity, multiple payment platforms, integrative systems such as supply chain management systems and cultivating a culture of trust, credibility and commitment for all employees and across the supply chain partners.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

The main purpose of this study was to examine the influence of supply chain ambidexterity on performance of accredited hospitals in Kenya. To achieve this aim, the study assessed the ambidextrous application of five supply chain practices and their effect on performance of accredited hospitals in Kenya. In this chapter, the study looked at the general tenets of the study, illustrated the problem of the study and identified the general and specific objectives of the study, research hypothesis, justification of the study as well as provided scope and limitation of the study. Supply chain ambidexterity (SCX) is an area that provides structural solutions on how to organize and simultaneously apply explorative and exploitative strategies in organizations (Cantarello, Martini, & Nosella, 2012). SCX is an area that has in the recent past captured attention of scholars due to its direct link on the performance and outcomes of organizations (Perdomo, Farrow, Trienekens, & Omta, 2016).

1.1.1 Supply Chain Ambidexterity Concept

Supply chain ambidexterity (SCX) is the ability of a networks of organization to strategically leverage existing resources through simultaneously implementing and integrating exploitation and exploration practices for the benefit of survival (Krishnan & Pertheban, 2017). SCX consists of two main components; exploitation and exploration components. Supply chain (SC) exploitation refers to the practices aimed at leveraging current SC competencies with SC partners (Chandrasekaran, Linderman, & Schroeder, 2012).

Exploitative strategies are aimed at improving efficiency of supply chain. Among the supply chain practices that are exploitative in nature include lean supply chain, agile supply chain and supply chain integration (Borrel, 2013; Gligor & Holcomb, 2012). In contrast, SC exploration relates to the practices aimed at seeking new knowledge and ideas to develop new SC competencies with SC partners (Chandrasekaran, Linderman,

& Schroeder, 2012). Explorative strategies are radical, innovative and revolutionary or aimed at enhancing flexibility of the supply chains. Among the supply chain practices that are explorative in nature include supply chain orientation, supply chain resilience and supply chain analytics (Tucker, 2011; Krishnan & Pertheban, 2017; Annan, Boso, Mensah, & Eliza, 2016).

The study explores ambidexterity concept in service supply chain (SSC) and specifically healthcare SCM. Historically, SCM focused on product based industries such as manufacturing and retail. However SC theories with specific considerations of industry and operating environment such as SSC has been developing (Chen, Preston, & Xia, 2013). Hospital SC like other SSC are unique and different from the typical SC. For instance, Hospital SC are characterized by customer-supplier duality, a concept where the customer (patient) is also a supplier (Mehrparvar, Shahin, & Karbasian, 2014). Also hospital SC operational and inventory decisions are often driven by physician preference and patient needs in contrast to manufacturing and retail industries where supply selections are largely driven by production/sales forecasts and cost considerations (Chen, Preston, & Xia, 2013).

Scholars have not agreed whether it's possible for service organizations to pursue both explorative and exploitative strategies. One school of thought is of the view that it's possible for service organizations to be ambidextrous (Marabelli, Frigerio, & Rajola, 2012). However another school of thought argue that service firms lean more towards incremental innovations as opposed to radical innovations (Cefis & Marsili, 2012). However all scholars agree to the fact that ambidexterity is critical in industries operating in turbulent environments and where technology is rapidly changing (O'Reilly & Tushman, 2013). Healthcare supplies are diverse as a result of rapid technology and medical innovations which make hospital SCM uniquely complex, turbulent and knowledge intensive than ordinary SC (Chen, Preston, & Xia, 2013).

Geerts, Blindenbach-Driessen and Gemmel (2011) postulated that service organizations that balance their explorative and exploitative innovation efforts to be effective in the short run and to survive in the long run outperform organizations that are not able to achieve this balance. Service organizations focus their innovation on processes due to the fact that most of their tangible products are easily replicable by

competitors while the result of process innovations are hidden and difficult to imitate (Marabelli, Frigerio, & Rajola, 2012).

Process innovation can be radical if it involves implementation of a completely new process, and incremental if it improves the efficiency of an existing process (Marabelli, Frigerio, & Rajola, 2012). The research will therefore assess the level of hospital incremental and radical innovations through implementation of efficiency as a gauge on the level of exploitation and implementation of effective innovations as a measure of explorative competences in the organization.

1.1.2 Performance of Accredited Hospitals in Kenya

The fundamental success of SCM involves the effective coordination and integration of all the entities among the various supply chain partners (Lenin, 2014). In hospital SC, the principal participants are the manufacturers of pharmaceutical, medical equipment, medical supplies, medical schools and patients as suppliers; distributors, insurance companies, medical service providers, government regulators, government agencies, non governmental organizations and patients as other SC partners (Elmuti, Khoury, Omran, & Abou-Zaid, 2013).

However, SCM in healthcare is more complex than the traditional SC. The precision rate in healthcare SC is very high as the cost of error maybe someone's life (Kritchanchai, 2012). Also, hospital supply chain has no control on the utilization of resources as they are dependent on a particular service provider's preference and training (Chen, Preston, & Xia, 2013). The need to ensure that hospitals and their healthcare partners balances the two core but conflicting objectives of ensuring quality and affordable care is achieved has elevated the importance of SC performance measurement in healthcare sector and more so in hospitals (Mayer, 2013). Performance of hospitals therefore can be gauged by the extent to which the facility balances the two main objectives; cost and quality.

Cost is an important factor of overall healthcare management performance. Historically, the focus has been on cost containment to lower the price of supplies as opposed to lowering the total delivered cost (Shou, 2013). Further, inventory management in hospital SC is not just about reducing inventory levels but to accurately

provide the optimal levels at the correct time and place (Mayer, 2013). Therefore the cost metrics that may be used to measure performance of hospital supply chain are percentage of supply cost as percentage of revenue (efficiency), percentage of holding costs, shipment metric ratio, on time delivery, cash to cash cycle time, fill rate and lead time (Al Ayoubi, 2015). This research will adopt the efficiency metrics to measure hospital performance.

Quality of service in hospitals can be expressed as the focus on patient safety and clinical outcomes (Schwartz, Bitar, Arya, & Pfeiffer, 2011). SCM can assist in the achievement of quality by ensuring achievement of clinical outcomes by facilitating reliability, flexibility and responsiveness of hospital operations (Lenin, 2014). Also, the need to detect and prevent problems as early as possible improves the value of SCM (Smith, 2011). Supply chain analytics, resilience and integration helps in achievement of quality of care in hospitals. The quality metrics that may be used include the rate of return of patients (with the same condition), the number of complaints received, the average waiting time, the number of misdiagnosis and number of fatalities (NHS Trust, 2016).

The Kenyan healthcare system can be split into three subsystems; the Public Sector, Commercial Private Sector and Faith Based Organizations (KHF, 2016). The private sector is the largest in terms of the number of healthcare facilities, followed by public sector and then faith based organizations (FBO) (NHIF, 2017). Kenya health care system is classified into four tiers (KHSSP, 2012). The lowest tier is community or level one units that comprise of community based organizations (CBO) and village health committees (VHC) whose primary role is to mobilize individuals, households and communities to participate in government healthcare programs as well as identify cases that need to be managed by higher levels of care (RoK, 2017).

Tier two health facilities comprise of the primary level facilities namely the dispensaries and private clinics (Level two), health centers and nursing homes (Level three). The primary level is the most basic and first point of contact for majority of patients. They are mainly responsible for health promotion and prevention, basic outpatient and emergency services awaiting referral (Mohajan, 2014). There are

currently a total of 3,356 dispensaries, 1,941 clinics, 721 health centers and 155 nursing homes in Kenya (Luoma, et al., 2010).

Tier three comprise of county level hospitals (previously referred to as level 4 or district and sub-district hospitals), private hospitals, mission and FBO hospitals. The tier three public hospitals provide specialized care and coordinate all health activities in the Sub County and county level (KHF, 2016). The other private and FBO hospitals supplement the services of public hospitals as well as provide specialized diagnostic and curative services. By 2010 there were a total of 439 hospitals (public, private and FBO) in Kenya (Luoma, et al., 2010).

Tier four is the highest level of healthcare in Kenya and comprise of county referral hospitals (Level 5) and National referral hospitals (Level 6). They are centers of excellence, providing sophisticated diagnostic, therapeutic and rehabilitative services. They also have the highest skilled medical personnel and most complex medical technology (Mohajan, 2014). In Kenya there are two public national referral hospitals namely Kenyatta National Hospital in Nairobi and Moi Referral and Teaching Hospital in Eldoret. The private referral hospitals are Nairobi Hospital and Aga Khan Hospital in Nairobi (Mohajan, 2014). By 2010, there were a total of ten county referral hospitals in Kenya (Luoma, et al., 2010).

This study aimed at examining the influence of supply chain ambidexterity on performance of accredited hospitals in Kenya. To fulfil this research aim, the study collected data from level three to level six hospitals as they offered both specialized outpatient and inpatient services and operated under some level of autonomy in that they generated their own expenditure plans and budget requirements. They were therefore capable of implementing strategies with very little interference from government and regulators (Mohajan, 2014).

1.2 Statement of the Problem

Healthcare system in Kenya is still a national challenge, five decades after independence. For instance, Kenya has very few doctors compared to developed countries. Kenya with a total population of 46 million citizens, currently has 0.2 physicians per 1000 population. Comparatively, Sweden with a population of only 8

million citizens, has a physician density of 3.93 physicians per 1000 population (CIA, 2016). Consequently, Kenya has high morbidity and mortality rates affecting the population of all ages, especially children under five years. The infant mortality rate is about 58.1 per 1,000 live births, maternal mortality rate is about 414 per 1,000 and the overall under five child mortality rate is about 121 per 1,000 live births, which are all double of the global average (ROK, 2014).

Though a significant proportion of this morbidity and mortality can be attributed to spread of infectious conditions, poverty and chronic diseases, hospital management factors such as poor supply chain and human resource management have a significant effect on the quality and affordability of healthcare service (Mohajan, 2014). Accountability and transparency on the utilization of health resources is also a major issue in Kenya. Ministry of health is the second most corrupt ministry in Kenya and the health department in the county governments is the department most perceived to be prone to corruption (EACC, 2015). Lack of basic infrastructure, poor health care policies and prevalent misappropriation of public funds has compromised the quality of health care in public healthcare sectors (Kenya, 2015).

The study postulates that improvements in hospital SCM through application of supply chain ambidexterity may directly improve performance of accredited hospitals in Kenya. Since 45% of the hospital operating budget is allocated to supply chain, improvements and innovations in supply chain management may provide significant impact on cost and quality of healthcare (Chen, Preston, & Xia, 2013). The study therefore sought to examine the influence of supply chain ambidexterity on performance of accredited hospitals in Kenya.

1.3 Objectives of the study

1.3.1 General objective

The main objective of the study was to examine the influence of supply chain ambidexterity on performance of accredited hospitals in Kenya.

1.3.2 Specific objectives

The study was guided by the following specific objectives;

1. To assess the influence of supply chain orientation on performance of accredited hospitals in Kenya.
2. To examine the influence of lean supply chain on performance of accredited hospitals in Kenya.
3. To examine the influence of supply chain analytics on performance of accredited hospitals in Kenya.
4. To assess the influence of supply chain integration on performance of accredited hospitals in Kenya.
5. To evaluate the influence of supply chain resilience on performance of accredited hospitals in Kenya.
6. To evaluate the mediating effect of hospital size in promoting performance of accredited hospitals in Kenya.

1.4 Research Hypotheses

The following research hypotheses will guide the study.

1. H_a: There is a significant and positive influence between supply chain orientation and performance of hospitals.
2. H_a: There is a significant and positive influence between lean supply chain and performance of hospitals.
3. H_a: There is a significant and positive influence between supply chain analytics and performance of hospitals.
4. H_a: There is a significant and positive influence between supply chain integration and performance of hospitals.
5. H_a: There is a significant and positive influence between supply chain resilience and performance of hospitals.
6. H_a: Hospital size mediates the relationship between supply chain ambidexterity and performance of hospitals.

1.5 Justification of the Study

The study will be important to various stakeholders in the field of supply chain who include the government, suppliers, health institutions, patients, students, scholars, service and manufacturing industries. The section was organized into major themes of health institutions, other institutions and contribution to body of knowledge. The significance in each theme was discussed in detail to show the contribution of the study in the theme. Each of the beneficiaries have been discussed separately highlighting the specific benefits to each of them beginning with health institutions, other institutions and body of knowledge.

1.5.1 Health Institutions

The study will provide valuable findings to hospitals and other health institutions on the importance of promoting ambidexterity in SC as a means of enhancing institutional performance. The study will also be instrumental to the policy makers such as the government, regulatory authority, professional bodies and advocacy groups in health sector as they will be able to use the research findings to improve regulatory and management policies of the hospitals.

1.5.2 Other Institutions

The findings of this study will provide a baseline information on the application of SC ambidexterity in the management of organization as well as provide a link between supply chain ambidexterity and performance of organizations. The findings will therefore be influential in the development of SCM in diverse sectors, both service and manufacturing. The service sector will use the findings to improve their services, processes and offerings while the manufacturing sector can use the findings to improve on the product supply chain.

1.5.3 Body of Knowledge

The study will significantly contribute to the body of knowledge. The study will improve the knowledge on SCM, organizational learning and development of ambidextrous SC as a precursor to organizational performance. Social scientists,

scholars and students will use the findings of this research for educational purposes as well as in future research that aims at establishing the relationship between ambidextrous SC and organizational performance. The research will therefore enrich and contribute to the development of SCM as a distinct field of management science.

1.6 Scope of the Study

The study focused on the role that ambidextrous SC plays in enhancing hospital performance. In order to fulfil this aim, the study analyzed the effects of SC orientation, lean SC, SC analytics, SC integration and SC resilience, on performance of hospitals. The study also analyzed the mediating effect of hospital size on the relationship between supply chain ambidexterity and performance of hospitals. The study further focused on service sectors as opposed to manufacturing sector, specifically the hospital institutions in Kenya only. The study was done between 2016 and 2018.

1.7 Limitations of the study

The contextual aim of the study was to investigate the influence of SCX on performance of accredited hospitals in Kenya. The study therefore limited its research findings to hospital institutions that offered both in-patient as well as out-patient services and were categorized as level three to level six accredited hospitals in Kenya. The reason behind this choice was due to logistical and time constraints. However, given the fundamental identity and standardization of hospital operations across the world, the findings of this research can therefore be inferred to other hospitals with similar size and services all over the world.

The study also was limited by failure of the respondents to provide information on time, failure to cooperate effectively and missing responses. These limitations were mitigated by ensuring that the researcher used research assistants to reach a bigger response, respondents were assured of data confidentiality by illustrating researcher's willingness to sign confidentiality forms provided by the respondents and always ensuring that the research assistants went out of their way to accommodate the tight schedules of the respondents.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter reviewed the empirical and theoretical literatures on supply chain ambidexterity strategy and its influence on performance of accredited hospitals. The chapter also demonstrated how the hypothesized variables formed a conceptual framework indicating a schematic influence between the independent and dependent variables of the study. The chapter is organized into theoretical review, conceptual framework, empirical review, critique of existing literature, research gaps and summary of literature reviewed.

2.2 Theoretical Review

A theory can be defined as a broad and natural explanation for a wide range of phenomena and facts (Bradford, 2015). This section therefore discussed and explained major theoretical constructs underpinning the study and related the theories to the variables mentioned in chapter one. The main theories identified and discussed include the ambidexterity strategy theory, boundary spanning theory, contingency theory, relational competency theory and supply chain theory. The supply chain theory and the ambidexterity strategy theory were the main theories informing all the study variables while boundary spanning theory, contingency theory and relational competency theory supported the main theories.

2.2.1 Ambidexterity Theory

The origin of ambidexterity theory can be traced to Duncan (1976) and Tushman and O'Reilly (1996) who advanced the notion that ambidexterity, can help to unite two apparently contradicting objectives or capabilities for improved firm performance (Mehdi & Ahmed, 2016). Originally, 'ambidexterity' concept was applied in the area of organizational learning and organization adaptation and design (O'Reilly & Tushman, 2013). Later scholars would refine the term 'ambidexterity' to include it in other disciplines such as supply chain, organizational theory, networks, innovation,

and inter-organizational relationships(Im & Rai, 2008). Organizational ambidexterity has since been defined as an organization's ability to concurrently demonstrate alignment and adaptability, exploitation and exploration, efficiency and flexibility or incremental change and revolutionary change (Lavie, Stettner, & Tushman, 2010).

Furthering that idea O'Reilly and Tushman (2013) suggested that for long-term survival, organizations need to accommodate both exploitation and exploration strategy to be ambidextrous. Im and Rai (2008) formally defined exploitation as "the use and refinement of existing knowledge" and exploration as "the pursuit of new knowledge and opportunities" in the long-term inter-organizational relationships. Exploitation meant efficiency, control, certainty, and variance reduction while exploration involved searching, discovery and innovation of new processes, ideas and products. Exploratory innovations therefore are radical innovations and are designed to meet the needs of emerging customers or markets. Exploitative innovations, however, are incremental innovations to meet the needs of existing customers. They broaden existing knowledge, improve existing designs, expand existing products and services and improve the efficiency of the distribution (Benner & Tushman, 2003).

Duncan (1976) in his seminal paper suggested that organizations achieved ambidexterity in a sequential fashion by shifting structures over time and aligning the structure with the firm's strategy in line to changes in the environment. However, Tushman and O'Reilly (1996) argued that in the face of rapid change, sequential ambidexterity might be ineffective and organizations needed to explore and exploit in a simultaneous fashion. They suggested that this could be accomplished by establishing autonomous explore and exploit subunits that were structurally separated, each with its own alignment of people, structure, processes and cultures but with targeted integration to ensure the use of resources and capabilities.

Gibson and Birkinshaw (2004) consequently contended that organizations could be ambidextrous by designing organization structures that allowed employees to choose between exploratory and exploitative activities depending on the contextual situation of the organization. According to them, contextual ambidexterity was better than both sequential and simultaneous ambidexterity as it provided employees make their own

judgements on how to balance between the conflicting demand for exploitation and exploration. This is the major theory underpinning the study.

2.2.2 Boundary spanning theory

Boundary spanning theory expanded the theory of the firm by acknowledging the interaction of the firm with its environment. The theory uses boundary spanners and objects to emphasize the communication, coordination, and collaboration across organization boundaries (Carlile, 2002). Boundary spanners are individuals such as top management that support information sharing across supply chain (Tortoriello, Reagans, & McEvily, 2011). Boundary objects are dynamic capabilities and systems such as IT capabilities that facilitate the development of competences across the supply chain (Levina & Vaast, 2005).

The theory fortifies that successful organizations collaborate and interact with other supply chain partners drawing expertise, competences and knowledge from diverse organizations in the supply chain (Levina & Vaast, 2005). According to the theory, organizations therefore need to overcome the barriers imposed by lack of dynamic capabilities and expand their boundaries across supply chain partners by investing in business analytics (Tortoriello, Reagans, & McEvily, 2011). The boundary spanners should possess supply chain competences that would facilitate communication, coordination, and collaboration between Supply chain partners in Supply chain management (Wei, Ke, Liu, Wei, & Hua, 2013). Boundary objects should support boundary spanners by providing dynamic capabilities that are robust and standard across the supply chain while at the same time flexible to local variations (Star & Griesemer, 1989).

Overall, the boundary-spanning theory encompasses an integrated foundation of marketing, customer value creating processes, networks and stakeholders (Clarkson, 1995). Hult (2011), elaborated that marketing activities included integrated logistics, channel management, and marketing communication while boundary customer value-creating processes include product development management, supply chain management and customer relationship management. Networks were either internal, to reduce hierarchy and open up the organization to the environment; vertical, to

maximize productivity of dependent functions; inter-market, to leverage synergies across markets and opportunistic, to respond to customer needs and market opportunities (Clarkson, 1995).

The theory also emphasizes on use of multiple actors, both primary and secondary stakeholders. Primary actors are those that are critical to the organization survival and include customers, employees, suppliers, shareholders, communities, and regulators while secondary actors are not vital for the organization survival but can still mobilize public opinion in favor of or against an organization such as media and interest groups (Hult, 2011). Following the works of Carlile (2002); Tortoriello, Reagans, and McEvily (2011) and Levina and Vaast (2005) the study will look into the importance of supply chain orientation, dynamic capabilities, supply chain competences and business analytics in the development of ambidextrous supply chains and their effects on performance of the organizations.

2.2.3 Contingency theory

Contingency theory is an organization theory that rejected classical management theory that there is one best way of structuring and managing an organization (Donaldson, 2001). Instead it's argued that the most suitable structure is contingent on a number of factors such as complexity of the environment, the strategic positioning of the firm, or the technology it is using (Holmes, 2013) Among the principal contingency variables identified are environmental complexity, organization strategy, technology and organization size (Lawrence & Lorsch, 1967; Woodward, 1965; Hickson, Pugh & Pheyse, 1969). The contingencies dictate the explicit structure, activities and management style of an organization. In the event there is a mismatch between the contingent variables and the organization structure, the organization will achieve lower performance and must undergo structural adjustments to achieve the structure– strategy fit (Hicks, McGovern, & Earl, 2001).

Managers must therefore always assess the changes in the environment and determine the appropriate decisions that promote efficient and effective organization performance. The research will look at three key contingencies and their relationship in developing ambidextrous supply chain and their consequent effect on performance.

These contingencies are environment, strategy and technology. These contingencies are viewed as the most important for this study as they also relate to boundary spanning theory and ambidexterity theory discussed earlier. The study also assumes that the main driver for switching between the ambidexterity principles of exploration and exploitation as alternative modes of learning is environmental change (Auh & Menguc, 2005).

However, the relationship between technology and structure has also been challenged. Hickson, Pugh and Pheysey (1969) among others argued that the relationship between technology and structure disappeared with change in size though Comstock and Scott (1977) reported a significant relationship at the unit level. Due to the limitations highlighted above, recent scholars have modified the theory to include knowledge management as a contingent factor and shown that knowledge characteristics and organization structures are related to performance (Birkinshaw, Nobel, & Ridderstrale, 2002). Following on the works of contemporary gurus, the research will look deeper on the relationship between knowledge management (business analytics), organization size and organization performance.

2.2.4 Relational competence theory (RCT)

Relational competence theory (RCT) developed by protagonists Hamel and Prahalad, (1994) and Sanchez, Heene and Thomas (1996) among others is an improvement of the theory of the firm and resource based view and attempts to explain performance differences among organizations. According to RTC, an organization can only be successful if it can make use of the available resources more efficiently or effectively than the other organizations. This is achieved by developing and effectively or /and efficiently utilizing competences that cannot be quickly imitated or substituted by rivals. RCT defines competence as drivers of a single firm's heterogeneity and are heterogeneous by themselves. Competences are capabilities that build resources through asset refinement processes and utilize these resources to achieve competitive advantages (Sanchez, 2001).

According to RCT assets are homogeneous external or internal factors, serving the firm as input for value-added processes which when developed becomes resources

capable of producing sustainable heterogeneity of the owning firm in competition and enabling the firm to withstand competitive forces. Competences are organizational, learning-based abilities that are capable of sustaining a coordinated deployment of assets and resources thereby enabling the firm to attain its goals and preserve the state of competitiveness. Competences can therefore be regarded as the root of organization's survival, competitiveness, and performance (Freiling, 2004). This definition of assets is a diversion from the definition in economics.

RCT also developed the notion that competencies are interpersonal patterns of action which results in division of work and support goal oriented social interaction of persons in a non-random manner. Development of competency requires a specific or organizational environment which fosters assets refinement process. Organization is one solution to this problem. An organization is created if a group of individuals agree that working together would improve their economic situation and if there is no better alternative. RCT is in line with isolating mechanisms theory by Dierickx and Cool (1989) which explains how firms can 'outpace' their rivals by active behavior (i.e. by accumulating R&D knowledge via a well-aligned interplay of different researchers for many projects, triggering off synergies although having idiosyncratic backgrounds while also 'protecting' themselves in case of competitors' attacks by accumulate resources (i.e., reputation, brand equity, customer base) faster than the first-moving firm in order to catch up with this supplier. Following this theory the study will assess the role of supply chain integration and resilience in promoting performance.

2.2.5 Supply Chain Management theory

The term supply chain management (SCM) was originally introduced by consultants in the early 1980's as a practice of achieving sufficient integration of organization's network of business relationships beyond the company's frontier to all organizations in the value chain (Cooper, Lambert, & Pagh, 1997). Fawcett, Magnan and McCarter (2008) suggest that companies that are able to work in close association with partners for project development and for the management of processes that involve the entire supply chain will succeed.

SCM theory borrows heavily from a number of fields such as purchasing and supply, logistics and transportation, operations management, marketing, organizational theory, management information systems, and strategic management. However, orthodox of supply chain management, is in danger of collapsing into a discredited management fad unless a reliable conceptual base is developed clearly defining the constructs and differentiating SCM from other related fields such as materials managements, logistics management or distribution management (New, 1996).

SCM theory is grounded on a paradigm of strategic management theory that advocate the development of collaborative advantage through strategic collaboration within a network of interdependent relationships with a goal of achieving mutual benefits (Dyer, 2000). The theory is also complementary to the competency theory where the emphasis is on the relational view of inter organizational competitive advantage as opposed to individual organization as advocated by competency theory (Barney, 1991).

Research in SCM from the manufacturing industry perspective is more common as compared to SCM in service industry (Habib, 2010). SSC has unique characteristics not found in manufacturing. SCM and SSC are both centered on supply management, planning, logistics and management objectives are both to meet established service levels, minimize the total system cost. Conversely, service processes are different from manufacturing processes in six essential characteristics: customer- supplier duality, intangibility, indivisibility, heterogeneity, perishability and labor-intensive (Wu, 2011).

The theory identifies key drivers that plays critical role in fostering dyadic buyer-supplier relationship. Supply chain orientation, lean supply chain, supply chain analytics, supply chain integration and supply chain resilience have been mentioned as key antecedents to successful supply chain management (Tucker, 2011; Borrel, 2013; Gligor & Holcomb, 2012; Krishnan & Pertheban, 2017; Annan, Boso, Mensah, & Eliza, 2016). The study objectives were linked to the existing theoretical foundation. Ambidexterity theory and SCM theory were the main theories underpinning the study that guided all the objectives. The boundary spanning theory assessed the importance of supply chain orientation and business analytics in the development of SCX.

Contingency theory supported the influence of business analytics and organizational size on performance of hospitals. RCT reinforced the role of supply chain integration and resilience in promoting performance.

2.3 Conceptual Framework

Robson & McCartan (2016) defined a conceptual framework as a system of concepts, assumptions, expectations that supports and directs research. The framework is a schematic illustration of the key concepts of the study. The study aims at investigating the relationship between supply chain ambidexterity and performance of hospitals. In this regard, supply chain performance will be the dependent variable for the study while the independent variables shall be the antecedents of supply chain ambidexterity.

Following the findings of the past research, the study will adopt supply chain orientation, lean supply chain and agile supply chain as exploitative antecedents of ambidextrous supply chain and supply chain resilience and supply chain integration as explorative facet of supply chain ambidexterity (Tucker, 2011; Borrel, 2013; Gligor & Holcomb, 2012; Krishnan & Pertheban, 2017; Annan, Boso, Mensah, & Eliza, 2016). The study also assessed the mediating role of hospital size in promoting the aspect of supply chain ambidexterity and ensuring high performance.

Figure 2.1 shows the relationship between supply chain ambidexterity and performance of hospitals. The diagram also shows the mediating role of size in the relationship between supply chain ambidexterity and performance of hospitals. Supply chain ambidexterity will be characterized by orientation, lean, agile, integration and resilient strategies while the mediating role of size will be assessed by bed capacity. Performance of hospitals will be measured by the level of efficiency as indicated by the level of output verses input, level of quality healthcare measured by the level of mortality rate.

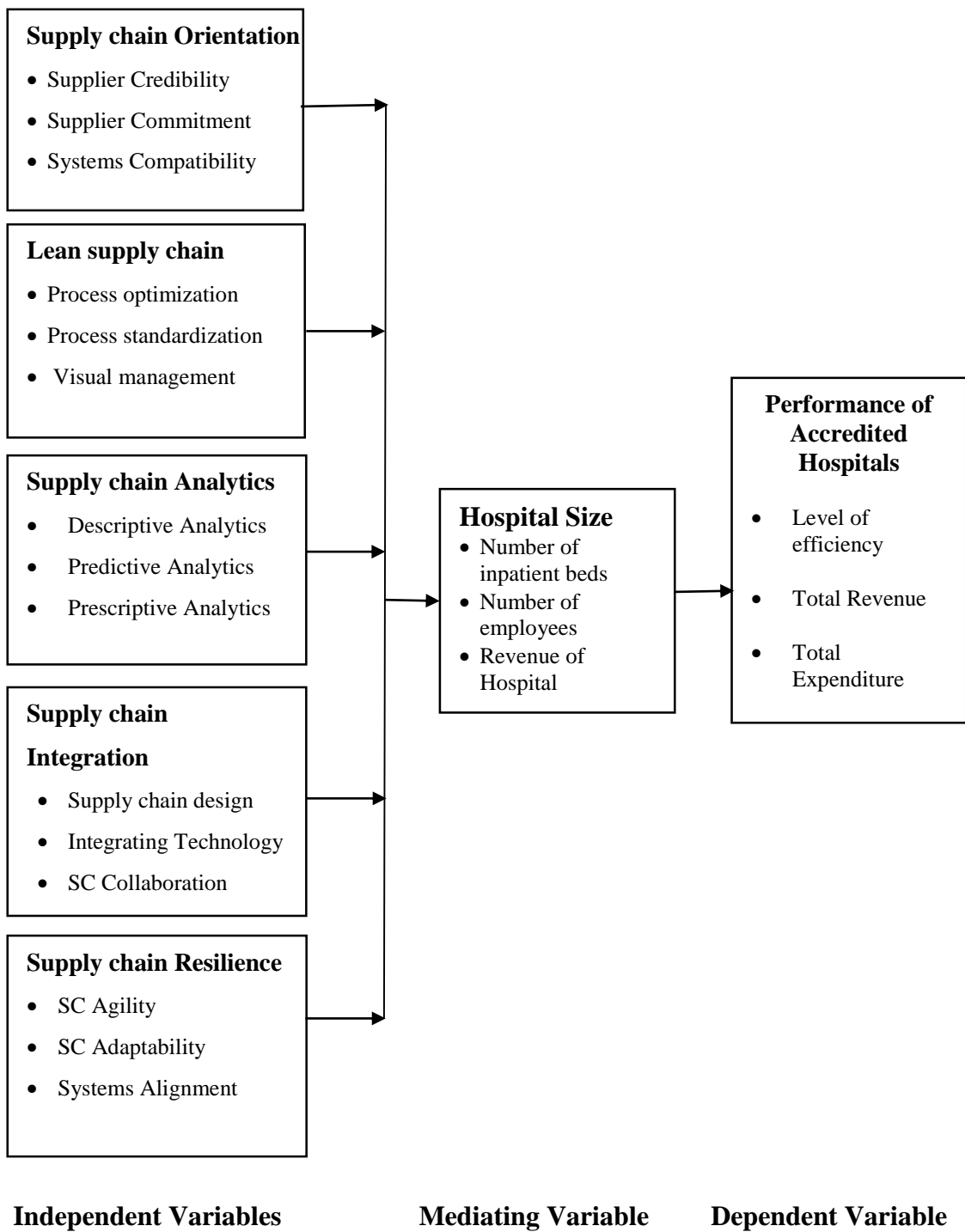


Figure 2.1 Conceptual Framework

2.3.1 Supply chain orientation

The relationship between supply chain orientation (SCO) and supply chain management (SCM) is a topic that is of interest to many firms who have adopted a supply chain management model within their operations (Tinney, 2012). Supply Chain Orientation is defined as the recognition by a company of the systematic, strategic, implications of the activities and processes involved in managing the various flows in a supply chain (Shanmugan & Kabiraj, 2012). However, SCM is defined as a management philosophy that requires a systematic approach to viewing the supply chain as a whole versus a divided set of entities (Tinney, 2012). The critical difference is that supply chain orientation is the processes utilized “within a firm” and supply chain management is the processes utilized “across firms within a supply chain (Tinney, 2012).

Tucker (2011) postulated that organization may be predisposed to either view their supply chain as an integrated entity (SCO view) or hold an atomic view of the supply chain. A company with an atomic view of the supply chain would view its suppliers and customers as strictly ‘suppliers’ and ‘customers’ and not as business partners. Organizations that possess a SCO view have an effective SCM and consequently perform better than organizations with an atomic view of their suppliers and customers. SCO is therefore the foundation upon which SCM is built (Tinney, 2012). This suggests that organizations possessing a SCO approach SCM differently than firms that are less inclined to view SCM strategically (Esper, Defee, & Mentzer, 2010).

SCO directly influences firm performance through the development and sustainment of behavior elements that allow a firm to build trustful relationships with their supply chain partners. These SCO behavioral elements are; credibility, benevolence, commitment, cooperative norms and organizational compatibility (Tinney, 2012). Credibility is defined as the degree to which customers perceive that the supplier has required skills and knowledge to supply the product (Laequddin, Sahay, Sahay, & Abdul Waheed, 2010).

Benevolence is the belief that supply chain partners are involved in and responsible for actions necessary for creation of successful organization (Sridharan & Simatupang,

2013). Commitment is the willingness to exert effort, provide resources and make short term sacrifices on behalf of the organization (Bingham, Mitchell, Bishop, & Allen, 2013). Cooperative norm is the reflection of expectations between two parties when working together to achieve mutual and individual goals jointly (Sridharan & Simatupang, 2013) and Organizational compatibility is defined as the possession of similar goals, culture, operational and management techniques among supply chain partners (Tinney, 2012).

2.3.2 Lean supply chain

Many organizations are trying to apply the waste elimination philosophy of Lean operations into the innovation and product development processes (Biazzo, Panizzolo, & De Crescenzo, 2016). A key lean principle is that each step in production must produce value for the customer and that all sources of waste should be eliminated (Rechel, Wright, Barlow, & McKee, 2010). Although lean principles were developed for production systems, studies have shown that they are equally applied in service systems and have led to improved performance (Cano, Kourouklis, & Drummond, 2014; Middleton & Joyce, 2012). Lean principles can equally be applied in healthcare. The concept of waste in healthcare processes is far-reaching, and includes unnecessary inventory, waiting, mistakes, unplanned re-admissions and inappropriate procedures or processes (Rechel, Wright, Barlow, & McKee, 2010). Lean helps to marry the two conflicting hospital objectives of cost and quality of care.

Lean adds value for patients by reducing wasteful activities through process optimization. Lean processes lead to less mistakes and higher quality, a better use of resources, and hence improved financial performance (Rock, Horlyck, Dammand, Jacobsen, & Rainer, 2014). Typically, most hospital processes are designed around specialties and departments rather than around the needs of patients. The consequence is that the flow of patients is always inefficient, dislocated and disorganized leading to patient dissatisfaction and ineffective utilization of resources (Rechel, Wright, Barlow, & McKee, 2010).

The application of lean through continuous improvement in hospitals can be attained by adopting three key process management techniques; process optimization and

automation, process or data visualization and process standardization. Process optimization involves leveraging technology to drive efficiency by implementing process specific information technologies, ensuring that there is role clarification, minimal role duplication, goal cascading, skill alignment, team governance, vertical and horizontal communication and organization delayering (KPMG, 2012).

Process visualization is a visual presentation of the processes, methods, means and elements that must be known by everyone for the purposes of successfully completing a given task. Process visualization also involve visual control that facilitate the decisions in case of deviation from the normal situation (Mizgaciu, 2013). Process visualization thereby give readers insightful information and enable the end user to become an active participant in the process (Lau & Pan, 2015).

Process standardization is the process of defining key processes so as to ensure that the processes are visible, understood and standardized across the entire institution (Francis, 2014). Standardization can be applied in healthcare by standardizing and formalizing common and predictable processes such as procurement processes, treatment procedures and treatment regimens. The standardizing of hospital processes helps to eliminate bottlenecks such as semi autonomous departments and focusing on similar clinical conditions rather than on similar processes (Rechel, Wright, Barlow, & McKee, 2010).

Essentially, the lean thinking philosophy focuses on increasing efficiency within organizations and along the value stream of products (Francis, 2014). Since exploitative innovative activities are associated with increasing efficiency within products and organizational processes, it can be stated that lean thinking hospitals would focus on innovating exploitative activities. However successful lean implementation leads to increasing efficiency within hospital that results in more financial resources available for explorative innovation (Borrel, 2013).

2.3.3 Supply chain Analytics

Supply chains are rapidly evolving from linear arrangements to real-time, customer facing networks (Stefanovic, Stefanovic, & Radenkovic, 2011). Supply chain analytics (SCA) refers to the use of data and quantitative tools and techniques to improve

operational performance (Chae, Olson, & Sheu, 2014). Supply Chain Analytics aims to improve operational efficiency and effectiveness by enabling data-driven decisions at strategic, operational and tactical levels (Capgemini Consulting, 2013). In today's business world, information has replaced hard assets as the fulcrum for decision making. However many times organizations confuse deep analytical capability with the ability to pull and report on data from their SCM and ERP systems. This is because SCM/ERP systems reflect only what has already happened instead of what is happening or will happen (SAS, 2010).

Aberdeen (2015) discussed SCA in three levels; Descriptive Analytics, which use data aggregation and data mining to provide insight into the past and essentially answer to the question 'What has happened?'; Predictive Analytics, which use statistical models and forecasts techniques to understand the future responding to 'What could happen?'; and Prescriptive Analytics, which use optimization and simulation algorithms to advice on possible outcomes and responding to 'What should we do?'

Descriptive analytics uses techniques such as data modeling, visualization and regression analysis to analyze historical data and identify patterns as well as identify areas of under and over performance. Predictive analytics on the other hand uses techniques such as data mining, forecasting and predictive modeling to predict future probabilities and trends and find relationships that are not apparent with traditional or descriptive analysis. Finally prescriptive analytics uses optimization tools to evaluate and determine new ways to operate, target business objectives and balance all constraints to better optimize the outcome in terms of cost and service (Aberdeen, 2015).

Chae, Olson and Sheu (2014) further defined SCA as integration of three sets of capabilities; data management capability, analytical supply chain process capability, and supply chain performance management capability. Data management is the key building block of SCA. Organizations use data warehouses (often found in ERP system) for querying, reporting and analysis. The capability for managing data positively influences organizational performance (Chae & Olson, 2013). Analytical capabilities such as predictive and prescriptive analytical techniques analyze the data to find useful information such as predicting customer behavior, sales and changing

taste and preferences. SC performance capability is a crucial analytics that monitors, reports and corrects information across the supply chain (Chae, Olson, & Sheu, 2014).

Hospitals are slowly embracing analytics as a way of improving data gathering, storage and sharing, financial management, clinical analytics, and collaboration across industry value chain to improve operational and performance outcomes (Fuloria, 2013). However compared to other sectors, healthcare industry still lags behind in adopting supply chain innovative practices as emphasis is usually on natural sciences innovations and improvements as opposed to social and management science. However the fierce rate of growth of healthcare costs has caused a substantial increase of healthcare IT expenditures and adoption of analytics in healthcare supply chains (Chen, Preston, & Xia, 2013).

2.4.4 Supply chain integration

Integration of processes and activities within and without organizations has been the fundamental concept of SCM. Supply chain integration (SCI) is based on the documented evidence that business waste is as a result of disjointed supply chains (Sweeney, 2011). SCI therefore unifies supply chain processes and create a seamless flow of materials, services and information to all supply chain partners with the objective to maximize competitive advantage (Himanshu, Moharana, Murty, Senapati, & Khuntia, 2012). SCI within the service sector can be operationalized by examining three critical constructs; supply chain collaboration, supply chain design and integrative technologies.

Supply chain collaboration has been defined as working together towards a common objective (Kang & Moon, 2016). Collaboration therefore implies process integration, professionals working together or team work approach that results in joint decisions and activities (Himanshu, Moharana, Murty, Senapati, & Khuntia, 2012). Collaborative supply chain is characterized by voluntary sharing of resources (capital, training, consulting), joint ventures, strategic alliances, cooperative organizational relationship, outsourcing, long term contractual relationships, high levels of information sharing and trust (Weaver, 2012). Inter-professional collaboration is a

concept in healthcare that advocates for collaboration among healthcare professionals for the purpose of comprehensive and integrated care (Rubino & Chassiakos, 2010).

Supply chain design (SCD) is an important component of supply integration. Effective SCD promotes SCI and by extension supply chain performance (Badenhorst-Weiss & Nel, 2011). Appropriate SCD cultivates collaborative trust among supply chain partners, a critical condition for ambidexterity. SCD capable for promoting ambidexterity should possess organization structures that have both centralized and highly participative capabilities. Centralized in the sense that they integrate activities across the supply chain and participatory in that they involve employees and partners whose work is affected by decisions (Adler & Heckscher, 2013). Effective SCD is also characterized by supply base management or rationalization. Effective and frequent supply base rationalization assist to develop synergistic long term relationships thereby promoting exploitation strategies while at the same time encouraging new supplier relationships that would promote exploration strategies (Epping, 2014).

Technology integration is the application of technologies to organize and improve learning process in such a way that customers and consumers become active users of information as opposed to being passive recipient of information (Lau & Pan, 2015). Technology integration concept in hospitals is based on premise that they are the best approach to address issues of quality and cost. Technology integration in healthcare provides higher quality and more patient-centric care at lower costs (Hwang, Chang, LaClair, & Paz, 2013). The use of integrated technology improves performance of hospitals by enabling healthcare professionals innovatively and collaboratively organize their curative and preventive procedures and regimen in a cost efficient way (Fuloria, 2013).

2.3.5 Supply Chain Resilience

Resilience is the ability of a system to return to its original state or move to a new, more desirable state after being disturbed (Lenort & Wicher, 2012). Resilience, in an organizational sense has been defined as the ability to survive and thrive in crises and turbulences (Fisher, 2017). Pal (2013) noted that SC resilience is associated with established activities like crisis management (CM) and business continuity plans

(BCP) by establishing better short-term CM through higher operational flexibility and better long-term strategies through BCP, along with growth strategies via market penetration, diversification and transformational initiatives.

Academic and practitioner interest in resilience was largely driven by escalating business vulnerabilities and disruptions by both external factors such as legislative and environmental vulnerabilities and internal factors such as financial and internal business-process vulnerabilities (Krishnan & Pertheban, 2017). Point to note therefore is that the key driving force of resilience is disruption. The disruptions in a supply chain can be classified as either internal to the firm (process and control risks), external to the firm but internal to the supply chain network (demand and supply risks) and external to the network (environmental risks) (Pal, 2013).

Organizations cope with disruptions either reactively or proactively. Reactive strategy implies that the supply chain adjusts ex-post to changes, and supply chains adopting this strategy are usually referred to as agile supply chains (Durach, Wieland, & Machuca, 2014). Proactive strategy on the other hand implies that the supply chain implements ex-ante measures to cope with turbulence, with no adaptation needed during times of change. Supply chains that adopts this strategy are usually referred to as robust supply chains (Vlajic, van der Vorst, & Haijema, 2012). Supply chain resilience balances both reactive and proactive strategies such that a resilient SC is both adaptable and robust (Saenz & Revilla, 2014). Agility and robustness are therefore dimensions of resilience (Wieland & Wallenburg, 2012).

The other face of resilience is alignment. Ishaq, Khaliq, Hussain and Waqas (2012) termed the three resilient dimensions as triple A strategies of supply chain excellence. Alignment refers to a combination of internal resources, technologies and processes to fit institution to better deal with existing and upcoming environmental issues (Rodrigues, Vivan, & Storopoli, 2016). Aligned SC partners take care to align the interests of all the firms in their supply chain with their own. If any company's interests differ from those of the other organizations in the supply chain, its actions will not maximize the chain's performance (Sakka, Millet, & Botta-Genoulaz, 2011). Organizations excel in alignment by implementing three strategies; Alignment of information so that all SC partners have equal access to forecasts, sales data, and plans;

Alignment of identity by clearly defining the role and responsibilities of the partners;
Alignment of incentives through creation of risk cost and reward sharing scheme
(Ishaq, Khaliq, Hussain, & Waqas, 2012).

The association between SC resiliency and SC ambidexterity as a dynamic capability, which reduce the negative impact in SC instability, has yet to be comprehensively explicated. However Krishnan and Pertheban (2017) noted that resiliency provided a dynamic capability that made supply chain more ambidextrous thus effectively dealing with the negative impact of supply chain disruption. Eltantawy (2016) postulated that resilience is a multi-faceted dynamic capability meaning that resilience acts as the dynamic capability by which firms integrate, build and reconfigure internal and external competences that can sustain firm performance.

2.3.6 Size of Accredited Hospitals

Studies on the effect of firm size on organizational performance have been varied. Vijayakumar and Tamizhselvan (2010) reported a positive relationship between the size of an organization and its profitability while Pervan and Visic (2012) indicated a weak positive relationship. McDermott and Prajogo (2012) however claimed that size on its own has no relationship with performance but rather it is a moderating factor in innovation and performance. The same thought was held by Jimenez-Jimenez and Sanz-Valle (2011). All the scholars have measured the size of the firm in terms of total assets and total sales generated by the organization.

While organizations in other sectors are categorized by the number of employees and amount of assets they control, a review of international practice found that bed capacity continues to be the preferred unit for planning hospital care meaning that bed occupancy and the ratio of beds per population remain predominant metrics in hospital capacity planning (Rechel, Wright, Barlow, & McKee, 2010). In Kenya, Hospitals are also categorized by bed capacity. Level three hospitals have a bed capacity of not more than 24, while level four has bed capacity of between 25- 400 beds and level five and six has a bed capacity of above 400 (RoK, 2017).

Besides bed capacity, accredited hospitals in Kenya are also categorized by the services offered. Tier one facilities only offer outpatient services while tier two offer

both outpatient and inpatient services. These two levels are mainly responsible for health promotion and prevention and emergency services awaiting referral (Mohajan, 2014). Tier three hospitals offers specialized diagnostic and curative services at the county level while tier four which is the highest level of accredited hospitals in Kenya comprise of county and national referral hospitals. Tier four hospitals are centers of excellence, providing sophisticated diagnostic, therapeutic and rehabilitative services across the country (Luoma, et al., 2010). This study will adopt the same measure of bed capacity and service levels to categorize hospitals.

2.3.7 Performance of Accredited Hospitals

Similar to other service organizations, productivity and performance of hospitals has been difficult to measure due to the complex nature of the services provided as well as the special nature of relationship between consumer and service provider (Chansky, Garner, & Raichoudhary, 2013). The international practice is to measure performance of hospitals based on the two main objectives of costs and quality of care (Mayer, 2013). Comparatively, measuring quality performance of hospitals is more difficult than cost (efficiency) measures (Ozcan, 2014).

Quality measures is a way of measuring changes in patient's health over time. Despite appreciation of the importance of this measure as a comparison of performance across hospitals, many healthcare institutions are unable to capture this data other than the rate of mortality (Chansky, Garner, & Raichoudhary, 2013). Also while these measures often incorporate patient-reported information on how satisfied patients are with the health care services they've received, these measures do not assess the full extent of the patient experience (Lenin, 2014). Due to these serious limitations, the study will only adopt the efficiency measures of hospital performance as opposed to quality measures.

Costs as a measure can be operationalized by the level of productivity or efficiency of services provided in the hospital. Measure of productivity of hospitals take into consideration the input and output measures and their relationships (Chansky, Garner, & Raichoudhary, 2013). Health care productivity is defined as the nominal expenditures on health care by service providers (hospitals, physicians, etc.) deflated

by a price index for healthcare (Sheiner & Malinovskaya, 2016). DEA (Data Envelopment Analysis) model is the most common technique used to measure efficiency and optimum performance of hospital (Caballer-Tarazona, Moya-Clemente, Vivas-Consuelo, & Barrachina-Martinez, 2010). DEA is simply calculated as the total weighted output divided by the total weighted input (Ozcan, 2014).

The output measure of productivity can be either based on volume of service offered or the hospital revenues. Services output is the total number of outpatient and inpatient visits in a given time period while revenue is the total cash inflows of the hospital within that given time period (Chansky, Garner, & Raichoudhary, 2013). The input measure of hospital productivity include the resources used such as labor hours (total number of staff hours) and medical supplies (Ozcan, 2014). The study used DEA as the measure of efficiency of hospitals.

2.4 Empirical Review

This section looked at the past research that had been conducted in the area of supply chain orientation, lean supply chain, supply chain analytics, supply chain integration and supply chain resilience. The study similarly reviewed the past research on the mediating effect of hospital size. The empirical review also identified the literature gaps that the study intended to fill. The review was done based on the funnel approach where global studies were reviewed first, followed by the African context and then the Kenyan context. The review has also been done based on the objectives of the study.

2.4.1 Supply Chain Orientation

Tinney (2012) investigated the relationship between supply chain orientation, supply chain management, collaboration and the effects of those concepts on firm performance. The study used primary data and interviewed a total of forty five (45) executive-level logistics and supply chain management professionals employed by U.S. based organizations. The study found that supply chain orientation and collaboration was linked to firm performance.

Tucker (2011) sought to refine the notion of supply chain orientation by determining additional SCO factors beyond those already in existence. The study adopted an

exploratory research design and data was collected from nine supply chain experts in different manufacturing industries in Canada. The study found that trust, internal supply chain management focus and supply chain partner reliability are three key SCO factors that support enhancement of supply chain operation performance.

Defee (2010) developed a framework for supply chain orientation using a theoretical review approach. The study aimed at differentiating the concept of SCM from that of SCO. The study proposed that SCO is concerned with achieving a level of alignment or fit SC strategy and SC structure. While SC strategy is concerned with holistic view of supply chain and supply chain emphasis across departments, supply chain structure is made up of organization design, human resource, information technology and organizational measurement.

Shanmugan and Kabiraj (2012) in an exploratory study aimed at developing a comprehensive measure to evaluate supply chain orientation in pharmaceutical firms, collected data from 100 executives working in pharmaceutical firms in India. The study sought to measure SCO using five dimensions; Market Orientation, Personal Selling Orientation, Research and Development Orientation, Production Orientation and Purchase Orientation. The study found that SCO can be effectively measured by analyzing the effects of the following capabilities; supply chain policy, sales persons knowledge and expertise, learning orientation, information sharing, customer orientation, relationship building, flexibility, collaboration, trust, inter functional cooperation and self development.

Chen, Preston and Xia (2013) sought to delineate the factors that influence hospital supply chain performance. The study adopted trust, knowledge exchange, IT integration between the hospital and its suppliers, and hospital–supplier integration as key factors that influence supply chain performance of hospitals. The study collected data from a sample of 117 supply chain executives from United State hospitals. The study found that trust and IT integration directly affected knowledge exchange. Knowledge exchange and IT integration directly affected hospital- supplier integration.

2.4.2 Lean Supply Chain

Drotz and Poksinska (2014) analyzed three cases studies of healthcare organizations that were regarded as successful examples of lean applications in the healthcare context in Sweden. The purpose was to contribute toward a deeper understanding of the new roles, responsibilities, and job characteristics of employees in lean healthcare organizations. Data were collected through the use of interviews, observations and document studies. The study found that healthcare adopted process improvement and teamwork as lean practices and had a positive effect on the organizational's working environment, staff development and organizational performance.

Borrel (2013) studied the effects of lean management on the tensions between exploration and exploitation in small and medium enterprises (SMEs). The study interviewed five SMEs across the Netherlands. The study found that SMEs that were willing to become lean thinking would first pursue a focused innovation strategy on exploitation to help the SME increase efficiency within the organization and along the value stream(s) of its product(s). Lean practices would then increase SMEs turnover and profit, increasing resources availability if reinvested back into the organization. This increase in resources availability will give the SME the opportunity to transition its focused innovation strategy on exploitation towards a balanced innovation strategy in the form of contextual ambidexterity. The study therefore advocated for lean practices as an antecedent for ambidexterity. However the sample size was too small and therefore the findings need to be assessed from a large sample.

Leite and Vieira (2015) reviewed more than 70 literature on lean thinking with focus on service sector. The aim was to evaluate principles of lean service as well as best practices and tools for implementing lean in service sector. The study found that despite lack of a standard set for which, when and where to use a lean tool in services, application of lean manufacturing practices in the service sector can generate large economic and financial results, as well as in the behavior of people. The study also found that most service firms used value stream mapping, JIT, standardization and 5S as tools of implementing lean processes.

Wachuma and Shalle (2016) while studying the effect of lean supply chain management practices on organizational performance in government ministries in Kenya, the study collected data from seventy five supply chain staff in the children's department of the Ministry of Labor, Social Security and Services. The study used the entire population as the sample. The study used questionnaire as the primary source to collect data. The study found out that information communication and technology (ICT) integration was an important component of lean SC which necessitated organization performance.

2.4.3 Supply Chain Analytics

Chae, Olson, & Sheu (2014) studied the impact of supply chain analytics on operational performance. The study collected data from 537 manufacturing plants where hypotheses exploring the relationship between resources; data management resources (DMR), IT-enabled planning resources and performance management resources (PMR), supply chain planning satisfaction, and operational performance. DMR was found to be a stronger predictor of PMR than IT planning resources. However all three sets of resources were found to be related to supply chain planning satisfaction and operational performance.

Bichsel (2012) studied on the benefits, barriers and progress of analytics in higher education sector. The study collected data from 356 members of EDUCAUSE and Association of institutional research (AIR). The study found that most institutions of higher learning view analytics as important however data use at most institutions is still limited to reporting. The study also found that analytics program are most successful when various constituents or departments, functional leaders and executives work in partnership.

Trkman, McCormack, Valadares de Oliveira and Ladeira (2010) studied the impact of business analytics on supply chain performance. The study investigated the relationship between analytical capabilities in the plan, source, make and deliver areas of the supply chain and its performance using information system support and business process orientation as moderators. A sample of 310 companies from different industries in USA, Europe, Canada, Brazil and China was used to test the hypotheses.

The study found existence of a statistically significant relationship between analytical capabilities and performance. The moderation effect of information systems support was found to be considerably stronger than the effect of business process orientation.

Moturi and Emurugat (2015) sought to determine the gaps between university top decision makers in a public university in Kenya and IT personnel in accessing, analyzing and reporting data. The study aimed at determining an easier and quicker way to analyze data, design and implement a solution to turn analysis into a report with little or no help from IT department. The study found that it was possible to turn ordinary spreadsheets into a flexible, powerful, and inexpensive business intelligence system that gives users significant power and flexibility with minimal intervention from IT department.

2.4.4 Supply Chain Integration

Hwang, Chang, LaClair and Paz (2013) performed a systematic review of current literature with an aim of assessing the association between integrated healthcare delivery systems and changes in costs and quality. The study reviewed 21 peer-reviewed articles from United States between years 2000 and 2001 related to integrated delivery systems, costs and quality in healthcare. Majority of the studies indicated that integrated delivery systems have positive effect on quality of care. However none of these studies measured cost reduction directly but used reduction in utilization of services instead, indicating decrease in the utilization of service with increases in integration.

Msimangira and Venkatraman (2014) investigated the emerging concept of SCM integration (SCMI) with an aim of identifying SCMI problems and possible solutions. The study applied an exploratory design where data was collected using open discussions and brainstorming among supply chain personnel in New Zealand. The study found that SCMI required a holistic approach; two-way communication; written service level agreements; relationship management; use of new technologies and integrated software systems; strategic alliances and trust; integrated processes; effective partnership; and predictive cost/benefit analysis of SCM. The study

recommended investment in SC analytics to facilitate information and knowledge management and enhancement of SC integration.

Wright (2016) also investigated the relationship between supply chain integration and overall firm's performance in Romania. The study used secondary data of 202 manufacturing firms in Romania. The study used logical regression method to determine if vertical integration increased the probability of superior performance. The study found a strong relationship between high operating margins and superior performance of firms in Malaysia. The study proved that it was valuable for companies to develop competences through vertical integration so as to protect it from turbulent environment. The study therefore supports development of competences as a basis for improving organizational performance. However it is important to assess if the findings still apply in Kenya as well as in the educational SC.

Cheruiyot (2013) examined the impact of integrated supply chain on the supply chain performance in KTDA. The study used primary data and collected data from 199 employees from purchasing and supplies sections drawn from 65 KTDA managed factories in Kenya. The findings indicated that the supply chain integration (both upstream and downstream) was positively associated with supply chain performance (raw material purchasing cost, transport cost, distribution cost, asset turnover and inventory holding cost).

Njagi and Ogutu (2014) studied the impact of supply chain integration on supply chain performance in State Corporations in Kenya. A census study was conducted where a total of fifteen (15) corporations were studied in order to assess the level of upstream and downstream integration and the relationship between integration and performance of state corporations. The study findings revealed a positive and significant correlation between supply chain integration and performance of the State Corporations studied in Kenya.

2.4.5 Supply Chain Resilience

Krishnan and Pertheban (2017) investigated the influences of supply chain resilience strategies on supply chain ambidexterity as a dynamic capability. In detail, the study sought to investigate how firms' SC ambidexterity was developed through a dynamic

capability-building process and how ambidexterity can mitigate the negative impact of SC disruptions and improve business performance. The study collected data from a sample of 164 medium manufacturing SMEs operating in Malaysia. The study found that a dynamic SC resilience capability-building process is an antecedent of SC of ambidexterity. The study identified inventory management, visibility, predefined decision plan and diversification as dynamic SC resilience capabilities.

Rodrigues, Vivian and Storopoli (2016) researched on the ways to model higher education institutions to enhance their attractiveness and withstand global environment. The study used a theoretical framework approach. The study aimed at analyzing ways of creating resilience as a way of backing up ambidexterity to generate institutional attractiveness. The study found that institutional attractiveness can be build through resilience by internally aligning resources, capacities and processes.

Todo, Nakajima and Matous (2015) examined how supply chain networks affected the resilience of firms to the Great East Japan Earthquake, particularly looking at the effects on the time period before resuming operations after the earthquake and sales growth from the pre- to the post-earthquake period. The results indicated that the expansion of supply chain networks had two opposing effects on the resilience of firms to disasters. On the one hand, when firms were connected with more firms through supply chain networks, they were more likely to experience disruptions in supply and demand, which delayed recovery. On the other hand, firms benefited from diversified networks with suppliers and clients because they would substitute the surviving firms in the network for the damaged partners and receive support from them. The study indicated that the latter positive effect on recovery exceeded the former's negative effect for many types of network, implying that diversified supply chain networks led to the resilience of firms to natural disasters.

Aigbogun, Ghazali and Razali (2014) sought to develop a framework to enhance supply chain resilience. The study aimed at investigating the vulnerabilities and the capabilities of the Malaysian pharmaceutical manufacturing supply chain by interviewing key supply chain personnel of seven Pharmaceutical companies with large manufacturing capacities in Malaysia. The study developed a framework with 4 dimensions of supply chain vulnerabilities (Turbulence, external pressures, sensitivity

and connectivity) and 6 dimensions of supply chain capabilities (flexibility, visibility, adaptability, collaboration, reserve capacity and supplier dispersity)

Wieland and Wallenburg (2012) analyzed data collected from 270 manufacturing managers to identify the effect of robustness and agility strategies on business performance. They found that robustness has a direct, strong positive effect on business performance, whereas only an indirect effect of agility could be shown. The study recommended that organizations need to consider robustness and agility due to their primary importance to withstand everyday risks and exceptions.

Wasike (2014) examined the relationship between information systems and supply chain agility in service industry. The study adopted a case study design and collected data from 96 top, middle and lower level staff of the technical university of Kenya. The study found that information system was critical on improvement of supply chain agility. The study recommended that resources (people, machines and the necessary application software) must be available to promote supply chain agility. Also, investment in training and development of staff as well as incorporation of modern IT processes such as cloud computing will greatly improve university supply chain agility.

2.4.6 Size of Accredited Hospitals

Pervan and Visic (2012) researched on the relationship between firm size and performance. The study analyzed secondary data for the years 2002-2010 obtained from the web site of Croatian Financial Agency and from Amadeus database. A total of 18,492 firms were analyzed by this study. The study used the natural logarithm of firm's assets and number of employees to measure firm size. The study found a weak positive relationship between firm size and performance of the organization. The study postulated that the reason for the weak relationship was due to the fact that as organizations become large, the control shifts from owners to managers and the focus therefore changes from profit maximization to maximization of managerial utility.

McDermott and Prajogo (2012) similarly investigated the relationship between organization size, innovation and performance of service firms. The data was drawn from 180 managers from Australian service organisations. The study found that service

SMEs organizations are best served by simultaneous pursuit of exploitive and exploratory innovation. The pursuit of ambidexterity is moderated by the size of the organization. The study however did not find a direct relationship between organizational size and its performance.

Jimenez-Jimenez and Sanz-Valle (2011) examined the relationship between innovation, organization learning, size, age, environmental turbulence and performance of organization. The study collected data from 451 Spanish firms. The research found that both organization learning and innovation positively correlated with performance. However, size, age and environmental turbulence moderated the relationship between organization learning, innovation and performance.

Foster and Zrull (2013) analyzed performance differences of hospitals based on size and teaching status. The study analyzed secondary data from top 100 hospitals in US as enlisted by the American medical association 2013. Though the study found that different hospitals depicted different performances, no consistent pattern of performance differences among hospitals of different sizes was found and no one size category was found to be superior in all metrics. The study concluded that size of the hospital was not correlated with performance.

John and Adebayo (2013) also investigated the effect of firm's size on profitability of Nigerian manufacturing organizations. The study used audited annual reports of the selected manufacturing firms listed in the Stock Exchange for the periods between 2005-2012. Return on assets (ROA) was used as a proxy for profitability while log of total assets and log of turnover were used as proxies for firm size. The results of the study revealed that firm size, both in terms of total assets and in terms of total sales, has a positive effect on the profitability of Nigerian manufacturing companies.

2.4.7 Performance of Accredited Hospitals

Pham (2011) examined the efficiency and productivity of hospitals during the health reform process in Vietnam. Data of 101 hospitals was extracted from ministry of health databases in Vietnam from the years 1998 to 2006. Data envelopment analysis method was used to calculate the relative efficiency of the hospitals. The study found that there was improvement in relative efficiency of hospitals from 65% in 1998 to 76% in 2006.

The improvement was attributed to technical reforms in the hospital sector during those years. The study showed that improvements in technical aspects through encouragement of innovation in hospital operations would improve efficiency of hospitals.

Nayar, Ozcan, Yu and Nguyen (2013) similarly analyzed hospital performance in terms of both technical efficiency and quality. The study collected data from a sample of 371 urban acute care hospitals. The data was analyzed using data envelopment analysis method where the technical inputs were the total number of beds occupied, number of staff and operating expenses. The technical output was the number of outpatient visits and adjusted patient days. The quality measures were survival rates of selected conditions. The study found that only less than 20% of the sample hospitals were optimally performing in both quality and efficiency. The study also found that public, small, teaching hospitals had higher DEA efficiency and quality scores than big hospitals.

Kirigia, Sambo and Lambo (2015) analysed the performance of hospitals in Kwazulu-Natal province in South Africa. The study extracted secondary data of 56 hospitals from the provincial department of health, Kwazulu Natal health informatics bulletin. The data collected were for years 1995 and 1996. The output considered was inpatient days, outpatient visits, surgical operation and live births. The input considered were the number of medical staff and number of beds. The study employed the DEA model to analyze data. The study found that only 40% of the hospitals were technically inefficient. The study found that some medical employees were not fully utilized and therefore there was a need to reduce them to improve the efficiency of the hospitals.

Kamau (2014) sought to determine the effect of internal factors on the profitability of private hospitals in Kenya. The study collected data from 54 employees of Karen hospital in Kenya. The study used descriptive statistics and regression to analyze data. The study found a positive relationship between profitability of private hospital and size, capital employed and assets while leverage showed a negative relationship. The study concluded that hospitals should strive to expand in a meticulous manner so as to avoid situations where they are highly leveraged as they increase in size.

Wangari, Anyango and Wanjau (2013) investigated the factors that affect the provision of quality in the public health sector in Kenya. The study focused on employee capability, technology, communication and financial resources. Data was collected from 103 employees in Kenyatta National Hospital, the largest referral hospital in Eastern & Central Africa. The study applied descriptive statistics to analyze data. The study found that low employee capacity, inadequate technological adoption, ineffective communication, and insufficient financial resources affected quality performance of hospitals. The study recommended a comprehensive healthcare policy that addressed the plight of medical staff, working environment and resources were critical in ensuring optimal performance of hospitals increased patient satisfaction and loyalty.

2.5 Critique of existing literature

One essential supposition in the supply chain ambidexterity strategy literature focuses on the relationship between supply chain ambidexterity stratagems and supply chain performance. Both exploitation and exploration strategies in supply chain innovation are essential for adaptation, meaning simultaneously exploiting existing supply chain competences to produce value across all supply chain partners and exploring new opportunities to gain long term efficiency (Krishnan & Pertheban, 2017).

However the empirical literature reviewed has shown that major research that have been undertaken on innovation and ambidextrous strategy are within the context of an organizational level (Keupp, Palmie, & Gassmann, 2012). However, most organization innovations and effects occur not only within the organization but also more critically at the organizations interface with its upstream and downstream partners (Adner & Kapoor, 2010). The superior role played by modern supply chains in leading innovations as a means to sustain grander performance and ensure survival of partner organizations is the subject of the study. Also the study has found key research gaps that it seeks to fulfil. Based on the scholars above it is evident that there is a research gap in that past scholars were mainly addressing the concept of ambidexterity in organizations from a manufacturing point of view and therefore the

study will address this empirical gap by assessing if the application of supply chain ambidexterity in hospital supply chain impacts on organizational performance.

Supply chain ambidexterity has been defined as the accommodation of both exploitation and exploration strategies for the purpose of organization's long-term survival (O'Reilly & Tushman, 2013). In the same regard, hospitals that manages to succeed in the long run and in the face of environmental and technological change are only those that change their structural alignments in line with environmental changes by exploiting existing assets and capabilities while at the same time engaging sufficient exploration to survive in the market (Rodrigues, Vivan, & Storopoli, 2016). Prior research has showed that process innovation contributes to the new product's market success and explains firm performance (Ar & Baki, 2011).

The ambidexterity effect on organizational performance has attracted several researchers examining the tensions between exploitation and exploration. However most literature streams to the discussion on how to simultaneously adopt or balance both exploration and exploitation strategies (Lavie, Stettner, & Tushman, 2010). Other researchers have analyzed the antecedents of ambidexterity which this research adopts for this study. Among the antecedents identified included supply chain orientation, lean supply chain and agile supply chain as exploitative antecedents and supply chain resilience and supply chain integration as explorative facet of supply chain ambidexterity. (Tucker, 2011; Borrel, 2013; Gligor & Holcomb, 2012; Krishnan & Pertheban, 2017; Annan, Boso, Mensah, & Eliza, 2016).

Supply chain orientation has been defined as organization-wide recognition of the importance of supply chain partners leading to trustful, credible, committed and compatible relationships with supply chain partners (Tinney, 2012). Trust, internal supply chain management focus and supply chain partner reliability were proposed as three key SCO factors that support enhancement of supply chain operation performance (Tucker, 2011). Shanmugan and Kabiraj (2012) also hypothesized that SCO can be effectively measured by analyzing the effects of the following capabilities; supply chain policy, sales persons knowledge and expertise, learning orientation, information sharing, customer orientation, relationship building, flexibility, collaboration, trust, inter functional cooperation and self development.

Krehbiel, Francis, Balzer, & Shea (2016) advanced that lean appears to have a significant and measurable value when used to improve academic and administrative operations in higher education. Kanakana (2013) also held that lean principles could be implemented in hospitals by developing efficient and cost effective processes through streamlining, waste minimization and collaboration among departments. Borrel (2013) further postulated that organizations pursuing ambidexterity would initially pursue exploitation strategy through lean practices which would increase turnover, profits and resources that can support exploratory and innovative strategies.

Moturi and Emurugat (2015) further found that it was possible to turn ordinary data management systems into a flexible, powerful, and inexpensive business intelligence system that gives users significant power and flexibility to implement ambidexterity. The adoption of supply chain analytical capabilities is statistically correlated to performance of hospitals (Trkman, McCormack, Valadares de Oliveira, & Ladeira, 2010). Supply chain analytics compliments supply chain integration by exploiting the use of integrative technologies. SCI therefore unifies supply chain processes and create a seamless flow of materials, services and information to all supply chain partners with the objective to maximize competitive advantage (Himanshu, Moharana, Murty, Senapati, & Khuntia, 2012).

Finally, Ishaq, Khaliq, Hussain and Waqas (2012) advanced that organizations must implement the 'triple A' resilient strategies to successfully create an ambidexterity environment. The three resilient strategies include agility, adaptability and alignment. However the effect of the antecedents of supply chain ambidexterity towards improvement of organizational performance is dependent on the level of participation of top leadership on process improvement and innovation (Tinney, 2012). Top leadership participation is contingent on the type of leadership adopted, leadership support granted and commitment to change (Sanzo, Alvarez, Rey, & Garcia, 2012).

2.6 Research Gaps

Though research about exploitation and exploration is extensive, most studies analyze the consequences for innovation as well as addressing the trade-offs between the two innovative paradigms. Only few scholars have addressed the antecedents that provide

favorable environment for ambidexterity supply chain to exist and more so generate superior performance compared to competitors (Kim, Song, & Nerkar, 2012). Lavie, Stettner and Tushman (2010) also pointed out that research on the performance implications of exploration and exploitation has been sparse.

Secondly, major research have been undertaken on innovation and ambidextrous strategy application at an organizational level (Keupp, Palmie, & Gassmann, 2012). However, most organization innovations and effects occur not only within the organization but also more critically at the organizations interface with its upstream and downstream partners (Adner & Kapoor, 2010). The superior role played by modern supply chains in leading innovations as a means to sustain grander performance and ensure survival of partner organizations is the subject of the study. This is in line with the arguments of Levina and Vaast (2005) and fortified by boundary spanning theorem that successful organizations collaborate and interact with other supply chain partners drawing expertise, competences and knowledge from diverse organizations in the supply chain.

Further, the past researches on ambidexterity strategy and performance of organizations had agreed that ambidextrous supply chain strategy and performance is statistically collerated. However the scholars have not agreed on the direction of relationship. Some researchers have found a positive relationship between ambidextrous supply chain and supply chain performance while others have found that exploitation-exploration strategy is inversely related to performance (O'Reilly & Tushman, 2013; Sanchez-Perez, Marin-Carrillo, & Bourlakis, 2014). Other scholars have compared between the two innovative strategies postulating that since process innovation (exploitation) is mainly incremental than radical (exploration), then the logical inference is that exploitation provides better performance than exploration and that exploration strategies would moderate negatively the effect of exploitation on performance (Benner & Tushman, 2003).

Finally, most scholars have assessed the aspect of ambidexterity from manufacturing organizations point of view. The unique characteristics of SSC and more so the concept of customer- supplier duality in education SC have contributed to the dearth of research in this area. The few research on service innovation have also not agreed

whether it's possible for service organizations to pursue both explorative and exploitative strategies, with one school demonstrating that it's possible for service organizations to be ambidextrous and another school of thought arguing that service firms lean more towards incremental innovations as opposed to radical innovations (Marabelli, Frigerio, & Rajola, 2012; Cefis & Marsili, 2012). The research sought to address these research gaps that enriched the knowledge on the correlation between supply chain ambidexterity and performance of hospitals as well as analyzed the mediating effect of size on the relationship between implementation of explorative and exploitation strategies and performance of Hospitals.

2.7 Summary of Literature Reviewed

This chapter reviewed the theoretical literature on supply chain ambidexterity strategy and its influence on performance. The theories adopted included ambidexterity theory, SCM theory, boundary spanning theory, RCT and contingency theories. The empirical review supported the study that the concept of supply chain ambidexterity has not been exhausted fully in existing studies. The chapter further criticized the existing literatures relevant to the study in order to identify study gaps that current exist and which the current study aimed at fulfilling.

From the literature reviewed, past scholars on ambidexterity strategy and performance of organizations have agreed that ambidextrous supply chain strategy and performance is statistically collerated. However the scholars have not agreed on the direction of relationship. Some researchers have found a positive relationship between ambidextrous supply chain and supply chain performance while others have found that exploitation-exploration strategy is inversely related to performance. Individual ambidextrous supply chain strategies have also shown contradicting relationship with performance with some scholars relating them with performance positively and vice versa.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter discussed the research methodology that was used to collect, measure and analyze the data. The section provided an overall scheme, plan or structure that the study used to either reject or fail to reject the research hypothesis set at the beginning of this study. The following subsections were used; research design, philosophy used in the study, population of the study, sampling techniques and procedures, data collection techniques, pilot study in terms of reliability and validity as well as data analysis and presentation.

3.2 Research Design

The study used a cross-sectional and descriptive research design. The design was appropriate because it was useful in establishing the nature of existing situation and current conditions and also in analyzing such situations and conditions (Creswell, 2013). Descriptive design was mainly used when the researcher wanted to describe the phenomena as it prevailed without controlling the variables. Descriptive research design is therefore concerned with identifying and describing relationships or causation as they currently are (Fowler, 2013).

Mugenda (2013) contends that cross-sectional studies are appropriate where the overall objective is to establish whether significant associations among variables exist at some point in time. Since the study aimed at assessing the relationship between application of ambidexterity in supply chain and performance of supply chain, the appropriateness of a cross sectional survey design in this study was from the backdrop that the research problem was based on the information provided at the time of enquiry and records concerning events that had already taken place.

3.2.1 Research Philosophy

Research philosophy is a paradigm explaining researcher’s perspective or how the researchers view the world and the assumptions they make as they gather, analyze and interpret data (Saunders & Lewis, 2014). Social research is dictated by many different philosophies. However the most common ones influencing social research are positivism and interpretivism (Ramanathan, 2008). The study adopted the positivism philosophy. Positivists believe that reality is stable and can be observed and described from an objective viewpoint without interfering with the phenomena being studied (Wilson, 2010). The key features of positivism and interpretivism philosophical approaches are presented in Table 3.1.

Table 3.1 Key differences between positivism and interpretivism

| | Positivism | Interpretivism |
|-------------------------|---|--|
| The observer | Must be independent | Is part of what is being observed |
| Human Interest | Should be irrelevant | Are the main drivers of science |
| Explanations | Must demonstrate causality or relationship | Aim to increase general understanding of the situation |
| Research | Hypothesis and deductions | Gather each data from which ideas are induced |
| Concepts | Need to be operationalized so that they can be measured | Should incorporate stakeholder perspectives |
| Unit of analysis | Should be reduced to simplest terms | May include the complexity of the whole situations |
| Generalization | Statistical probability | Theoretical abstraction |
| Sampling | Large numbers selected randomly | Small numbers of cases chosen for specific reasons |

Source: (Ramanathan, 2008)

3.3 Target Population

The target population was all level three to level six hospitals in Kenya offering both inpatient and outpatient services as listed by the National Hospital Insurance Fund

(NHIF, 2017). According to NHIF, there were 773 hospitals offering both inpatient and outpatient services in Kenya and accredited to provide inpatient medical insurance cover for their patients. The choice of hospitals offering both inpatient and outpatient services was premised on the fact that these hospitals are usually categorized as level three to level six by Kenyan government and therefore have autonomy in their management and prepare independent budgets (RoK, 2017). They therefore can be able to make independent decisions regarding supply chain innovation and improvements.

Also, the study measured performance of both inpatient and outpatient services so as to provide a holistic view of hospital performance in general. Outpatient services are the backbone of any hospital operation and therefore improvements in this area can result in huge savings and general quality improvements. Inpatient service also provides critical services that need to be assessed regularly to ensure quality operations since they directly impact on perception about performance of hospitals. Further, hospitals that have registered with NHIF have met all regulatory and standard requirements of offering inpatient and outpatient services (NHIF, 2017). These standards are mandatory requirements so that the insurer can be able to cushion the patient against higher costs of service. Therefore, these hospitals are committed to provide efficient and quality care at reasonable costs and the study finds them appropriate for this study.

The unit of analysis was the public and private hospitals in Kenya offering both inpatient and outpatient services as listed by the NHIF (see appendix III). The unit of observation on the other hand was the key managers in procurement or supply chain in either public and private hospitals in Kenya offering inpatient and outpatient services as listed by the NHIF. The choice of procurement or supply chain managers was due to the fact that the respondents was familiar with the area of study and readily provided data as required.

3.4 Sampling Frame

A sampling frame refers to a list of sampling units where the population of the study is derived from (Fowler, 2013). The sampling frame for this study was level three to

level six hospitals listed by NHIF as offering both inpatient and outpatient services for the year 2017. The sampling frame has a total of 773 hospitals categorized into eight regions as follows; Nairobi (85 hospitals), Central (97 hospitals), Eastern (111 hospitals), Coast (116 hospitals), North Eastern (25 hospitals), Nyanza (107 hospitals), Rift Valley (182 hospitals), Western (50 hospitals) (NHIF, 2017).

3.5 Sample Size and Sampling Techniques

Sampling is defined as selection of a subset of individuals from within a population to estimate the characteristics of whole population (Singh & Masuku, 2014). Sampling therefore is a technique of determining a suitable sample size that can adequately represent the whole population in the study and true inferences about the population can be made from the results obtained (Kadam & Bhalerao, 2010). The study adopted the simplified formula for sample proportions as provided by Yamane (1967).

$$n = \frac{N}{1 + N(e)^2}$$

Where n is the sample size, N is the population size, and e is the level of precision. The level of precision is set at 5% meaning 95% confidence level. The population of the study was 773 units.

Therefore, $n = \frac{773}{1+773(0.05)^2} = 263.5976$.

The sample size therefore was 264 accredited hospitals in Kenya.

The study also adopted stratified sampling technique to select the hospitals across the eight regions. To identify the sample size of each stratum, the study applied the following formula; $n_i = kN_i$ hence $k = n/N = 264/773 = 0.341527$. The sample size was therefore divided into eight strata based on the regions as shown in table 3.2.

Table 3.2 Sampling Table

| Region | No. of Hospitals | Sample Size (34%) |
|---------------|------------------|-------------------|
| Nairobi | 85 | 29 |
| Central | 97 | 33 |
| Eastern | 111 | 38 |
| Coast | 116 | 40 |
| North Eastern | 25 | 9 |
| Nyanza | 107 | 36 |
| Rift Valley | 182 | 62 |
| Western | 50 | 17 |
| Total | 773 | 264 |

The stratum was further stratified according to size of the hospitals and individual hospitals within the size stratum randomly selected. The size of the hospital was determined by bed capacity as contained in the Medical Practitioners and Dentists policy guidelines (RoK, 2017). The sizes were; 1-24 bed capacity (small hospital), 25-400 bed capacity (Medium hospitals) and above 400 bed capacity (big hospitals). The same formula ($k = n/N$) was used to identify the number of hospitals based on size.

3.6 Data Collection Procedure

The study collected data from both primary and secondary sources. The rationale behind the tact is that the two sources of data were meant to reinforce each other (Denscombe, 2014). The primary data composed of responses on all the study variables: supply chain orientation, lean supply chain, supply chain analytics, supply chain integration, hospital size and performance of hospitals. Secondary data was quantitative data on hospital performance which was sourced from the hospitals annual reports, pamphlets, office manuals circulars, policy papers, corporate or business plans as well as survey reports from Ministry of health and Kenya National Bureau of Statistics.

The questionnaire was the principal tool used to collect primary data and secondary data respectively. The questionnaire had been developed with the aim of covering the basic research objectives. The questionnaire was organized into seven sections, each section collecting data on each of the study variable. Section one to five collected data on independent variables namely supply chain orientation, lean Supply chain, supply chain analytics, supply chain integration and supply chain resilience. Section six collected data on the mediating role of hospital size and section seven collected data on the dependent variable, the overall performance of the hospitals. The study used structured questionnaires to collect data. The questionnaires were self administered. Where possible, the researcher personally delivered the questionnaire to the respondents. Where it was not possible, the researcher emailed the questionnaire. Two research assistants were also used to ensure that the response rate was adequate to facilitate analysis of the collected data.

3.7 Pilot Study

Pilot study or pre-testing is a method of collecting data from a small subsample to test whether the data collection plan for the main study is appropriate. This helps the researchers to minimize any potential errors that may crop up during the main study. (Sreejesh, Mohapatra, & Anusree, 2014). Mugenda (2013) advised that a pilot sample should be between 1% and 10% depending on the sample size. Therefore the study did a pilot study on 10% of the sample i.e. conducted a pilot on 26 hospitals. The pilot test results were used to adjust the questionnaire accordingly before actual data collection. The hospitals used for piloting were not used in the final research analysis.

3.7.1 Reliability

Measuring reliability of study entails analyzing the consistency of the research findings in relation to the application and appropriateness of the methods used and integrity of the final results (Noble & Smith, 2015). Reliability in research is influenced by the degree of error. As random error increases, reliability decreases (Mugenda, 2013). In order for results to be usable in further research steps they must be reliable and valid. Cronbach's Alpha is a popular method for estimating the reliability of an instrument and has become common practice in medical education

research when multiple-item measures of a concept or construct are employed (Tavakol & Dennick, 2011).

Further, the test only requires one test administration making it relatively easy compared to other reliability tests (e.g. test-retest reliability estimates). Cronbach's Alpha measures internal consistency of a test or scale and it is expressed as a number between 0 and 1. The test determines the internal consistency and reliability of test scores such that the more the research item scores are in agreement with the total scores, the more reliable the test is (Tavakol & Dennick, 2011). The Cronbach Alpha coefficient of 0.7 will be considered adequate for the study.

3.7.2 Validity

Validity is the ability of the research instrument to measure the intended results accurately (Csikszentmihalyi & Larson, 2014). The study used convergent validity to determine whether instrument accurately measured what they were intended to measure. Convergent validity will be assessed using average variance extracted (AVE) as used by Cheon, Lee, Crooks and Song (2012) in the same thematic area. The adopted threshold for AVE values was 0.5 meaning that more than 50% of the variation was considered adequate for the study. Further, the study used content validity through consulting the experts in the thematic area as well as by giving the questionnaire to the supervisors whose comments were incorporated before final data collection was undertaken.

3.8 Data Analysis and Presentation

Positivism philosophy advocates for hypotheses testing using quantitative techniques and thus the data was analyzed using quantitative data analytical techniques (Howlett, Rogo, & Shelton, 2013). The study therefore used descriptive statistics, correlation analysis, regression analysis and hypotheses testing to analyze data. The study further conducted statistical assumption analysis to reduce possibility of statistical errors. Finally the results were presented in form of a multivariate regression model for future application.

The study used descriptive statistics to provide simple summaries about the data gathered and the measures undertaken. Descriptive statistics provided the basic features of the data collected on the variables as well as the impetus for conducting further analyses on the data (Mugenda, 2013). The descriptive statistics applied included the measures of central tendency especially the mean, standard deviations and measure of variation for variables in the questionnaire. The measures of dispersion especially variance, standard deviation and range were also used in order to explore the underlying features in the data. Descriptive statistics therefore covered all response variables as well as the demographic characteristics of respondents. The results were presented using tables, pie charts, column charts and bar charts where appropriate.

A correlation analysis was used to establish the relationships among the study variables (Schmidt & Hunter, 2014). The correlation analysis was done to describe the relationships that exist between the dependent variable (hospital performance) and independent variables (Supply chain Orientation, Lean supply chain, Supply chain Analytics, Supply chain Integration and Supply Chain Resilience). Pearson Product-Moment Correlation was used to show the strength and direction that exists between the dependent and independent variables as well as rank the independent variables in terms of their strength of relation with the performance. The result was expressed within a range of -1 and +1 where, -1 was strong negative relationship and +1 was strong positive relationship (Prion & Haerling, 2014). The result meant that the bigger the value was to zero the stronger the relationship and more significant the variable was.

Regression analysis was used to investigate the relationship between all independent variables together and the dependent variable. The study used the coefficient of determination (R^2) and the F test. The R^2 was used to test the proportion of the variations in dependent variable that can be explained by the independent variable and F test measured the suitability of the model to confirm or reject the research hypotheses (Mertler & Reinhart, 2016).

The R^2 value range between 0% and 100% where 0% indicate that none of the independent variables can be used to explain performance of hospitals and thus performance must be caused by other factors. However a value of 100% indicate that

entire performance of hospitals can be explained by the independent variables only. The study adopted a threshold of 0-50% (poor), 50%-70% (moderate) and over 70% (Strong) to explain the strength of relationship. F test was used to assess the level of significance of the model by comparing the F value with the overall level of significance and P value. If the F value is less than the level of significance or the p value is higher than the level of significance then the study will reject the research hypotheses (Harrell, 2015).

The study also conducted a multistage analysis to determine the significance of the moderator in improving the relationship between the independent and dependent variable. The first stage involved running the R^2 and F-test without the moderator and comparing the strength when including the moderator. An increase in the value of R^2 and F value was interpreted to mean that the moderator is statistically significant and vice versa. The strength, direction and significance of the relationship between individual variables and the dependent variable was assessed using the beta, t and P values. The beta coefficient values indicated the strength of each of the independent variable in influencing the dependent variable. The direction of the relationship was indicated by the -ve or +ve sign before the beta value. A positive beta coefficient showed a positive relationship between the variables and vice versa.

The level of significance of each individual variable was assessed by comparing t test and P values with the level of significance which were set at 0.05 because the study was a one tailed test. If the t values were than t statistic, then they were viewed as statistically significant. Further, the study conducted a multi stage analysis to determine the effect of the mediator on each of the independent variable. The study compared the values of beta, t and P when the test are run without a mediator and when with a mediator. Presence of a significant change in the values, led to the conclusion that the mediator has a significant effect on the relationship between each of the independent variables and the dependent variable.

3.8.1 Statistical Modeling

A multiple linear regression model also known as the ordinary least square (OLS) model and mediated multiple regression model were adopted to present a linear

relationships among the various study variables. A multiple linear regression analysis is a multivariate statistical technique used to estimate the model parameters and determine the effect of many individual independent variables (IVs) on the dependent variable (DV) (Mertler & Reinhart, 2016). In multiple regression analysis, the model took the form of an equation that contains a coefficient β_i for each predictor; which indicated the individual contribution of each predictor to the model.

In sum, the coefficient β_i indicated the relationship between the dependent variable and each predictor. If the value was positive, it was an indication of a positive relationship between the predictor and the outcome variable whereas a negative coefficient represented a negative relationship (Harrell, 2015). The model was used to show the relationship between the independent variable (hospital performance) and independent variables (Supply chain Orientation, Lean supply chain, Supply chain Analytics, Supply chain Integration and Supply Chain Resilience) without involving the mediator as shown in model i.

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \beta_5X_5 + \varepsilon \dots\dots\dots i$$

Where Y is dependent variable (hospital performance) and is a linear function of X_1, X_2, X_3, X_4, X_5 and ε .

B_0 is the regression constant or intercept and $\beta_1 - \beta_5$ are the coefficients of the independent variables

X_1, X_2, X_3, X_4, X_5 are Supply chain Orientation, Lean supply chain, Supply chain Analytics, Supply chain Integration and Supply Chain Resilience respectively.

ε is the error term

The second model of the study introduced the mediator variable (hospital size) in order to determine the mediating effect of hospital size on the relationship between supply chain ambidexterity and performance of accredited hospitals in Kenya as follows;

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \beta_5X_5 + \beta_6Z + \varepsilon \dots\dots\dots ii$$

Where Y is dependent variable (hospital performance) and is a linear function of X_1, X_2, X_3, X_4, X_5 and ε .

B_0 is the regression constant or intercept and $\beta_1 - \beta_5$ are the coefficients of the independent variables

X_1, X_2, X_3, X_4, X_5 are Supply chain Orientation, Lean supply chain, Supply chain Analytics, Supply chain Integration and Supply Chain Resilience respectively.

Z is the mediator variable (Size of the hospital) and

ε is the error term

3.8.2 Diagnostic Tests

The data collected was also subjected to diagnostic tests to determine whether the assumptions of the study were observed and that the probability of type 1 and type 2 errors were minimal (Harrell, 2015). The tests included factor analysis, linearity, normality tests, heteroscedasticity test and multicollinearity tests. In the event that the study found some assumptions were not observed, the study dropped some variables that did not conform to the statistical assumptions or adjusted them to suit the statistical rules. On the other hand if the statistical assumptions were observed by the data, then the study concluded that the data was statistically good for analysis and inference.

Factor analysis or data reduction technique is a method for investigating whether a number of variables of interest are linearly related to a smaller number of unobservable factors (Cooper & Schindler, 2014). Factor analysis is used to reduce the variable factors into few but strong related ones. Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy and Bartlett's sphericity tests was used to ascertain the appropriateness of factor analysis. KMO values greater than or equal to 0.5 qualifies use of the factor under analysis (Quach, Vo & Pham, 2016). The chi square for Bartlett's test need to be significant in order to confirm the appropriateness of the factor under analysis (Anastasiadou, 2011).

A prerequisite for using linear regression models for purposes of prediction is linearity of the relationship between the dependent and independent variables (Field, 2013). The expected value of the dependent variable is a straight-line function of each independent variable holding others constant, and the effects of different independent variables on the expected value of the dependent variable are additive. Linearity test was done using the Durbin-Watson test (Rayner, Best, Brockhoff & Rayner, 2016). If a significant deviation from linearity was greater than 0.05, then the relationship

between the independent variable was confirmed to be linearly dependent and admissible (Draper & Smith, 2014).

Prior to analyzing data using inferential statistical techniques, the study checked the normality of the data set by looking at skewness and kurtosis (Park, 2015). The skewness values should indicate that the scores are skewed and many are negatively skewed and not that much closer to zero (Ghasemi, Amini, Ataei, & Khalokakaei, 2014). The skewness values should fall within the range of -7 to 7 to indicate that there is no case of excessive skewness in the data. The kurtosis values should also fall within the range of -2 to +2, and therefore do not display excessive kurtosis as well (Garg & Kothari, 2014).

Heteroscedasticity occurs when the variance in scores on one variable is somewhat different to all of the values of the other (Mertler & Reinhart, 2016). In statistics, heteroscedasticity describes a situation in which the error term in the relationship between the independent variables and the dependent variable, is different across all values of the independent variables. The research used Glejser Test to test for heteroscedasticity. A significant value of 0.05 was used meaning that values greater than the significant value implied lack of heteroscedasticity issues in the study (Hanushek & Jackson, 2013).

To measure multi-collinearity in the regression models, this study used the variance inflation factors (VIF). The VIF assesses how much the variance of an estimated regression coefficient increases if the predictors are correlated (Harrell, 2015). If no factors are correlated, the VIF will all be 1. In other words, if the VIF is equal to 1 there is no multi-collinearity among factors. If the VIF is greater than 1, the predictors may be moderately correlated but way below the threshold of the multi-collinearity red flag. A VIF of between 5 and 10 indicated a high correlation in the predictor variables. A VIF of more than 10 invalidated the regression model. However, a VIF value of greater than 10 or less than 1 indicated multicollinearity issues in the study (Dormann, et al., 2013).

3.9 Ethical Considerations

There were ethical issues encountered during collection of data which included nonresponsiveness of the respondents, respondents providing false information and clearance by the organizations studied. Before actual data collection, the researcher first obtained an introduction letter from Jomo Kenyatta University of Agriculture and Technology and a research permit from the National Commission for Science, Technology and Innovation (NACOSTI) which contained a confidentiality form that the researcher signed and agreed to uphold. Further, the researcher prepared a cover letter which was attached to all questionnaires explaining the aim of the study as well assuring the respondents of confidentiality. In addition, the research assistants were briefed on the need to observe ethical standards when collecting data. The research assistants were also required to declare any personal interest that could breach the confidentiality clause. Originality of the work was also observed during research process.

CHAPTER FOUR

RESEARCH FINDINGS AND DISCUSSIONS

4.1 Introduction

The chapter presents the results that were collected from the supply chain managers of accredited hospitals in Kenya. Data has been analyzed at two levels; descriptive and inferential statistics. The analysis has been guided by the objectives of the study for each level of analysis. Preliminary analysis has also been done and includes the response rate, reliability, validity and general information. The order of analysis was as follows; response rate, reliability findings, validity analysis, demographics, descriptive analysis and inferential analysis and finally statistical tests.

4.2 Response Rate

The study sought to collect data from 264 supply chain managers of accredited hospitals in Kenya. However, the study managed to collect data from 216 key respondents and 48 respondents were non-responsive. Therefore, the study realized a response rate of 82% as shown in Figure 4.1. This response rate is good in accordance to Garg and Kothari (2014) who posited that a response rate of more than 70% is good to conduct data analysis. Therefore, the study continued with analysis as the response rate was sufficient.

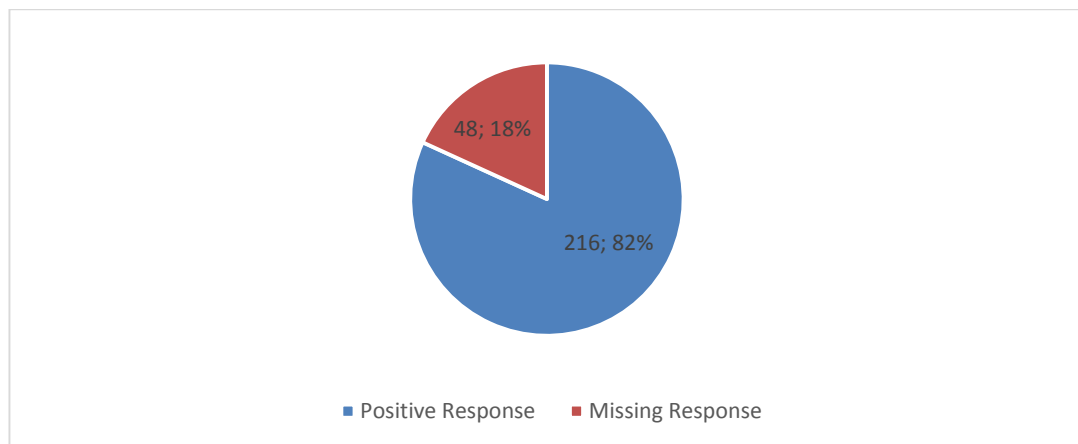


Figure 4.1 Response Rate

4.3 Pilot Study Results

The study sought to undertake a pilot study in order to measure the reliability and validity of the data collection instruments. In doing so, 10% of the sample size was considered which translated to 26 accredited hospitals in Kenya. The study also conducted factor analysis and multicollinearity before final analysis in order to reduce the items of analysis to a few but strong related ones and estimate whether regression coefficients were correlated. The findings are organized into four sub-sections which include reliability tests, validity tests, factor analysis and multicollinearity.

4.3.1 Reliability Test Results

Cronbach's Alpha was used to test for reliability of the data collection instruments. The purpose was to determine if the questions in the data collection instruments were consistent. The Cronbach Alpha coefficient of 0.7 or more was considered adequate for this study. Reliability statistics were done based on the objectives of the study. The findings show that all the objectives had met the set Cronbach Alpha coefficient threshold of more than 0.7. The overall Cronbach Alpha for the 45 items used in the study was 0.879 as shown in Table 4.1.

Table 4.1 Reliability Results

| Construct | No of Items | Cronbach Alpha |
|--------------------------|--------------------|-----------------------|
| Supply Chain Orientation | 9 | .848 |
| Lean Supply Chain | 9 | .843 |
| Supply Chain Analytics | 9 | .948 |
| Supply Chain Integration | 9 | .882 |
| Supply Chain Resilience | 9 | .959 |
| Overall Cronbach | 45 | .879 |

4.3.2 Validity Test Results

The study used convergent validity to determine whether instrument accurately measured what they were intended to measure. Convergent validity was assessed using

average variance extracted (AVE). The adopted threshold for AVE values was 0.5 meaning that more than 50% of the variation was considered adequate for the study. The study found an overall AVE value of 0.820 which is above the 50% threshold and therefore the study concludes that the questionnaire was capable of measuring the intended information. The findings on validity are shown in Table 4.2.

Table 4.2 Validity Test Results

| Construct | N of Items | AVE value |
|--------------------------|-------------------|------------------|
| Supply chain orientation | 9 | .879 |
| Lean Supply Chain | 9 | .837 |
| Supply chain analytics | 9 | .957 |
| Supply chain integration | 9 | .893 |
| Supply chain resilience | 9 | .965 |
| Overall AVE Value | 45 | .820 |

4.3.3 Factor Analysis

Factor analysis in the study was used to reduce the variable factors into few but strong related ones. Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy and Bartlett's sphericity tests were used to ascertain the appropriateness of factor analysis. KMO values greater than or equal to 0.5 qualifies use of the factor under analysis. The chi square for Bartlett's test need to be significant in order to confirm the appropriateness of the factor under analysis.

In regard to supply chain orientation, the study found a KMO value of 0.750 and Bartlett's test, $\chi^2(36, N = 216) = 456.903, p = .000$. The test results indicated that supply chain orientation met KMO threshold of 0.6 and Bartlett's Test of Sphericity threshold of <0.05 . The study therefore concluded that sampling was adequate for supply chain orientation variable. The findings are shown in Table 4.3. The study further conducted the factor loading analysis to determine the number of variables that were retained. The study found that the first two factor had Eigenvalues of more than 1 representing 72.937% of the total variance explained while the remaining seven

factors had Eigen values of less than 1. Further, the first factor accounts for 52.173% of the variance in supply chain orientation and the second factor accounts for 20.764% of the variance. All the remaining factors were found to be insignificant and therefore were dropped as shown in Appendix V. The study further sought to determine the factor loadings for supply chain orientation. The findings obtained indicated that “Suppliers and the hospital possess similar operating principles” had the highest factor loading in the first component with 0.907 while “Suppliers have similar work ethics as those of the hospital” had the highest factor loading in the second component with 0.728 as shown in Appendix IV.

Regarding lean supply chain, the study findings indicated a KMO value of 0.670 and Bartlett's test, $\chi^2(36, N = 216) = 839.290, p = .000$. The test results indicated that lean supply chain met KMO threshold of 0.6 and Bartlett's Test of Sphericity threshold of <0.05 . The study therefore concluded that sampling was adequate for lean supply chain variable. The findings are shown in Table 4.3. The study further conducted the factor loading analysis to determine the number of variables that were retained. The study found that the first three factors had Eigenvalues of more than 1 representing 84.241% of the total variance explained while the remaining six factors had Eigenvalues of less than 1. Further, the first factor accounts for 47.635% of the variance in lean supply chain, the second factor accounts for 23.104% of the variance and the third factor accounts for 13.502% of the variance in lean supply chain. All the remaining factors were found to be insignificant and therefore were dropped as shown in Appendix V.

The study further sought to determine the factor loadings for lean supply chain. The findings obtained indicate that “The hospital uses ICT to manage patient information” had the highest factor loading in the first component with 0.904, “The hospital has a human resource management policy” had the highest factor loading in the second component of 0.881 while “The Hospital has a standard policy regarding procurement process” had the highest factor loading in the third component with 0.558 as shown in Appendix IV.

Concerning supply chain analytics, the study established a KMO value of 0.719 and Bartlett's test, $\chi^2(36, N = 216) = 299.237, p = .000$. The test results indicated that supply chain analytics met KMO threshold of 0.6 and Bartlett's Test of Sphericity threshold

of <0.05 . The study therefore concluded that sampling was adequate for supply chain analytics variable. The findings are shown in Table 4.3. The study further conducted the factor loading analysis to determine the number of variables that were retained for supply chain analytics. The study found that the first factor had Eigenvalues of more than 1 representing 74.958% of the total variance explained while the remaining eight factors had Eigenvalues of less than 1. The eight factors were therefore found to be insignificant and were dropped. The findings are shown in Appendix V. The study also sought to determine the factor loadings for supply chain analytics. The findings obtained indicate that “The hospital has an automated financial management system” had the highest factor loading in the first component with 0.968 as shown in Appendix IV.

In regard to supply chain integration, the study found a KMO value of 0.614 and Bartlett's test, $\chi^2(36, N = 216) = 275.678, p = .000$. The test results indicated that supply chain integration met KMO threshold of 0.6 and Bartlett's Test of Sphericity threshold of <0.05 . The study therefore concluded that sampling was adequate for supply chain integration variable. The findings are shown in Table 4.3. The study further conducted the factor loading analysis to determine the number of variables that were retained. The study found that the first two factors had Eigenvalues of more than 1 representing 74.759% of the total variance explained while the remaining seven factors had Eigenvalues of less than 1. Further, the first factor accounts for 54.805% of the variance in outsourcing and the second factor accounts for 19.954% of the variance. All the remaining factors were found to be insignificant and therefore were dropped. The findings are shown in Appendix V. In addition, the study sought to determine the factor loadings for supply chain integration. The findings obtained indicate that “The hospital has a long term relationship with its service providers” had the highest factor loading in the first component with 0.866, and “The hospital has an integrated system with its suppliers” had the highest factor loading in the second component of 0.752 as shown in Appendix IV.

Finally, the study findings for supply chain resilience indicated a KMO value of 0.698 and Bartlett's test, $\chi^2(21, N = 216) = 191.478, p = .000$. The test results indicated that supply chain resilience met KMO threshold of 0.6 and Bartlett's Test of Sphericity

threshold of <0.05 . The study therefore concluded that sampling was adequate for supply chain resilience variable. The findings are shown in Table 4.3. The study further conducted the factor loading analysis to determine the number of variables that were retained. The study found that only the first factor had Eigenvalues of more than 1 representing 76.638% of the total variance explained while the remaining six factors had Eigenvalues of less than 1 and therefore found to be insignificant and were dropped. The findings are shown in Appendix V. The study sought to determine the factor loadings for supply chain resilience. The findings obtained indicate that “The hospital uses different payment platforms” had the highest factor loading in the first component with 0.953 as shown in Appendix IV.

Table 4.3 KMO and Bartlett's Tests

| KMO and Bartlett's Test for Supply Chain Orientation | | |
|---|--------------------|---------|
| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. | | .750 |
| | Approx. Chi-Square | 456.903 |
| Bartlett's Test of Sphericity | Df | 36 |
| | Sig. | .000 |
| KMO and Bartlett's Test for Lean Supply Chain | | |
| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. | | .670 |
| | Approx. Chi-Square | 839.290 |
| Bartlett's Test of Sphericity | Df | 36 |
| | Sig. | .000 |
| KMO and Bartlett's Test for Supply Chain Analytics | | |
| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. | | .719 |
| | Approx. Chi-Square | 299.237 |
| Bartlett's Test of Sphericity | Df | 36 |
| | Sig. | .000 |
| KMO and Bartlett's Test for Supply Chain Integration | | |
| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. | | .614 |
| | Approx. Chi-Square | 275.678 |
| Bartlett's Test of Sphericity | Df | 36 |
| | Sig. | .000 |
| KMO and Bartlett's Test for Supply Chain Resilience | | |
| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. | | .698 |
| | Approx. Chi-Square | 191.478 |
| Bartlett's Test of Sphericity | Df | 21 |
| | Sig. | .000 |

4.3.4 Multi-collinearity Tests

To measure multi-collinearity in the regression models, this study used the variance inflation factors (VIF). The VIF assesses how much the variance of an estimated

regression coefficient increases if the predictors are correlated. If no factors are correlated, the VIF will all be 1. In other words, if the VIF is equal to 1 there is no multi-collinearity among factors. If the VIF is greater than 1, the predictors may be moderately correlated but way below the threshold of the multi-collinearity red flag. A VIF of between 5 and 10 indicated a high correlation in the predictor variables. The findings indicated that all values were between 1 and 10, and therefore the study concluded that there were no multicollinearity issues as shown in Table 4.4.

Table 4.4 Multi-collinearity Test Results

| Model | Collinearity Statistics | |
|--------------------------|-------------------------|-------|
| | Tolerance | VIF |
| Supply Chain Orientation | .345 | 2.902 |
| Lean Supply Chain | .155 | 6.447 |
| 1 Supply Chain Analytics | .103 | 9.689 |
| Supply Chain Integration | .152 | 6.596 |
| Supply Chain Resilience | .335 | 2.988 |

a. Dependent Variable: Performance

4.4 General Information

The study sought to determine the general characteristics of the hospitals studied. The general information sought was the type of hospital and the bed capacity of the hospitals. The bed capacity was used to measure the mediating variable, size, while the type of hospital was used to access the legal form of the hospitals studied. The findings are presented in this section based on the type of the hospital and the size of the hospital.

4.4.1 Type of Hospitals

The findings obtained indicated that 50% of the hospitals were private, 29% were public and 21% were faith based hospitals. The findings imply that more private hospitals were sampled than the public and faith based hospitals, which show generally that there are more private hospitals than faith based and public hospitals, in line with

NHIF (2017), further details are presented in Appendix III. The findings are shown in Figure 4.2.

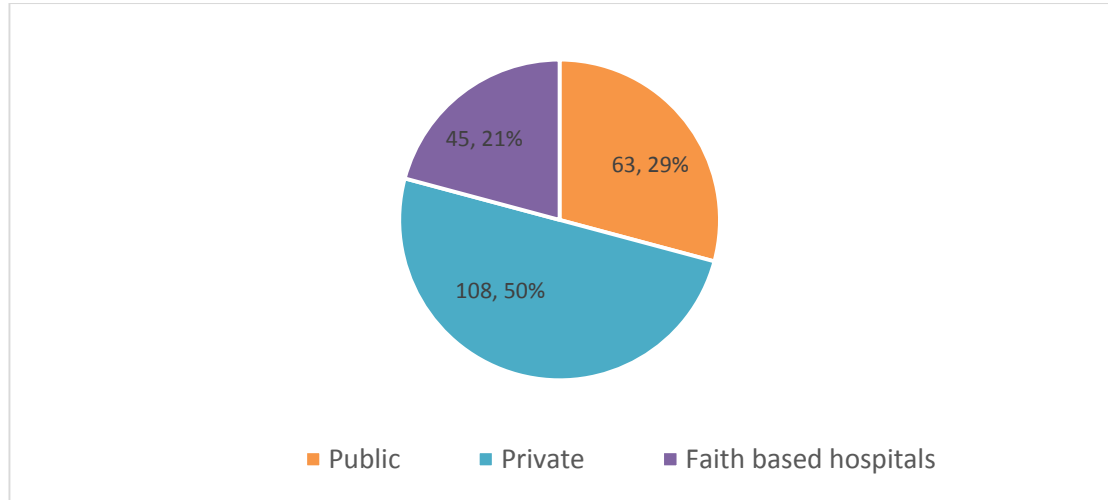


Figure 4.2 Type of Hospital

4.4.2 Bed Capacity

The findings indicate that 71% of the hospitals had a bed capacity of 25-400, 21% had 1-24 beds and 8% had above 400 beds. The findings imply that there were more hospitals with a bed capacity of between 25 and 400 than those with more than 400 beds. The majority hospital sampled were therefore medium and big accredited hospitals in Kenya. This is in line with ROK (2017) which indicate that there are more more medium and big accredited hospitals in Kenya compared to small hospitals. The findings are as shown in Figure 4.3.

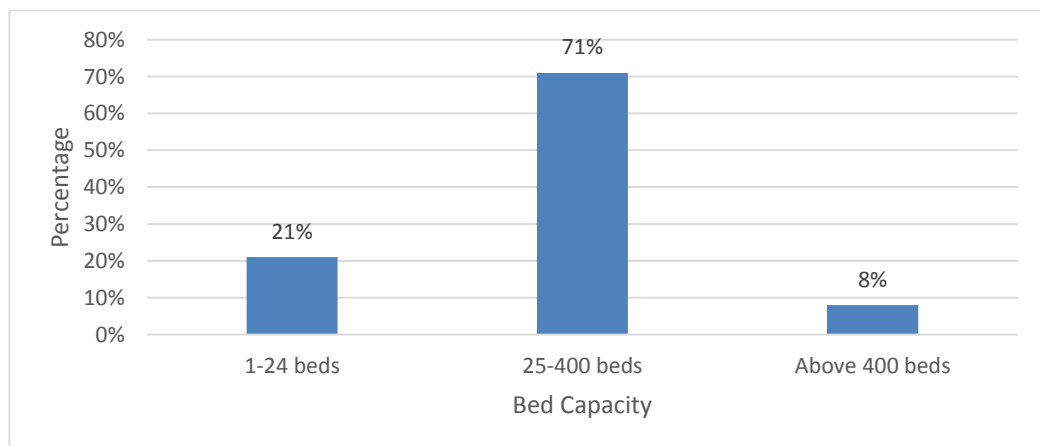


Figure 4.3 Bed Capacity

4.5 Descriptive Findings

The main objective of the study was to examine the influence of supply chain ambidexterity on performance of accredited hospitals in Kenya. Descriptive statistics in this study were done using means, standard deviations, maximum and minimum values. The results were presented in line with the objectives of the study and presented using tables. The objectives of the study were to determine the influence of supply chain orientation, lean supply chain, supply chain analytics, supply chain integration and supply chain resilience on performance of accredited hospitals in Kenya.

4.5.1 Influence of SCO on Performance of Accredited Hospitals.

The study sought to determine the influence of supply chain orientation on performance of accredited hospitals in Kenya. Means and standard deviations and variances were used to give the findings under this objective. The means were interpreted as follows; A mean value of 0-1 implied the majority of the respondents agreed to the statements to a very small extent, a mean value of 1.1-2.0 implied the respondents agreed with the statements to a small extent, a mean value of 2.1-3.0 implied the respondents neither agreed nor disagreed with the statements, a mean value of 3.1-4.0 means that the respondents agreed to the statements to a great extent and a mean of 4.1-5.0 implied the respondents agreed with the statements to a very great extent.

The findings indicate that the mean values obtained for the majority of the items were above 3.0 indicating that the majority of the respondents agreed with the statements. The highest standard deviation was 1.083 while the lowest was 0.511 indicating that there were no major variations in the responses obtained across the means. The study findings indicate that the majority of the respondents agreed to a great extent that the suppliers and strategic partners were reliable ($M = 3.67, SD = 0.686$).

The respondents also agreed to a great extent to the following statements: The hospital is satisfied with the past performance of current suppliers ($M = 3.50, SD = 0.511$); suppliers provide services that are superior compared to alternatives in the market ($M = 3.38, SD = 1.056$); suppliers demonstrate high level of professionalism ($M = 3.33,$

$SD = 0.917$); and suppliers provide reliable information to hospital administration ($M = 3.29$, $SD = 1.083$). The respondents neither agreed nor disagreed that suppliers were willing to make short term sacrifices to maintain relationship with the hospital. The findings for means and standard deviations on the influence of supply chain orientation on performance are shown in Table 4.5.

The findings of the study align with those of Tucker (2011) who found that trust, internal supply chain management focus and supply chain partner reliability are three key SCO factors that support enhancement of supply chain operation performance. Similarly, the findings are in conformity with Chen, Preston and Xia (2013) who adopted trust, knowledge exchange, IT integration between the hospital and its suppliers, and hospital–supplier integration as key factors that influence supply chain performance of hospitals and found that trust and IT integration directly affected knowledge exchange which in turn improved performance.

Table 4.5 Descriptive Statistics on Supply Chain Orientation and Performance

| | N | Mean | Std. Deviation |
|---|-----|------|----------------|
| The hospital is satisfied with the past performance of current suppliers | 216 | 3.50 | .511 |
| Suppliers provide reliable information to hospital administration | 216 | 3.29 | 1.083 |
| Suppliers demonstrate high level of professionalism. | 216 | 3.33 | .917 |
| Suppliers and strategic partners are reliable. | 208 | 3.67 | .686 |
| Suppliers provide services that are superior compared to alternatives in the market. | 216 | 3.38 | 1.056 |
| Suppliers are willing to make short term sacrifices to maintain relationship with the hospital. | 216 | 2.96 | 1.083 |
| Suppliers and the hospital possess similar operating principles. | 216 | 3.04 | .550 |
| Suppliers have similar work ethics as those of the hospital. | 216 | 3.21 | .932 |
| Suppliers have complementary goals and objectives with those of the hospital. | 216 | 3.00 | .780 |

4.5.2 Influence of Lean SC on Performance of Accredited Hospitals.

The influence of lean supply chain on performance of accredited hospitals in Kenya was sought in the study. Means and standard deviations were used to give the findings under this objective. The means were interpreted as follows; A mean value of 0-1 implied the majority of the respondents agreed to the statements to a very small extent, a mean value of 1.1-2.0 implied the respondents agreed with the statements to a small extent, a mean value of 2.1-3.0 implied the respondents neither agreed nor disagreed with the statements, a mean value of 3.1-4.0 means that the respondents agreed to the statements to a great extent and a mean of 4.1-5.0 implied the respondents agreed with the statements to a very great extent.

The findings obtained on the relationship between lean supply chain and performance indicate that the mean value for majority of the items were above 3.0 implying that most respondents agreed to the statements to a great extent. The study findings indicate

that the majority of the respondents agreed to a great extent with the following statements: The hospital uses ICT to manage patient information ($M = 3.88$, $SD = 1.191$); the hospital has a human resource management policy ($M = 3.67$, $SD = 1.167$); the hospital has an integrated system for patient management ($M = 3.55$, $SD = 1.371$) and the hospital uses IT to manage its inventory ($M = 3.50$, $SD = 1.351$). The respondents however neither agreed nor disagreed that the hospitals used ICT in their procurement process ($M = 2.79$, $SD = 1.474$). The standard deviations were all above 1 indicating that varying opinions among the responses obtained from the mean value as shown in Table 4.6.

The present study findings are in agreement with Wachuma and Shalle (2016) who found out that information communication and technology (ICT) integration was an important component of lean SC which necessitated organization performance. In addition, Rechel, Wright, Barlow and McKee (2010) confirmed that lean principles can equally be applied in healthcare in areas such as elimination of unnecessary inventory, waiting, mistakes, unplanned re-admissions and inappropriate procedures or processes. The elimination increases efficiency within organizations and along the value stream of products, as confirmed by Francis (2014).

Table 4.6 Descriptive Statistics on Lean Supply Chain and Performance

| | N | Mean | Std. Deviation |
|--|-----|------|----------------|
| The hospital has installed process flow charts and signage across hospital premises to guide supply chain partners. | 216 | 3.29 | 1.160 |
| The hospital has formulated a service charter to manage supply chain service provision. | 216 | 3.13 | 1.262 |
| The hospital has an information desk to receive complaints and guide suppliers on the process flow and expectations. | 216 | 3.21 | 1.841 |
| The hospital uses ICT in its procurement process. | 216 | 2.79 | 1.474 |
| The hospital uses ICT to manage patient information. | 216 | 3.88 | 1.191 |
| The hospital uses IT to manage its inventory. | 216 | 3.50 | 1.351 |
| The hospital has an integrated system for patient management | 216 | 3.55 | 1.371 |
| The Hospital has a standard policy regarding procurement process. | 216 | 3.33 | 1.049 |
| The hospital has a human resource management policy | 216 | 3.67 | 1.167 |

4.5.3 Influence of SCA on Performance of Accredited Hospitals

The researcher sought to determine the relationship between supply chain analytics and performance of hospitals using means and standard deviations. The means were interpreted as follows; a mean value of 0-1 implied the majority of the respondents agreed to the statements to a very small extent, a mean value of 1.1-2.0 implied the respondents agreed with the statements to a small extent, a mean value of 2.1-3.0 implied the respondents neither agreed nor disagreed with the statements, a mean value of 3.1-4.0 means that the respondents agreed to the statements to a great extent and a mean of 4.1-5.0 implied the respondents agreed with the statements to a very great extent.

The findings of the study indicate that the majority of the respondents agreed to a great extent to the following statements: The hospital has an automated financial management system ($M = 4.00$, $SD = 0.722$); the hospital has a quality and standard

management system ($M = 3.33$, $SD = 0.816$); and the hospital has a centralized system of storing data ($M = 3.33$, $SD = 1.204$). The respondents however neither agreed nor disagreed that the hospitals collaborated with their key suppliers in joint planning and forecasting ($M = 2.75$, $SD = 1.225$). Further, the respondents agreed to a small extent that hospitals had linked their systems with those of suppliers ($M = 2.00$, $SD = 1.504$). The findings are shown in Table 4.7.

The study found that the accredited hospitals in Kenya only applied basic levels of analytics in their operations. This is consistent with the findings of Moturi and Emurugat (2015) who found that it was possible to turn ordinary spreadsheets into a flexible, powerful, and inexpensive business intelligence system that gives users significant power and flexibility with minimal intervention from IT department. However, these findings disagree with Chae, Olson and Sheu (2014) who postulated that data management resources (DMR), IT-enabled planning resources and performance management resources (PMR), were necessary and highly used and thereby contributed to operational performance.

Table 4.7 Descriptive Statistics on Supply Chain Analytics and Performance

| | N | Mean | Std. Deviation |
|---|-----|------|----------------|
| The hospital has linked its system with those of suppliers | 216 | 2.00 | 1.504 |
| The hospital has a centralized system of storing data | 216 | 3.33 | 1.204 |
| The hospital collaborates with its key suppliers in joint planning and forecasting | 216 | 2.75 | 1.225 |
| The hospital has an automated capacity planning system such as staff and ward scheduling. | 216 | 2.54 | 1.503 |
| The hospital has an automated financial management system | 216 | 4.00 | .722 |
| The hospital has an automated system that can analyze patient health history | 216 | 3.29 | 1.268 |
| The hospital has an automated standard performance system | 216 | 3.08 | 1.139 |
| The hospital has a quality and standard management system | 216 | 3.33 | .816 |
| The hospital has standard key performance indicators for evaluating performance of suppliers. | 216 | 2.54 | 1.215 |

4.5.4 Influence of SCI on Performance of Hospitals.

The study also sought to determine the influence of supply chain integration on performance of accredited hospitals in Kenya. Means and standard were used to descriptively analyze the findings. The means were interpreted as follows; a mean value of 0-1 implied the majority of the respondents agreed to the statements to a very small extent, a mean value of 1.1-2.0 implied the respondents agreed with the statements to a small extent, a mean value of 2.1-3.0 implied the respondents neither agreed nor disagreed with the statements, a mean value of 3.1-4.0 means that the respondents agreed to the statements to a great extent and a mean of 4.1-5.0 implied the respondents agreed with the statements to a very great extent.

The findings obtained on the influence of supply chain integration on performance indicate that the mean value for all items was above 3.0 implying that most respondents

agreed to the statements to a great extent. The findings indicate that the respondents agreed to a great extent with the following statements: The hospital has a long term relationship with its service providers ($M = 3.83$, $SD = 0.702$); the hospital has outsourced some services ($M = 3.54$, $SD = 1.285$) and the hospital frequently evaluates performance of its suppliers ($M = 3.08$, $SD = 1.349$). The respondents however neither agreed nor disagreed that hospital involves suppliers in procurement and inventory management ($M = 2.88$, $SD = 1.035$); the hospital involves employees and partners in decision making ($M = 2.83$, $SD = 1.435$) and the hospital uses ICT to communicate to the clients ($M = 2.58$, $SD = 1.018$). The findings of the study on the relationship between supply chain integration and performance are shown in Table 4.8.

The findings of the study are in line with those of Epping (2014) who found out that effective and frequent supply base rationalization assist to develop synergistic long term relationships thereby promoting exploitation strategies while at the same time encouraging new supplier relationships that would promote exploration strategies. In addition, Himanshu, Moharana, Murty, Senapati and Khuntia (2012) support these findings that SCI unifies supply chain processes and creates a seamless flow of materials, services and information to all supply chain partners with the objective to maximize competitive advantage for improve performance.

Table 4.8 Descriptive Statistics on Supply Chain Integration and Performance

| | N | Mean | Std. Deviation |
|---|-----|------|----------------|
| The hospital consults and involves staff in matters concerning their departments. | 216 | 3.08 | 1.412 |
| The hospital involves suppliers in procurement and inventory management. | 216 | 2.88 | 1.035 |
| The hospital has outsourced some services | 216 | 3.54 | 1.285 |
| The hospital involves employees and partners in decision making. | 216 | 2.83 | 1.435 |
| The hospital frequently evaluates performance of its suppliers | 216 | 3.08 | 1.349 |
| The hospital has a long term relationship with its service providers | 216 | 3.83 | .702 |
| The hospital uses ICT to communicate to the clients. | 216 | 2.58 | 1.018 |
| The hospital has an integrated system with its suppliers | 216 | 2.33 | 1.308 |
| The Hospital has invested in ICT that links departments. | 216 | 3.17 | 1.579 |

4.5.5 Influence of SC Resilience on Performance of Hospitals.

The influence of supply chain resilience on performance of hospitals was sought in the study using means and standard deviations. Means and standard were used to descriptively analyze the findings. The means were interpreted as follows; a mean value of 0-1 implied the majority of the respondents agreed to the statements to a very small extent, a mean value of 1.1-2.0 implied the respondents agreed with the statements to a small extent, a mean value of 2.1-3.0 implied the respondents neither agreed nor disagreed with the statements, a mean value of 3.1-4.0 means that the respondents agreed to the statements to a great extent and a mean of 4.1-5.0 implied the respondents agreed with the statements to a very great extent.

The findings indicate that the mean values obtained for the majority of the items were above 3.0 indicating that the majority of the respondents agreed with the statements.

The study findings indicate that majority of respondents agreed to a very great extent that hospitals used different payment platforms ($M = 4.04$, $SD = 1.042$). The respondents agreed to a great extent to the following statements: The hospital has clear roles and responsibilities to minimize conflict ($M = 3.75$, $SD = 1.359$); the hospital uses multiple sourcing of goods and services ($M = 3.71$, $SD = 0.999$); and the hospital has adequate capacity to mitigate against demand and supply variation ($M = 3.54$, $SD = 1.062$). However, the respondents neither agreed nor disagreed that hospitals encouraged the use of local suppliers ($M = 2.67$, $SD = 1.341$). The findings are shown in Table 4.9.

The findings agree with those of Rodrigues, Vivan and Storopoli (2016) who found that institutional attractiveness can be build through resilience by internally aligning resources, capacities and processes. Similarly, Todo, Nakajima and Matous (2015) agree that firms benefited from diversified networks with suppliers and clients because they would substitute the surviving firms in the network for the damaged partners and receive support from them. In addition, Wieland and Wallenburg (2012) found that robustness has a direct, strong positive effect on business performance and recommended that organizations need to consider robustness and agility due to their primary importance to withstand everyday risks and exceptions.

Table 4.9 Descriptive Statistics on Supply Chain Resilience and Performance

| | N | Mean | Std. Deviation |
|--|-----|------|----------------|
| The hospital has adequate capacity to mitigate against demand and supply variations. | 216 | 3.54 | 1.062 |
| The hospital has an efficient logistics system. | 216 | 3.25 | .944 |
| The hospital has process back up plans and systems | 212 | 3.41 | 1.563 |
| The hospital uses multiple sourcing of goods and services. | 216 | 3.71 | .999 |
| The hospital encourages the use of local suppliers. | 216 | 2.67 | 1.341 |
| The hospital uses different payment platforms | 216 | 4.04 | 1.042 |
| The hospital has clear roles and responsibilities to minimize conflict | 216 | 3.75 | 1.359 |
| The hospital has an equal access to information, data and plans across all departments and across all strategic partners | 210 | 3.59 | 1.260 |
| The hospital continuously assesses the needs of immediate and ultimate customers. | 212 | 3.50 | 1.144 |

4.5.6 Results on Performance of Accredited Hospitals

Performance in the study was measured using four constructs namely total inventory expenditure, total wage bill, income from outpatient and income from inpatients. The findings indicate that the maximum inventory expenditure was 1,500,000,000 while the minimum was 1,026,000. The mean value was 180,952,306.21 with a standard deviation of 413,310,520.895. The maximum total wage bill reported was 7,100,000,000 and a minimum of 741,216 with a mean value of 672,825,692.54. The mean value for income from outpatients was 149,343,461.21 with a maximum value of 1,300,000,000 and a minimum of 1,665,456. Further, the mean value of income from inpatients was 927,698,608.71 with a maximum of 10,100,000,000 and a minimum of 1,184,040.

Data Envelopment Analysis (DEA) model was used to measure efficiency and optimum performance of the hospitals. DEA is simply calculated as the total weighted

output divided by the total weighted input. The findings of the study indicate that the mean value for DEA in public hospitals was 1.0478, 2.1426 for private hospitals and 0.7144 for faith based hospitals. This implied that private hospitals were more efficient than the other types of hospitals, followed by public hospitals and finally faith based hospitals. The findings are shown in Table 4.10.

The study adopted DEA (Data Envelopment Analysis) model to measure efficiency and optimum performance of accredited hospitals in Kenya in line with other scholars in the thematic area such as Caballer-Tarazona, Moya-Clemente, Vivas-Consuelo and Barrachina-Martinez (2010); Ozcan (2014); Chansky, Garner and Raichoudhary (2013) and Mayer (2013). The findings obtained in the study also concur with Pham (2011) who used data envelopment analysis method to calculate the relative efficiency of the hospitals and found that there was improvement in relative efficiency of hospitals that were attributed to technical aspects through encouragement of innovation in hospital operations thereby improving efficiency of hospitals.

Table 4.10 Descriptive Statistics on Performance of Hospitals

| | N | Minimum | Maximum | Mean | Std. Deviation |
|--|-----|---------|-------------|--------------|----------------|
| Total inventory expenditure | 216 | 1026000 | 1500000000 | 180952306.21 | 413310520.895 |
| Total wage bill | 216 | 741216 | 7100000000 | 672825692.54 | 1981981429.638 |
| Income from outpatient | 216 | 1665456 | 1300000000 | 149343461.21 | 356925556.777 |
| Income from inpatients | 216 | 1184040 | 10100000000 | 927698608.71 | 2827532036.076 |
| Data Envelopment Analysis for Performance | | | | | |
| Public | 63 | .82 | 1.33 | 1.0478 | .23002 |
| Private | 108 | 1.00 | 4.63 | 2.1426 | 1.52214 |
| FBO | 45 | .56 | 1.34 | .7144 | .34939 |

4.6 Correlation Analysis

A correlation analysis was used to establish the relationships among the study variables. The correlation analysis was done to describe the relationships that exist between the dependent variable (hospital performance) and independent variables (Supply chain Orientation, Lean supply chain, Supply chain Analytics, Supply chain Integration and Supply Chain Resilience). Pearson Product-Moment Correlation was used to show the strength and direction that exists between the dependent and independent variables as well as rank the independent variables in terms of their strength of relation with the performance. The result was expressed within a range of -1 and +1 where, -1 was strong negative relationship and +1 was strong positive relationship.

Findings of the study shown in Table 4.11 indicate that supply chain orientation and performance of accredited hospitals in Kenya had a Pearson coefficient of 0.633. The significant value was obtained as ($p = .000$) which was below 0.05 at 1 tailed test conducted in the study. This implies that there was a strong positive significant relationship between supply chain orientation and organizational performance. The findings are in agreement with the findings earlier posited by Tinney (2012) who determined that SCO directly influences firm performance through the development and sustainment of behavior elements that allow a firm to build trustful relationships with their supply chain partners. Further, the findings are in conformity with Tucker (2011) who found that trust, internal supply chain management focus and supply chain partner reliability are three key SCO factors that support enhancement of supply chain operation performance.

The findings also indicate that lean supply chain and performance of hospitals had a Pearson coefficient of -0.023. The significant value was obtained as ($p = .367$) which was above 0.05 at 1 tailed test conducted in the study. This implies that there was no significant relationship between lean supply chain and performance in accredited hospitals in Kenya. Al-Hyari et al. (2016) agree with the findings when they posited that lean practices have a dramatic effect on hospital performance in private hospitals as opposed to public hospitals. However, the findings obtained agree with Drotz and Poksinska (2014) who found that healthcare adopted process improvement and

teamwork as lean practices which had a positive effect on the organizational performance.

Further, the findings indicate that supply chain analytics and organizational performance had a Pearson coefficient of 0.129. The significant value was obtained as ($p = .030$) which was below 0.05 at 1 tailed test conducted in the study. This implies that there was a small positive significant relationship between supply chain analytics and performance. Bichsel (2012) qualified the relationship between analytics and performance by postulating that analytics is most successful when various constituents or departments, functional leaders and executives work in partnership. This is conformity with the findings of the present study, as a very small relationship was found which can be explained by lack of a strong partnership between hospital and its strategic partners. However, the findings are inconsistent with those of Trkman, McCormack, Valadares de Oliveira and Ladeira (2010) who found existence of a statistically strong significant relationship between analytical capabilities and performance.

In addition, the results indicate that supply chain integration and performance of hospitals had a Pearson coefficient of 0.543. The significant value was obtained as ($p = .000$) which was below 0.05 at 1 tailed test conducted in the study. This implies that there was a moderate positive significant relationship between supply chain integration and performance. The findings obtained in this study agree with those of Fuloria (2013) who found that the use of integrated technology improves performance of hospitals by enabling healthcare professionals innovatively and collaboratively organize their curative and preventive procedures and regimen in a cost efficient way. However the study found a weak relationship between SCI and performance of accredited hospitals in Kenya which is not in conformity with Wright (2016) who found a strong relationship between integration and performance of firms in Malaysia.

Finally, the study found that supply chain resilience and performance of hospitals had a Pearson coefficient of 0.669. The significant value was obtained as ($p = .000$) which was below 0.05 at 1 tailed test conducted in the study. This implies that there was a strong positive significant relationship between supply chain resilience and performance. The findings are in agreement with those of Eltantawy (2016) who

postulated that resilience is a dynamic capability by which firms integrate, build and reconfigure internal and external competences to sustain firm performance. Additionally, the study is in line with Krishnan and Pertheban (2017) findings which that SC resilience is an important component of organizational performance.

Table 4.11 Overall Correlation Matrix

| | | SC Orientation | Lean SC | SC Analytics | SC Integration | SC Resilience | Performance |
|-----------------------------|-----------------|-------------------|------------|-----------------|-------------------|------------------|-------------|
| Supply Chain Orientation | Pearson | 1 | | | | | |
| | Correlation | | | | | | |
| | Sig. (1-tailed) | | | | | | |
| | N | 216 | | | | | |
| Lean Supply Chain | Pearson | .416** | 1 | | | | |
| | Correlation | | | | | | |
| | Sig. (1-tailed) | .000 | | | | | |
| | N | 216 | 216 | | | | |
| Supply Chain Analytics | Pearson | .543** | .898** | 1 | | | |
| | Correlation | | | | | | |
| | Sig. (1-tailed) | .000 | .000 | | | | |
| | N | 216 | 216 | 216 | | | |
| Supply Chain Integration | Pearson | .730** | .748** | .813** | 1 | | |
| | Correlation | | | | | | |
| | Sig. (1-tailed) | .000 | .000 | .000 | | | |
| | N | 216 | 216 | 216 | 216 | | |
| Supply Chain Resilience | Pearson | .669** | .389** | .345** | .673** | 1 | |
| | Correlation | | | | | | |
| | Sig. (1-tailed) | .000 | .000 | .000 | .000 | | |
| | N | 216 | 216 | 216 | 216 | 216 | |
| Performance | Pearson | .633** | -.023 | .129* | .543** | .669** | 1 |
| | Correlation | | | | | | |
| | Sig. (1-tailed) | .000 | .367 | .030 | .000 | .000 | |
| | N | 216 | 216 | 216 | 216 | 216 | 216 |

** . Correlation is significant at the 0.01 level (1-tailed).

* . Correlation is significant at the 0.05 level (1-tailed).

4.7 Hypotheses Testing

Hypotheses testing was conducted to determine the influence of supply chain ambidexterity strategies and performance of hospitals in Kenya. The alternative hypotheses of the study were as follows: There is a significant and positive influence between supply chain orientation and performance of hospitals; there is a significant and positive influence between lean supply chain and performance of hospitals; there is a significant and positive influence between supply chain analytics and performance of hospitals; there is a significant and positive influence between supply chain integration and performance of hospitals; there is a significant and positive influence between supply chain resilience and performance of hospitals and hospital size mediates the relationship between supply chain ambidexterity and performance of hospitals.

H_{a1}: There is a significant and positive influence between supply chain orientation and performance of hospitals.

According to the findings shown in Table 4.12, supply chain orientation had coefficients ($\beta = .633$, $t = 11.973$, $p = .000$). The significant value obtained was less than 0.05 set by the study, similar to the t value which was more than 1.96 at 5% significant level. The results therefore imply that there was a positive significant relationship between supply chain orientation and performance of accredited hospitals in Kenya. Based on the findings, the study rejected the null hypothesis and therefore confirmed that supply chain orientation had a positive significant influence on performance of hospitals.

H_{a2}: There is a significant and positive influence between lean supply chain and performance of hospitals.

In addition, lean supply chain had coefficients ($\beta = -.023$, $t = -.340$, $p = .735$). The significant value obtained was more than 0.05 set by the study, similar to the t value which was less than 1.96 at 5% significant level. The results therefore imply that there was no significant relationship between lean supply chain and performance of accredited hospitals in Kenya. Based on the findings, the study failed to reject the null

hypothesis and therefore postulated that lean supply chain has no significant influence on performance of hospitals.

H_{a3}: There is a significant and positive influence between supply chain analytics and performance of hospitals.

Further, supply chain analytics had coefficients ($\beta = .129$, $t = 1.898$, $p = .059$). The significant value obtained was more than 0.05 set by the study, similar to the t value which was less than 1.96 at 5% significant level. The results therefore imply that there no significant relationship between supply chain analytics and performance of accredited hospitals in Kenya. Based on the findings, the study failed to reject the null hypothesis and therefore concluded that supply chain analytics had no significant influence on performance of hospitals.

H_{a4}: There is a significant and positive influence between supply chain integration and performance of hospitals.

Similarly, supply chain integration had coefficients ($\beta = .543$, $t = 9.465$, $p = .000$). The significant value obtained was less than 0.05 set by the study, similar to the t value which was more than 1.96 at 5% significant level. The results therefore implied that there was a positive significant relationship between supply chain integration and performance of accredited hospitals in Kenya. Based on the findings, the study rejected the null hypothesis and therefore confirmed that supply chain integration had a positive significant influence on performance of hospitals.

H_{a5}: There is a significant and positive influence between supply chain resilience and performance of hospitals.

Additionally, supply chain resilience had coefficients ($\beta = .669$, $t = 13.180$, $p = .000$). The significant value obtained was less than 0.05 set by the study, similar to the t value which was more than 1.96 at 5% significant level. The results therefore imply that there was a positive significant relationship between supply chain resilience and performance of accredited hospitals in Kenya. Based on the findings, the study rejected the null hypothesis and therefore confirmed that supply chain resilience had a positive significant influence on performance of hospitals.

H_{a6}: Hospital size mediates the relationship between supply chain ambidexterity and performance of hospitals.

Finally, the study found that when hospital size is mediating the relationship between supply chain ambidexterity and performance, improvement in the second model is seen. The findings indicated an R² change value of 0.163 implying that hospital size improved the relationship by 16.3%. The study therefore rejected the null hypothesis and affirmed that hospital size mediates the relationship between supply chain ambidexterity and performance of accredited hospitals in Kenya.

Table 4.12 Hypotheses Testing

| Hypothesis | Beta value | T value | P-value | Conclusion |
|--|-------------------|--------------------------|----------------|--------------------------------|
| Ha1: There is a significant and positive influence between SCO and performance of hospitals. | .633 | 11.973 | 0.000 | Reject H ₀₁ |
| Ha2: There is a significant and positive influence between lean SC and performance of hospitals. | -.023 | -0.340 | 0.735 | Fail to reject H ₀₂ |
| Ha3: There is a significant and positive influence between SCA and performance of hospitals. | .129 | 1.898 | 0.059 | Fail to reject H ₀₃ |
| Ha4: There is a significant and positive influence between SCI and performance of hospitals. | .543 | 9.465 | 0.000 | Reject H ₀₄ |
| Ha5: There is a significant and positive influence between SC resilience and performance of hospitals. | .669 | 13.180 | 0.000 | Reject H ₀₅ |
| Ha6: Hospital size mediates the relationship between SCX and performance of hospitals. | -.465 | R ² Δ = 0.163 | 0.00 | Reject H ₀₆ |

4.8 Diagnostic Tests

The data collected was subjected to diagnostic tests to determine whether the assumptions of the study were observed and that the probability of type 1 and type 2

errors were minimal. The presence of type 1 and type 2 imply that the data collected would not be suitable for regression analysis. The tests done included linearity, normality and heteroscedasticity tests. Linearity was done using Durbin-Watson test, normality test was done using the Shapiro-Wilk test, and heteroscedasticity conducted using Glejser test.

4.8.1 Linearity Tests

Linearity test was done using the Durbin-Watson test. If a significant deviation from linearity was greater than 0.05, then the relationship between the independent variable was confirmed to be linearly dependent and admissible. The findings on supply chain orientation indicate that there was a significant linear relationship between supply chain orientation and performance of hospitals as a significant deviation from linearity value of 0.063 was obtained. The findings also indicate that performance and lean supply chain had a linear relationship as a significant deviation from linearity value of 0.062 was realized in the study.

The study further determined that supply chain analytics and performance of hospitals were linearly related, as a significant deviation from linearity value of 0.109 was obtained, which was more than 0.05 set by the study. The findings on the relationship between the performance of hospitals and supply chain integration indicate that there was a linear relationship between the two variables as a significant deviation from linearity value of 0.068 was obtained. In addition, the study determined that a significant linear relationship between performance of hospitals and supply chain resilience existed as the deviation from linearity value was 0.056 which was more than 0.05 set by the study. The findings are as shown in Table 4.13.

Table 4.13 Linearity Test for Supply Chain Ambidexterity

| | | | Sum of Squares | df | Mean Square | F | Sig. |
|--|----------------|--------------------------|----------------|------|-------------|------------|------|
| Performance * Supply Chain Orientation | Between Groups | (Combined) | 232.824 | 7 | 33.261 | 468.465 | .163 |
| | | Linearity | .836 | 1 | .836 | 11.785 | .056 |
| | | Deviation from Linearity | 231.988 | 6 | 38.664 | 544.573 | .063 |
| | Within Groups | 15.030 | 208 | .071 | | | |
| | Total | 247.854 | 215 | | | | |
| Performance * Lean Supply Chain | Between Groups | (Combined) | 247.788 | 7 | 35.398 | 111492.896 | .087 |
| | | Linearity | 40.258 | 1 | 40.258 | 126799.890 | .100 |
| | | Deviation from Linearity | 207.530 | 6 | 34.588 | 108941.731 | .062 |
| | Within Groups | .066 | 208 | .000 | | | |
| | Total | 247.854 | 215 | | | | |
| Performance * Supply Chain Analytics | Between Groups | (Combined) | 104.678 | 7 | 14.954 | 21.725 | .051 |
| | | Linearity | 16.455 | 1 | 16.455 | 23.906 | .072 |
| | | Deviation from Linearity | 88.222 | 6 | 14.704 | 21.361 | .109 |
| | Within Groups | 143.176 | 208 | .688 | | | |
| | Total | 247.854 | 215 | | | | |
| Performance * Supply Chain Integration | Between Groups | (Combined) | 242.200 | 7 | 34.600 | 1273.023 | .093 |
| | | Linearity | 10.036 | 1 | 10.036 | 369.239 | .111 |
| | | Deviation from Linearity | 232.165 | 6 | 38.694 | 1423.654 | .068 |
| | Within Groups | 5.653 | 208 | .027 | | | |
| | Total | 247.854 | 215 | | | | |
| Performance * Supply Chain Resilience | Between Groups | (Combined) | 247.807 | 8 | 30.976 | 138143.319 | .047 |
| | | Linearity | 44.238 | 1 | 44.238 | 197289.118 | .050 |
| | | Deviation from Linearity | 203.569 | 7 | 29.081 | 129693.919 | .056 |
| | Within Groups | .046 | 207 | .000 | | | |
| | Total | 247.854 | 215 | | | | |

4.8.2 Normality Test

Prior to analyzing data using inferential statistical techniques, the study checked the normality of the data set by looking at skewness and kurtosis. The skewness values obtained in the study indicate that the scores are skewed as many are negatively skewed and not that much closer to zero. However, because all the skewness values fall within the range of -2 to +1, there is no case of excessive skewness in the data. The kurtosis values also fall within the range of -2 to +1, and therefore do not display excessive kurtosis as well. These results suggest that the normality assumption is not strictly violated in the study. Normality test was done at 95% confidence interval for mean. The findings are shown in Table 4.14.

Table 4.14 Normality Test Results

| | N | Skewness | | Kurtosis | |
|--------------------------|-----------|-----------|------------|-----------|------------|
| | Statistic | Statistic | Std. Error | Statistic | Std. Error |
| Supply Chain Orientation | 216 | .593 | .166 | -.359 | .330 |
| Lean Supply Chain | 216 | -.656 | .166 | -.508 | .330 |
| Supply Chain Analytics | 216 | .368 | .166 | -.933 | .330 |
| Supply Chain Integration | 216 | .096 | .166 | -1.250 | .330 |
| Supply Chain Resilience | 216 | -1.127 | .166 | .096 | .330 |

4.8.3 Heteroscedasticity Tests

Heteroscedasticity occurs when the variance in scores on one variable is somewhat different to all of the values of the other. In statistics, heteroscedasticity describes a situation in which the error term in the relationship between the independent variables and the dependent variable, is different across all values of the independent variables. The research used Glejser Test to test for heteroscedasticity. A significant value of 0.05 was used meaning that values greater than the significant value implied lack of heteroscedasticity issues in the study. The obtained values of significance for Supply Chain Orientation, Lean Supply Chain, Supply Chain Analytics, Supply Chain

Integration and Supply Chain Resilience variables were 0.115, 0.198, 0.984, 0.237 and 0.653 respectively. This indicates that there are no heteroscedasticity problems as all the variables have a score of higher than 0.05. The findings are shown in Table 4.15.

Table 4.15 Heteroscedasticity Test Results

| Model | Unstandardized | | Standardized t | | Sig. |
|--------------------------|----------------|------------|----------------|--------|------|
| | Coefficients | | Coefficients | | |
| | B | Std. Error | Beta | | |
| (Constant) | 1.221 | .082 | | 14.936 | .000 |
| Supply Chain Orientation | -.050 | .032 | -.128 | -1.584 | .115 |
| Lean Supply Chain | -.319 | .035 | -1.098 | -1.095 | .198 |
| Supply Chain Analytics | .001 | .036 | .003 | .020 | .984 |
| Supply Chain Integration | .268 | .033 | .977 | 1.002 | .237 |
| Supply Chain Resilience | -.094 | .022 | -.351 | -.267 | .653 |

a. Dependent Variable: AbsUt

4.9 Regression Results

Regression analysis was used to investigate the relationship between all independent variables together and the dependent variable. The study used the coefficient of determination (R^2) and the F test. The R^2 was used to test the proportion of the variations in dependent variable that can be explained by the independent variable and F test measured the suitability of the model to confirm or reject the research hypotheses. F test was used to assess the level of significance of the model by comparing the F value with the overall level of significance and P value.

The strength, direction and significance of the relationship between individual variables and the dependent variable were assessed using the beta, t and P values. The beta coefficient values indicated the strength of each of the independent variable in influencing the dependent variable. The level of significance of each individual variable was assessed by comparing t test and P values with the level of significance which were set at 0.05 because the study was a one tailed test.

4.9.1 Influence of SCO on Performance of Accredited Hospitals.

The study conducted regression analysis between supply chain orientation and performance of accredited hospitals in Kenya. This was done using the coefficient of determination which was used to show the variability of the dependent variable in relation to the independent variable, ANOVA which was used to show the significance of the model and the coefficients which were used to test hypothesis of the study. The findings are shown in Table 4.16.

The study realized an R^2 value for the relationship between supply chain orientation and performance of 0.401. This implied that 40.1% of the variation in performance could be attributed to changes in supply chain orientation in accredited hospitals in Kenya. Therefore, other factors not studied in the present study contribute to 59.9% of the variation in performance of hospitals. Further, the study conducted ANOVA to test for the reliability of the regression model. The significant value obtained was 0.000 which was less than 0.05 at 95% confidence level. The F value was 143.351 which was significant as shown by the significant value. This implied that the model was reliable in predicting the relationship between supply chain orientation and performance.

The findings obtained by the study align with those of Acar et al. (2017) who revealed that SCO had significant and positive effects on performance. In addition, Chen, Preston and Xia (2013) found that supply chain orientation constructs of trust and IT integration directly affected knowledge exchange and by extension led to improved overall performance. Based on the ordinary least square model; $Y = \beta_0 + \beta_1 X_1 + \varepsilon$ for the ordinary least square model, ordinary least model therefore will be; $Y = -0.111 + 0.924 X_1 + 0.259$. This implies that a unit increase in supply chain orientation will lead to 92.4% increase in hospital performance in Kenya.

Table 4.16 Regression Analysis for Supply Chain Orientation

| Model Summary | | | | | | | | | |
|----------------------|-------------------|----------|-------------------|----------------------------|-----------------|----------|-----|-----|---------------|
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | R Square Change | F Change | df1 | df2 | Sig. F Change |
| 1 | .633 ^a | .401 | .398 | .69998 | .401 | 143.351 | 1 | 214 | .000 |

a. Predictors: (Constant), Supply Chain Orientation

| ANOVA^a | | | | | | |
|--------------------------|------------|----------------|-----|-------------|---------|-------------------|
| Model | | Sum of Squares | df | Mean Square | F | Sig. |
| 1 | Regression | 70.238 | 1 | 70.238 | 143.351 | .000 ^b |
| | Residual | 104.854 | 214 | .490 | | |
| | Total | 175.093 | 215 | | | |

a. Dependent Variable: Performance

b. Predictors: (Constant), Supply Chain Orientation

| Coefficients^a | | | | | | |
|---------------------------------|----------------|----------------------------------|------------|-----------------------------------|--------|------|
| Model | | Unstandardized Coefficients B | Std. Error | Standardized Coefficients Beta | t | Sig. |
| 1 | (Constant) | -.111 | .259 | | -.429 | .669 |
| | SC Orientation | .924 | .077 | .633 | 11.973 | .000 |

a. Dependent Variable: Performance

4.9.2 Influence of Lean SC on Performance of Accredited Hospitals.

The study conducted regression analysis to determine the influence of lean supply chain on performance of accredited hospitals in Kenya. To achieve this aim, the study used the coefficient of determination to access the variability of performance in relation to lean supply chain. The study also conducted ANOVA test to determine the significance of the regression model. Finally, the study used the regression coefficients to test the study hypothesis. The results are as shown in Table 4.17.

The study found an R^2 value for the relationship between lean supply chain and hospital performance of 0.001. This implies that 0.1% of the variation in performance can be attributed to changes in lean supply chain of accredited hospitals in Kenya. Therefore, other factors not studied in the present study contribute to 99.9% of the

variation in performance of hospitals. The study therefore concluded that there was no relationship between lean supply chain and performance of accredited hospitals in Kenya. The ANOVA test was also conducted to determine the reliability of the regression model. The significant value of 0.735 and F value of 0.115 were obtained, a confirmation that there was no significant relationship between lean supply chain and hospital performance and therefore not a reliable model.

The study findings disagree with the findings of Leite and Vieira (2015) who evaluated principles of lean service as well as best practices and tools for implementing lean in service sector and found that application of lean lean manufacturing practices in the service sector can generate large economic and financial results. Further, Wachuma and Shalle (2016) while studying the effect of lean supply chain management practices on organizational performance in government ministries in Kenya found out that there was a significant positive relationship between lean practices and organization performance.

Table 4.17 Regression Analysis for Lean Supply Chain

| Model Summary | | | | | | | | | |
|----------------------|-------------------|----------|-------------------|----------------------------|-----------------|----------|-----|-----|---------------|
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | R Square Change | F Change | df1 | df2 | Sig. F Change |
| 1 | .023 ^a | .001 | -.004 | .90429 | .001 | .115 | 1 | 214 | .735 |

a. Predictors: (Constant), Lean Supply Chain

| ANOVA^a | | | | | | |
|--------------------------|------------|----------------|-----|-------------|------|-------------------|
| Model | | Sum of Squares | df | Mean Square | F | Sig. |
| 1 | Regression | .094 | 1 | .094 | .115 | .735 ^b |
| | Residual | 174.998 | 214 | .818 | | |
| | Total | 175.093 | 215 | | | |

a. Dependent Variable: Performance

b. Predictors: (Constant), Lean Supply Chain

| Coefficients^a | | | | | | |
|---------------------------------|-------------------|-----------------------------|------------|---------------------------|--------|------|
| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 3.023 | .267 | | 11.344 | .000 |
| | Lean Supply Chain | -.025 | .074 | -.023 | -.340 | .735 |

a. Dependent Variable: Performance

4.9.3 Influence of SCA on Performance of Accredited Hospitals

The study sought to determine the influence of supply chain analytics on the performance of accredited hospitals in Kenya. In order to achieve this objective, the coefficient of determination was used to predict the variability of performance in relation to supply chain analytics. ANOVA test was also used to test the significance of the regression model while the regression coefficients were used to test for the study hypothesis. The findings are shown in Table 4.18.

The study realized an R² value of 0.017. This implies that 1.7% of the variation in performance could be attributed to changes in supply chain analytics of accredited hospitals in Kenya. Therefore, other factors not studied in the present study contribute

to 98.3% of the variation in performance of hospitals. The ANOVA test was also conducted to determine the reliability of the regression model. The significant value obtained was 0.059 which is more than 0.05 at 95% confidence level. The F value was 3.602 which was insignificant as shown by the significant value. The findings of the present study disagree with Trkman, McCormack, Valadares de Oliveira and Ladeira (2010) who found existence of a statistically significant relationship between analytical capabilities and performance. In addition, Chae, Olson and Sheu (2014) also found a significant relationship between application of analytics systems such as PMR and DMR and operational performance.

Table 4.18 Regression Analysis for Supply Chain Analytics

| Model Summary | | | | | | | | | |
|----------------------|-------------------|----------|-------------------|----------------------------|-----------------|---------------------|-----|-----|---------------|
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | R Square Change | Change Statistics F | df1 | df2 | Sig. F Change |
| 1 | .129 ^a | .017 | .012 | .89702 | .017 | 3.603 | 1 | 214 | .059 |

a. Predictors: (Constant), Supply Chain Analytics

| ANOVA^a | | | | | | |
|--------------------------|------------|----------------|-----|-------------|-------|-------------------|
| Model | | Sum of Squares | Df | Mean Square | F | Sig. |
| 1 | Regression | 2.899 | 1 | 2.899 | 3.603 | .059 ^b |
| | Residual | 172.194 | 214 | .805 | | |
| | Total | 175.093 | 215 | | | |

a. Dependent Variable: Performance

b. Predictors: (Constant), Supply Chain Analytics

| Coefficients^a | | | | | | |
|---------------------------------|------------------------|-----------------------------|------------|---------------------------|--------|------|
| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 2.570 | .202 | | 12.738 | .000 |
| | Supply Chain Analytics | .117 | .062 | .129 | 1.898 | .059 |

a. Dependent Variable: Performance

4.9.4 Influence of SCI on Performance of Accredited Hospitals.

The study sought to determine the influence of supply chain integration on performance of accredited hospitals in Kenya. In doing so, the study used the coefficient of determination to predict the variability of performance in relation to

supply chain integration. The study also carried out ANOVA test to determine the significance of the model as well as the regression coefficients which were to test hypothesis in the study. The findings are as shown in Table 4.19.

The study found an R^2 value of 0.295. This implies that 29.5% of the variation in performance could be attributed to changes in supply chain integration of accredited hospitals in Kenya. Therefore, other factors not studied in the present study contribute to 70.5% of the variation in performance of hospitals. The ANOVA test was also conducted to determine the reliability of the regression model. The significant value obtained was 0.000 which is less than 0.05 at 95% confidence level. The F value was 89.589 which is significant as shown by the significant value. This implies that the model was reliable in predicting the relationship between supply chain integration and hospital performance.

The findings of the study agree with those of Hwang, Chang, LaClair and Paz (2013) who found that integrated delivery systems have positive effects on hospital performance. Similarly, Cheruiyot (2013) indicated that the supply chain integration (both upstream and downstream) was positively associated with supply chain performance in terms of improving transport cost, distribution cost, raw material purchasing cost, asset turnover and inventory holding cost hence overall performance. Additionally, the findings are in line with those of Leuschner, Rogers and Charvet (2013) who determined that there there was a positive and significant correlation between supply chain integration and firm performance. Based on the ordinary least square model; $Y = \beta_0 + \beta_1 X_1 + \varepsilon$ for the ordinary least square model, ordinary least model therefore will be; $Y = 1.192 + 0.553X_1 + 0.191$. This implies that a unit increase in supply chain integration will lead to 55.3% increase in hospital performance in Kenya.

Table 4.19 Regression Analysis for Supply Chain Integration

| Model Summary | | | | | | | | | |
|---|--------------------------|-----------------------------|-------------------|----------------------------|-----------------|---------------------|-----|-----|-------------------|
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | R Square Change | Change Statistics F | df1 | df2 | Sig. F Change |
| 1 | .543 ^a | .295 | .292 | .75944 | .295 | 89.589 | 1 | 214 | .000 |
| a. Predictors: (Constant), Supply Chain Integration | | | | | | | | | |
| ANOVA^a | | | | | | | | | |
| Model | | Sum of Squares | Df | Mean Square | F | | | | Sig. |
| 1 | Regression | 51.670 | 1 | 51.670 | 89.589 | | | | .000 ^b |
| | Residual | 123.423 | 214 | .577 | | | | | |
| | Total | 175.093 | 215 | | | | | | |
| a. Dependent Variable: Performance | | | | | | | | | |
| b. Predictors: (Constant), Supply Chain Integration | | | | | | | | | |
| Coefficients^a | | | | | | | | | |
| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | | | |
| | | B | Std. Error | Beta | | | | | |
| 1 | (Constant) | 1.192 | .191 | | 6.235 | .000 | | | |
| | Supply Chain Integration | .553 | .058 | .543 | 9.465 | .000 | | | |
| a. Dependent Variable: Performance | | | | | | | | | |

4.9.5 Influence of SC Resilience on Performance of Accredited Hospitals.

The study conducted regression analysis to determine the influence of supply chain resilience on the performance of accredited hospitals in Kenya. To achieve this, the study conducted the coefficient of determination to help predict the variability of performance in relation to supply chain resilience. Further, ANOVA test was done to determine the significance of the model. The coefficients of regression were also used to test the hypothesis of the study. The findings obtained are presented in Table 4.20.

The study realized an R² value of 0.448. This implies that 44.8% of the variation in performance could be attributed to changes in supply chain resilience of accredited hospitals in Kenya. Therefore, other factors not studied in the present study contribute to 55.2% of the variation in performance of hospitals. The ANOVA test was also conducted to determine the reliability of the regression model. The significant value

obtained was 0.000 which is less than 0.05 at 95% confidence level. The F value was 173.717 which is significant as shown by the significant value. This implies that the model was reliable in predicting the relationship between supply chain resilience and hospital performance.

The findings of the study support the findings of Rodrigues, Vivan and Storopoli (2016) who found that institutional attractiveness and performance can be build through resilience by internally aligning resources, capacities and processes. Similarly, Aigbogun, Ghazali and Razali (2014) found that supply chain resilience constructs of flexibility, visibility, adaptability, collaboration, reserve capacity and supplier dispersity improved performance. Based on the ordinary least square model; $Y = \beta_0 + \beta_1 X_1 + \varepsilon$ for the ordinary least square model, ordinary least model therefore will be; $Y = 0.523 + 0.665X_1 + 0.189$. This implies that a unit increase in supply chain resilience will lead to 66.5% increase in hospital performance in Kenya.

Table 4.20 Regression Analysis for Supply Chain Resilience

| Model Summary | | | | | | | | | |
|--|-------------------------|-----------------------------|-------------------|----------------------------|-----------------|---------------------|-----|-----|---------------|
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | R Square Change | Change Statistics F | df1 | df2 | Sig. F Change |
| 1 | .669 ^a | .448 | .445 | .67201 | .448 | 173.717 | 1 | 214 | .000 |
| a. Predictors: (Constant), Supply Chain Resilience | | | | | | | | | |
| ANOVA^a | | | | | | | | | |
| Model | | Sum of Squares | df | Mean Square | F | Sig. | | | |
| 1 | Regression | 78.450 | 1 | 78.450 | 173.717 | .000 ^b | | | |
| | Residual | 96.642 | 214 | .452 | | | | | |
| | Total | 175.093 | 215 | | | | | | |
| a. Dependent Variable: Performance | | | | | | | | | |
| b. Predictors: (Constant), Supply Chain Resilience | | | | | | | | | |
| Coefficients^a | | | | | | | | | |
| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | | | |
| | | B | Std. Error | Beta | | | | | |
| 1 | (Constant) | .523 | .189 | | 2.772 | .006 | | | |
| | Supply Chain Resilience | .665 | .050 | .669 | 13.180 | .000 | | | |
| a. Dependent Variable: Performance | | | | | | | | | |

4.9.6 Mediating Influence of Hospital Size on the Relationship between Supply Chain Ambidexterity and Performance of Hospitals

The mediating influence of hospital size on the relationship between supply chain ambidexterity and performance of hospitals was sought in the study. The study used a multi-stage approach to determine the influence of the mediator. This was done in two stages where the first stage involved running regression analysis between supply chain ambidexterity and hospital performance. The second stage involved running regression analysis between supply chain ambidexterity and hospital performance with hospital size included as a mediator. Since lean supply chain and supply chain analytics were found to have no relationship with performance of hospitals, the study did not analyze them further to assess their relationship with hospital size as the mediator.

The findings in Table 4.21 indicate that the R^2 value of 0.510 was obtained when the supply chain ambidexterity was applied indicating a relationship between supply chain orientation, supply chain integration and supply chain resilience and performance. Upon introduction of hospital size as a mediator, the R^2 value improved to 0.673. The findings imply that when size is used as a mediator, 67.5% of the variation in performance could be attributed to the three factors. Therefore, hospital size was a good mediator in the study. The findings from the ANOVA test indicate that significance values of 0.000 were obtained for the two models showing that the models were reliable. The F values were also obtained as 73.620 and 108.634 which confirmed the significance.

The findings of the study disagree with those of McDermott and Prajogo (2012) who did not find a direct relationship between organizational size and its performance. Similar results were posited by Foster and Zrull (2013). However, Pervan and Visic (2012) found a weak positive relationship between firm size and performance of the organizations. The study findings however are in agreement with those of Jimenez-Jimenez and Sanz-Valle (2011) who found that size mediated the relationship between organization learning, innovation and performance. In addition, John and Adebayo (2013) also revealed that firm size, both in terms of total assets and in terms of total sales, has a positive effect on the profitability of companies.

Table 4.21 Mediated Regression Models

| Model Summary | | | | | | | | | |
|----------------------|-------------------|----------|-------------------|----------------------------|-----------------|----------|-----|-----|---------------|
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | R Square Change | Change F | df1 | df2 | Sig. F Change |
| 1 | .714 ^a | .510 | .503 | .63600 | .510 | 73.620 | 3 | 212 | .000 |
| 2 | .820 ^b | .673 | .667 | .52080 | .673 | 108.634 | 4 | 211 | .000 |

a. Predictors: (Constant), Supply Chain Resilience, Supply Chain Orientation, Supply Chain Integration

b. Predictors: (Constant), Hospital Size, Supply Chain Integration, Supply Chain Resilience, Supply Chain Orientation

| ANOVA^a | | | | | | |
|--------------------------|------------|----------------|-----|-------------|---------|-------------------|
| | Model | Sum of Squares | Df | Mean Square | F | Sig. |
| 1 | Regression | 89.338 | 3 | 29.779 | 73.620 | .000 ^b |
| | Residual | 85.754 | 212 | .405 | | |
| | Total | 175.093 | 215 | | | |
| 2 | Regression | 117.862 | 4 | 29.465 | 108.634 | .000 ^c |
| | Residual | 57.231 | 211 | .271 | | |
| | Total | 175.093 | 215 | | | |

a. Dependent Variable: Performance

b. Predictors: (Constant), Supply Chain Resilience, Supply Chain Orientation, Supply Chain Integration

c. Predictors: (Constant), Supply Chain Resilience, Supply Chain Orientation, Supply Chain Integration, Hospital Size

| Coefficients^a | | | | | | |
|---------------------------------|--------------------------|-----------------------------|------------|---------------------------|---------|------|
| | Model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | -.283 | .239 | | -2.185 | .007 |
| | Supply Chain Orientation | .492 | .110 | .337 | 4.485 | .000 |
| | Supply Chain Integration | -.003 | .077 | -.003 | -5.038 | .000 |
| | Supply Chain Resilience | .442 | .069 | .446 | 6.417 | .000 |
| 2 | (Constant) | 2.255 | .315 | | 7.150 | .000 |
| | Supply Chain Orientation | .027 | .101 | .018 | 4.263 | .002 |
| | Supply Chain Integration | .121 | .064 | .119 | 2.892 | .010 |
| | Supply Chain Resilience | .472 | .057 | .475 | 8.342 | .000 |
| | Hospital Size | -.785 | .077 | -.465 | -10.255 | .000 |

a. Dependent Variable: Performance

4.10 Optimal Model

The aim of the study was to examine the influence of supply chain ambidexterity on performance of accredited hospitals in Kenya. In order to achieve that, the study used five independent variables namely supply chain orientation, lean supply chain, supply chain analytics, supply chain integration and supply chain resilience. Further, the study sought to evaluate the mediating effect of hospital size in promoting performance of hospitals. The study however found that lean supply chain and supply chain analytics had no relationship with performance of accredited hospitals in Kenya. The study therefore omitted the two variables from the model.

To demonstrate the relationship using the models, the study used two models, the first model depicted the relationship between supply chain ambidexterity and hospital performance. The model was derived as follows; $Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon$

Where Y is dependent variable (hospital performance) and is a linear function of X_1 , X_2 , X_3 , and ε .

B_0 is the regression constant or intercept and $\beta_1 - \beta_3$ are the coefficients of the independent variables

X_1 , X_2 , X_3 , are Supply chain Orientation, Supply chain Integration and Supply chain Resilience respectively and ε is the error term.

Based on the outcome of the regression analysis shown in Table 4.21, the model became; $Y = -0.283 + 0.492X_1 - 0.003X_2 + 0.442X_3 + 0.239$.

This model implies when all other supply chain ambidexterity strategies are held constant except supply chain orientation, a unit increase in supply chain orientation will improve performance by 49.2%, when all other supply chain ambidexterity strategies are held constant except supply chain integration, a unit increase in supply chain integration will reduce performance by 0.3% and when all other supply chain ambidexterity strategies are held constant except supply chain resilience, a unit increase in supply chain resilience will improve performance by 44.2%.

The second model was obtained when hospital size was used as a mediator. The following model was therefore derived; $Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 Z + \varepsilon$

Where Y is dependent variable (hospital performance) and is a linear function of X₁, X₂, X₃, Z and ε.

B₀ is the regression constant or intercept and β₁ – β₄ are the coefficients of the independent variables

X₁, X₂, X₃, are Supply chain Orientation, Supply chain Integration and Supply chain Resilience respectively and ε is the error term. Z is the mediating variable (hospital size).

Based on the outcome of the regression analysis shown in Table 4.21, the model therefore became; $Y = 2.225 + 0.027X_1 + 0.121X_2 + 0.472X_3 - 0.785Z + 0.315$.

This model implies when all other supply chain ambidexterity strategies are held constant except supply chain orientation, a unit increase in supply chain orientation will improve performance by 2.7%, when all other supply chain ambidexterity strategies are held constant except supply chain integration, a unit increase in supply chain integration will increase performance by 12.1% and when all other supply chain ambidexterity strategies are held constant except supply chain resilience, a unit increase in supply chain resilience will improve performance by 47.2%. The study also found that hospital size as variable negatively affected performance by 78.5%.

The study in light of the findings derived the following optimal model;

$$Y = 2.225 + 0.472X_1 + 0.121X_2 + 0.027X_3 - 0.785Z + 0.315.$$

Where X₁, X₂, X₃, are Supply chain Resilience, Supply chain Integration and Supply chain Orientation respectively and ε is the error term. Z is the mediating variable (hospital size).

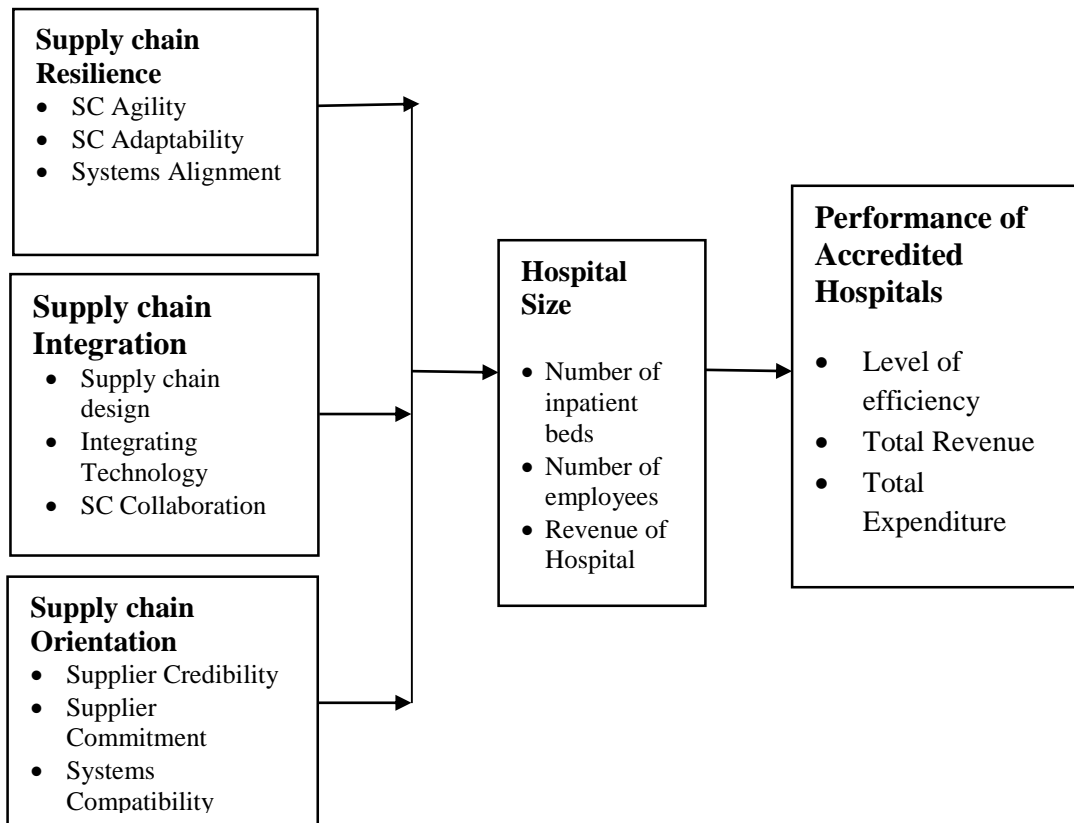
4.11 Revised Conceptual Framework

The study developed a revised conceptual taking into the knowledge gained from the hypotheses tested. The framework identified in 2.1 was based on the study objectives while the revised conceptual framework took into consideration only the study objectives that were found to have a positive influence on performance of accredited hospitals in Kenya starting with the highest to lowest relevant variables as shown in Figure 4.4. The study found that application of supply chain ambidexterity strategy

directly improves performance of hospitals. The SC ambidexterity strategies that were found to positively influence performance were supply chain orientation, supply chain integration and supply chain resilience. The study however found that lean supply chain and supply chain analytics did not have a significant influence on performance of hospitals. The size of the hospitals was also found to mediate the relationship between SCX and performance of accredited hospitals in Kenya.

The study postulated that the reason for lack of relationship between lean SC and performance in hospitals was due to the fact that hospitals were among few special institutions that could be adversely affected by implementation of lean principles and hence many hospitals avoid them. Further the research postulated that investment in supply analytics may not have a significant effect in hospital supply chain as it would in medical research and that's why many hospitals may have not invested much in it. However this hypotheses are subject to future research.

Overall, the study found that improvement in hospital performance could be achieved by improving hospital supply chain by simultaneously adopting supply chain ambidexterity strategies of SC orientation, SC integration and SC resilience. The strategies will be achieved through ensuring trust, credibility and commitment among employees, adopting supply chain design and integrating technology to promote collaboration and ensuring that there is adequate spare capacity to mitigate against supply chain risks and promote agility, adaptability and alignment of operations.



Independent Variables

Mediating Variable

Dependent Variable

Figure 4.4 Revised Conceptual Framework

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

The main objective of the study was to determine the influence of ambidextrous supply chain strategies and performance of accredited hospitals in Kenya. The chapter provides a summary of the main findings provided in the previous chapter, draw conclusions from the findings related to the study, and recommend areas for improvement to specific beneficiaries as well as areas for further studies. The knowledge gained is also presented in this chapter.

5.2 Summary of Major Findings

This section has been arranged in accordance to the objectives of the study; to examine the role of supply chain orientation, the role that lean supply chain, the influence of supply chain analytics, the influence of supply chain integration as an antecedent of ambidextrous SC and influence of supply chain resilience in enhancing hospitals. The study findings indicated that private hospitals had a higher Data Envelopment Analysis score compared to the public and faith based hospitals. The findings implied that private hospitals were generally efficient than other type of hospitals. Further, the study determined that supply chain orientation, supply chain resilience and supply chain integration had a positive significant relationship with performance. However, the study did not find a significant relationship between supply chain analytics and lean supply chain with performance of accredited hospitals in Kenya.

5.2.1 Supply Chain Resilience and Performance

The study sought to determine the influence of supply chain resilience on performance of accredited hospitals in Kenya. The study realized a coefficient of determination (R^2) value of 0.448 which implied that 44.8% of the variation in performance of accredited hospitals in Kenya could be attributed to supply chain resilience. The study findings indicated that supply chain resilience positively and significantly influenced the performance of accredited hospitals in Kenya. These findings led to the rejection of

the null hypothesis and therefore it was inferred that supply chain resilience positively influenced performance of accredited hospitals in Kenya. It was determined therefore that supply chain resilience plays an important role in the performance of accredited hospitals in Kenya.

5.2.2 Supply Chain Integration and Performance

The study intended to determine the influence of supply chain integration on performance of accredited hospitals in Kenya. The study found a coefficient of determination (R^2) value of 0.295 denoting that 29.5% of the variation in performance could be attributed to changes in supply chain integration of accredited hospitals in Kenya. Similarly, the study findings from regression analysis established that supply chain integration had a positive significance on performance of hospitals as the regression coefficients obtained were significant. Conversely, the study asserted that supply chain integration was an important factor in determining performance of accredited hospitals in Kenya.

5.2.3 Supply Chain Orientation and Performance

The study aimed at determining the influence of supply chain orientation on performance of accredited hospitals in Kenya. The study realized a coefficient of determination (R^2) value of 0.401 which implied that 40.1% of the variation in performance of accredited hospitals in Kenya could be attributed to supply chain orientation. Based on the significance of the regression coefficients, the study therefore rejected the null hypothesis and confirmed that supply chain orientation had a positive significant influence on performance of hospitals. Supply chain orientation was therefore an important factor in improving performance.

5.2.4 Lean Supply Chain and Performance

The study sought to determine the influence of lean supply chain on performance of accredited hospitals in Kenya. The findings obtained indicated a coefficient of determination R^2 value of 0.001 implying that 0.1% of the variation in performance could be attributed to changes in lean supply chain of accredited hospitals in Kenya.

The study determined that the regression coefficients for the relationship between lean supply chain and performance were insignificant. These findings led to the failure to reject the null hypothesis and therefore the study postulated that lean supply chain did not significantly influence performance of accredited hospitals in Kenya. Lean supply chain was therefore not an essential factor in improving performance of accredited hospitals in Kenya.

5.2.5 Supply Chain Analytics and Performance

The study purposed to establish the influence of supply chain analytics on performance. The study found a coefficient of determination (R^2) value of 0.017 implying that 1.7% of the variation in performance could be attributed to changes in supply chain analytics of accredited hospitals in Kenya. The findings concur with those obtained from the regression coefficients which were found to be insignificant. This implied that supply chain analytics did not play a significant role in the improvement of performance and the study therefore rejected the null hypothesis set by the study and therefore asserted that supply chain analytics did not significantly influence performance of accredited hospitals in Kenya. Supply chain analytics was therefore not a crucial factor in improving performance in accredited hospitals in Kenya.

5.2.6 Mediating influence of Hospital size on the relationship between supply chain ambidexterity and performance of hospitals

The study finally sought to determine the mediating influence of Hospital size on the relationship between supply chain ambidexterity and performance of hospitals. The study found a general increase the inferential statistics when size mediated supply chain ambidexterity. The study found a coefficient of determination R^2 value of 0.510 which improved to 0.673 when mediated by hospital size indicating that hospital size played a key role in the variation of performance. Also, the regression coefficients were significant for supply chain resilience. This indicated that hospital size was an important mediator in determining the relationship between supply chain resilience and performance of accredited hospitals in Kenya. However, there was no mediating effect of hospital size on the relationship between supply chain orientation and supply chain integration. This indicated that hospital size was overall a good mediator.

5.3 Conclusions

The study concluded that application of supply chain ambidexterity strategy was a key practice in improving hospital performance. The study therefore concluded that hospitals needed to simultaneously implement supply chain resilience, SC integration and SC orientation to realize superior supply chain performance expressed in terms of efficiency or a higher DEA. Efficiency enables the hospitals to provide quality and affordable service to citizens.

With reference to supply chain resilience, the study found a strong positive relationship between supply chain resilience and performance of accredited hospitals in Kenya. The study therefore concluded that SC resilience was important in promoting hospital performance. The study also concluded that most hospitals had spare capacity to mitigate against demand and supply variances. The study further concluded that hospital supply chains were agile, adaptable to environmental changes and were generally aligned with their stated goals and objectives.

In relation to supply chain integration, the study found that there was a positive significant influence of supply chain integration on hospital performance. The study concluded that SC integration was a critical ingredient to hospital performance. The study concluded that the accredited hospitals in Kenya had invested in integrating technology that linked hospitals with their service providers. The hospital supply chain designs ensured collaboration among supply chain partners.

Regarding supply chain orientation, the study concluded that supply chain orientation was critical in the performance of accredited hospitals in Kenya. The study also concluded that the suppliers and strategic partners were found to be reliable and generally the hospitals were satisfied with their current suppliers. The study therefore concluded that hospital suppliers generally were trustworthy, credible and committed as supply chain partners which was instrumental in supporting the goals and objectives of hospitals.

In regard to lean supply chain, the study found that there was no significant relationship between lean supply chain and performance of accredited hospitals in Kenya. The study thus concluded that majority of hospital processes were not

optimized, nor standardized. Further, the study concluded that majority of hospitals did not have visual management strategies in place to monitor inefficiencies and prevent wastes.

Concerning supply chain analytics, the study found that there was no significant relationship between supply chain analytics and performance of hospitals. In addition, the study concluded that most hospitals employed only descriptive analytical level of ICT in the hospitals such as automating their financial management system, use of centralized data storing system and quality management systems. The study also concluded that the hospitals lacked predictive and prescriptive analytical level of ICT such as capacity planning system, supply chain management systems and automated key performance indicators.

In regard to hospital size as a mediator, the study found a positive mediating effect of hospital size on the relationship between supply chain resilience and performance of hospitals. Further, the study concluded that among the supply chain ambidexterity variables, supply chain integration and supply chain orientation were not affected by the size of the hospital in Kenya. Also, supply chain analytics and lean supply chain had no relationship with performance of accredited hospitals in Kenya.

Finally, simultaneous application of supply chain ambidexterity practices namely SC resilience, SC integration and SC orientation was shown to have an increased performance of accredited hospitals in Kenya compared to individual application of supply chain practices. Lean SC and SC analytics were however found to have no relationship with hospital performance.

5.4 Recommendations

The study also recommended the use of outsourcing, spare capacity, and use of local suppliers to mitigate against operational risks. The study also recommended investment in long term relationship with service providers and involving them in decision making. In addition, the study recommended that employees should be involved in decision making; however ensure that their roles and responsibilities are clearly spelt out to avoid disputes.

The study recommended that hospitals need to invest in infrastructural development that would improve outpatient services as well as take care of employee affairs. The outpatient were found to be contributing the least to hospital revenue compared to hospital services. Areas such as hospital ambiance, customer service, hospital turn around and availability of variety treatment regiments need to be put in place in the hospitals.

Based on the findings and the conclusions obtained by this study, the study recommended that the hospitals needed to invest in improving the supply chain orientation practices such as improving the level of trust and credibility so that suppliers may be willing to offer short term sacrifices. Further, hospitals needed to encourage contracting suppliers with complementary goals and objectives so as to facilitate and promote growth of hospitals.

The study found that there was influence of lean supply chain on performance of hospitals which could be attributed to low investment in ICT. Therefore, the study recommended that it is imperative to invest in ICT to manage all supply chain processes thereby eliminating wastes. The notable areas that the study recommends for improvement include aligning of the procurement process, human resource management and improvement in the supply chain service charter.

Further, the study found that only descriptive analytical systems were being employed in hospitals. The study therefore recommended employment of more advanced levels of supply chain analytics to ensure utilization of data in decision making. Among the areas that need improvement include capacity planning systems, integrative systems such as supply chain management systems and electronic data interchange systems as well as key performance indicators to monitor performance.

5.5 Areas for Further Study

The study was able to determine the relationship between supply chain ambidexterity and performance of accredited hospitals in Kenya. However, the study was based on only accredited hospitals in Kenya listed by NHIF offering both inpatient and outpatient services and therefore classified as level 3 and above. The study therefore recommended that future scholars can corroborate the studies with focus on other

medical facilities such as outpatient clinics, pharmacies, laboratory diagnostic centers and counselling centers.

Further, the study recommended that future scholars can assess if the same findings can apply in other sectors such as education, hospitability, manufacturing and public sector. Since the study concentrated on only accredited hospitals in Kenya, the study recommended future scholars to corroborate the findings by undertaking a similar study across Africa and the world. Finally, the study used hospital size as a mediating variable. Therefore, future scholars can assess the relationship between supply chain ambidexterity and performance using other mediating or moderating variables such as information technology and leadership styles.

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APPENDICES

Appendix I: Letter of Introduction

Dear Sir/Madam, -----

RE: Supply Chain Ambidexterity and Performance of Hospitals in Kenya.

I am a doctoral Candidate in the Department of Procurement and Logistics, College of Human Resource Development, Jomo Kenyatta University of Agriculture and Technology. I am pursuing PhD in Supply Chain Management and currently in my research year of my postgraduate studies focusing on “Supply Chain Ambidexterity and Performance of Hospitals in Kenya”.

Please assist me in gathering enough information to present a representative finding on the current status of the relationship between supply chain ambidexterity and performance of hospitals in Kenya, by completing the attached questionnaire. Your participation is entirely voluntary and the questionnaire is completely anonymous.

If you are interested in the results from this study you are welcome to request a copy of the final report by supplying your name and email address. Any queries regarding the questionnaire or the overall study can be directed to the undersigned. Please be assured that this information is sought for research purposes only and your responses will be strictly confidential. No individual’s responses will be identified and the identity of persons responding will not be published or released to anyone. All information will be used for academic purposes only.

Thank you very much for helping with this important study.

Sincerely,

Kariuki Joseph Ngera

Mobile: 0707 440 400

ngerajoe@gmail.com

Appendix II: Research Questionnaire

The questionnaire is meant to collect information on supply chain ambidexterity and accredited performance of hospitals in Kenya. Please use the spaces provided to tick on the appropriate information.

Section A: Research Variables

1. To what extent do you agree with the following statements regarding the level of supply chain orientation in your organization?

| Supply Chain Orientation | Very small | Small extent | Average | Great extent | Very great |
|---|------------|--------------|---------|--------------|------------|
| The hospital is satisfied with the past performance of current | | | | | |
| Suppliers provide reliable information to hospital | | | | | |
| Suppliers demonstrate high level of professionalism. | | | | | |
| Suppliers and strategic partners are reliable. | | | | | |
| Suppliers provide services that are superior compared to alternatives in the market. | | | | | |
| Suppliers are willing to make short term sacrifices to maintain relationship with the hospital. | | | | | |
| Suppliers and the hospital possess similar operating | | | | | |
| Suppliers have similar work ethics as those of the hospital. | | | | | |
| Suppliers have complementary goals and objectives with those of the hospital. | | | | | |

2. To what extent do you agree with the following statements regarding the level of lean supply chain in the hospital?

| Lean Supply Chain | Very small extent | Small extent | Average | Great extent | Very great extent |
|---|-------------------|--------------|---------|--------------|-------------------|
| The hospital has installed process flow charts and signage across hospital premises to guide supply chain partners. | | | | | |
| The hospital has formulated a service charter to manage supply chain service provision. | | | | | |
| The hospital has an information desk to receive complaints and guide suppliers on the process flow and | | | | | |
| The hospital uses ICT in its procurement process. | | | | | |
| The hospital uses ICT to manage patient information. | | | | | |
| The hospital uses IT to manage its inventory. | | | | | |
| The hospital has an integrated system for patient | | | | | |
| The Hospital has a standard policy regarding procurement process. | | | | | |
| The hospital has a human resource management policy | | | | | |

3. To what extent do you agree with the following statements regarding the level of supply chain analytics in the hospital?

| Supply Chain Analytics | Very small extent | Small extent | Average | Great extent | Very great extent |
|---|-------------------|--------------|---------|--------------|-------------------|
| The hospital has linked its system with those of suppliers | | | | | |
| The hospital has a centralized system of storing data | | | | | |
| The hospital collaborates with its key suppliers in joint planning and forecasting | | | | | |
| The hospital has an automated capacity planning system such as staff and ward scheduling. | | | | | |
| The hospital has an automated financial management system | | | | | |
| The hospital has an automated system that can analyze patient health history | | | | | |
| The hospital has an automated standard performance system | | | | | |
| The hospital has a quality and standard management system | | | | | |
| The hospital has standard key performance indicators for evaluating performance of suppliers. | | | | | |

4. To what extent do you agree with the following statements regarding the level of supply chain integration in the hospital?

| Supply Chain Integration | Very small extent | Small extent | Average | Great extent | Very great extent |
|---|-------------------|--------------|---------|--------------|-------------------|
| The hospital consults and involves staff in matters concerning their departments. | | | | | |
| The hospital involves suppliers in procurement and inventory management. | | | | | |
| The hospital has outsourced some services | | | | | |
| The hospital involves employees and partners in decision making. | | | | | |
| The hospital frequently evaluates performance of its suppliers | | | | | |
| The hospital has a long term relationship with its service Providers | | | | | |
| The hospital uses ICT to communicate to the citizens. | | | | | |
| The hospital has an integrated system with its suppliers | | | | | |
| The Hospital has invested in ICT that links departments. | | | | | |

5. To what extent do you agree with the following statements regarding the level of supply chain resilience in the hospital?

| Supply Chain Resilience | Very small extent | Small extent | Average | Great extent | Very great extent |
|--|-------------------|--------------|---------|--------------|-------------------|
| The hospital has adequate capacity to mitigate against demand and supply variations. | | | | | |
| The hospital has an efficient logistics system. | | | | | |
| The hospital has process back up plans and systems | | | | | |
| The hospital uses multiple sourcing of goods and services. | | | | | |
| The hospital encourages the use of local suppliers. | | | | | |
| The hospital uses different payment platforms | | | | | |
| The hospital has clear roles and responsibilities to minimize Conflict | | | | | |
| The hospital has an equal access to information, data and plans across all departments and across all strategic partners | | | | | |
| The hospital continuously assesses the needs of immediate and ultimate customers. | | | | | |

Section C: Performance of the hospital

This section asks questions on performance of your organization as a results of applying ambidexterity strategies. Please fill in the table as appropriate.

| Item | Unit of Measure | |
|--|------------------------|--|
| Total number of hospital beds in 2016 | Number | |
| Total Inventory expenditure for the hospital in 2016 | Kes | |
| Total wage bill (total remuneration costs) in 2016 | Kes | |
| Income from outpatient services in 2016 | Kes | |
| Income from inpatient services in 2016 | Kes | |

Appendix III: List of Accredited Hospitals in Kenya

| Nairobi Region | | | |
|-----------------------|--|---------------------|--------------------------|
| | Name Of Hospital | Bed capacity | Physical Location |
| 1 | Abrar Health Services Ltd | 30 | Buruburu |
| 2 | Andalus Nursing Home | 22 | Eastleigh |
| 3 | Avenue Healthcare Ltd | 60 | Westlands |
| 4 | Baldo Ippolita Catholic Health Centre | 115 | Industrial Area |
| 5 | Blessed Louis Palazzolo Health Center | 24 | Westlands |
| 6 | Cana Family Clinic And Resource Centre | 22 | Industrial Area |
| 7 | Care Hospital Limited | 20 | Eastleigh |
| 8 | Chiromo Lane Medical Centre | 25 | Westlands |
| 9 | Chiromo Lane Hospital | 150 | Westlands |
| 10 | Coptic Hospital | 37 | Nairobi |
| 11 | Divine Word Parish Health Center | 32 | Buruburu |
| 12 | Dorkcare Nursing Home Ltd | 25 | Eastleigh |
| 13 | Eagle Health And Clinic Services | 25 | Kangemi |
| 14 | Edelvale Trust Jamaa H&M Hospital | 46 | Buruburu |
| 15 | Ednah Medical Centre | 20 | Eastleigh |
| 16 | Emarat Hospital | 28 | Eastleigh |
| 17 | Emmaus Innercore Nursing Home | 26 | Buruburu |
| 18 | Family Health Options | 29 | Industrial Area |
| 19 | Family Health Hospital | 20 | Industrial Area |
| 20 | Frepals Nursing Home | 40 | Nairobi |
| 21 | Gertrudes Garden Children's Hospital Nbi | 72 | Westlands |
| 22 | Giovanna E-Sylvia Medical Centre | 20 | Ruaraka |
| 23 | Guru Nanak Ramgarhia Sikh Hospital | 85 | Ruaraka |
| 24 | H.H. Agakhan Hospital (Nairobi) | 165 | Westlands |
| 25 | Huruma Nursing & Maternity Home | 26 | Ruaraka |
| 26 | Imara Health Care Centre | 30 | Industrial Area |
| 27 | Jacaranda Maternity Hospital | 22 | Ruaraka |

| | | | |
|----|---|------|-----------------|
| 28 | Kahawa West Health Centre | 31 | Ruaraka |
| 29 | Kasarani Nursing | 60 | Ruaraka |
| 30 | Kasarani Mat. Home | 28 | Ruaraka |
| 31 | Kayole Hospital | 40 | Buruburu |
| 32 | Kenyatta National Hospital (Amenity) | 225 | Nairobi |
| 33 | Kenyatta National Hospital (General Ward) | 1804 | Nairobi |
| 34 | Ladnan Hospital Limited | 50 | Eastleigh |
| 35 | Lions Sight First Eye Hospital | 52 | Westlands |
| 36 | Madina Hospital Limited | 28 | Eastleigh |
| 37 | Maria Immaculate Hospital | 28 | Westlands |
| 38 | Maria Mat. & Nursing Home | 20 | Buruburu |
| 39 | Mariakani Cottage Hospital | 21 | Industrial Area |
| 40 | Mariakani Cottage Hospital, Utawala | 25 | Industrial Area |
| 41 | Marie Stopes Kenya Limited | 24 | Eastleigh |
| 42 | Marura Nursing Home | 23 | Ruaraka |
| 43 | Mater Misericordiae Hospital Nairobi | 135 | Industrial Area |
| 44 | Mathare Mental Hospital (General Ward) | 1138 | Ruaraka |
| 45 | Mbagathi District Hospital | 250 | Nairobi |
| 46 | Melchizedek Hospital | 24 | Nairobi |
| 47 | Menelik Medical Center | 23 | Nairobi |
| 48 | Metropolitan Hospital | 35 | Buruburu |
| 49 | Midhill Maternity & Nursing Home | 28 | Nairobi |
| 50 | Mkunga Maternity & Nursing Home | 24 | Buruburu |
| 51 | Mother & Child Hospital | 23 | Eastleigh |
| 52 | Muteithania Nursing And Maternity Home | 28 | Kangemi |
| 53 | Nairobi Equator Hospital | 40 | Industrial Area |
| 54 | Nairobi Hospital Nairobi | 220 | Nairobi |
| 55 | Nairobi South Medical Centre | 25 | Industrial Area |
| 56 | Nairobi West Hospital | 66 | Industrial Area |
| 57 | Nairobi Womens Hospital | 50 | Nairobi |
| 58 | National Spinal Injury Hospital | 30 | Nairobi |
| 59 | Neema Hospital | 24 | Ruaraka |

| | | | |
|----|---------------------------------------|-----|-----------------|
| 60 | Ngumba Center And Laboratory Services | 22 | Ruaraka |
| 61 | Olive Link Healthcare | 20 | Industrial Area |
| 62 | Parkroad Nursing Home (Nairobi) | 57 | Ruaraka |
| 63 | Pumwani Hospital Management Board | 350 | Eastleigh |
| 64 | Radiant Group Of Hospitals | 20 | Eastleigh |
| 65 | Radiant Group Of Hospitals Umoja | 34 | Buruburu |
| 66 | Reinha Rosary Health Centre | 24 | Industrial Area |
| 67 | Ruai Medical Centre | 20 | Buruburu |
| 68 | Ruai Family Medical Centre | 25 | Buruburu |
| 69 | Ruaraka Uhai Neema Hospital | 28 | Ruaraka |
| 70 | S.S. League M.P Shah Hospital Nairobi | 108 | Westlands |
| 71 | Samaritan Medical Services | 32 | Ruaraka |
| 72 | Scion Health Care Ltd | 20 | Industrial Area |
| 73 | Seventh Day Adventist Health | 30 | Nairobi |
| 74 | South B Hospital | 22 | Industrial Area |
| 75 | South C Hospital Limited | 23 | Industrial Area |
| 76 | St. Johns Hospital Ltd | 24 | Ruaraka |
| 77 | St. Francis Community Hospital | 100 | Ruaraka |
| 78 | St. Francis Health Services | 26 | Ruaraka |
| 79 | Texas Cancer Centre | 20 | Nairobi |
| 80 | Umoja Hospital | 23 | Buruburu |
| 81 | Unity Maternity And Nursing Home | 28 | Buruburu |
| 82 | University Dental Hospital, Nairobi | 29 | Nairobi |
| 83 | University of Nairobi Health Services | 22 | Nairobi |
| 84 | Uzima Maternity | 21 | Ruaraka |
| 85 | Wema Maternity And Nursing Home | 20 | Kangemi |

Central Region

| | Name Of Hospital | Beds | Physical Location |
|----|--|-------------|--------------------------|
| 86 | A.I.C Kijabe Medical Centre | 235 | Limuru |
| 87 | ACK Mount Kenya Hospital | 32 | Kerugoya |
| 88 | AIC -Cure International Children's Hos | 30 | Limuru |

| | | | |
|-----|--|-----|----------|
| 89 | AIC Githumu Hospital | 40 | Muranga |
| 90 | Baari Health Centre | 23 | Olkalou |
| 91 | Beta Care Hospital Limited | 50 | Kiambu |
| 92 | Caritas Community Hospital | 50 | Thika |
| 93 | Central Memorial Hospital (Thika) | 29 | Thika |
| 94 | Consolata Hospital (Nyeri) | 239 | Nyeri |
| 95 | Donyo Sabuk Mat & Nur Home | 29 | Thika |
| 96 | Ebenezer Nursing Home | 20 | Nyeri |
| 97 | Gaichanjiru Catholic Hospital(Muranga) | 130 | Muranga |
| 98 | Gakoe Health Centre | 24 | Thika |
| 99 | Gatundu District Hospital | 124 | Ruiru |
| 100 | Githunguri Health Centre | 20 | Kiambu |
| 101 | Holy Family Mission Hospital | 27 | Kiambu |
| 102 | Holy Family Catholic Mission Hospital | 20 | Kiambu |
| 103 | Igegania Health Centre | 24 | Thika |
| 104 | Immaculate Heart Of Mary Hospital | 56 | Thika |
| 105 | ISMC Services Hospital | 28 | Limuru |
| 106 | Ithanga Health Centre | 25 | Thika |
| 107 | J. K. U. A. T. Hospital | 20 | Thika |
| 108 | J.M. Kariuki(Ol Kalou) District Hospital | 222 | Olkalou |
| 109 | Jamii Hospital | 46 | Nyeri |
| 110 | Juja Farm Health Centre | 26 | Thika |
| 111 | Kagio Nursing Home | 24 | Kerugoya |
| 112 | Kalimoni Mission Hospital | 30 | Thika |
| 113 | Karatina District Hospital | 88 | Nyeri |
| 114 | Karatina Maternity And Nursing Home | 20 | Nyeri |
| 115 | Kerugoya Catholic Health Centre | 26 | Kerugoya |
| 116 | Kerugoya District Hospital | 197 | Kerugoya |
| 117 | Kerugoya Medical Centre | 120 | Kerugoya |
| 118 | Kiambu District Hospital | 417 | Kiambu |
| 119 | Kiandutu Health Centre | 24 | Thika |
| 120 | Kianyaga Sub-District Hospital | 20 | Kerugoya |

| | | | |
|-----|--------------------------------------|-----|----------|
| 121 | Kikuyu Nursing Home | 67 | Limuru |
| 122 | Kikuyu Sub County Lussegetti | 22 | Kiambu |
| 123 | Kimbimbi Sub-District Hospital | 46 | Kerugoya |
| 124 | Kimkan Hospital | 56 | Muranga |
| 125 | Kiriaini Consolata Hospital(Muranga) | 90 | Muranga |
| 126 | Lari Health Centre | 25 | Limuru |
| 127 | Limuru Nursing Home | 55 | Limuru |
| 128 | Maragua District Hospital | 24 | Muranga |
| 129 | Marie Stopes Hospital (K) Ltd | 22 | Muranga |
| 130 | Marie Stopes Hospital (K) Ltd | 25 | Muranga |
| 131 | Mary Help Of The Sick Mission Hosp. | 79 | Thika |
| 132 | Mary Immaculate Hospital | 42 | Nyeri |
| 133 | Mercy Light Hospital | 27 | Kiambu |
| 134 | Mt. Kenya Hospital | 27 | Nyeri |
| 135 | Mt.Sinai Hospital | 24 | Thika |
| 136 | Mugumo Medical Centre Kagumo | 25 | Kerugoya |
| 137 | Mukurwe-Ini Sub District Hospital | 78 | Nyeri |
| 138 | Muranga District Hospital | 317 | Muranga |
| 139 | Muriranja District Hospital | 400 | Muranga |
| 140 | Mwea County Medical Centre | 40 | Kerugoya |
| 141 | Mwea Medical Centre | 106 | Kerugoya |
| 142 | Naidu Hospital | 75 | Thika |
| 143 | Nazareth Hospital Riar Ridge | 210 | Kiambu |
| 144 | Nazareth Hospital Ruiru | 21 | Kiambu |
| 145 | Nazareth Hospital | 45 | Kiambu |
| 146 | Ndeiya Health Centre | 27 | Limuru |
| 147 | Ngenda Health Centre | 22 | Ruiru |
| 148 | Ngoliba Health Centre | 20 | Thika |
| 149 | Ngorika Health Centre | 28 | Olkalou |
| 150 | Ngurubani Medical Services | 21 | Kerugoya |
| 151 | Ngurubani Medical Services | 40 | Kerugoya |
| 152 | North Kinangop Catholic Hospital | 166 | Olkalou |

| | | | |
|-----|---|-----|----------|
| 153 | Nyathuna Sub-County Hospital | 20 | Limuru |
| 154 | Nyeri Provincial General Hospital | 407 | Nyeri |
| 155 | Oasis Mission Hospital | 25 | Thika |
| 156 | Oldmawingo Health Centre | 29 | Olkalou |
| 157 | Othaya Sub-District Hospital | 77 | Nyeri |
| 158 | Our Lady Of Lourdes Mwea Hospital | 106 | Kerugoya |
| 159 | Our Ladys Hospice | 29 | Limuru |
| 160 | Outspan Hospital, Nyeri | 40 | Nyeri |
| 161 | Outspan Hospital | 69 | Nyeri |
| 162 | P.C.E.A Hospital Kikuyu | 76 | Limuru |
| 163 | P.C.E.A Hospital(Tumutumu) Karatina | 203 | Nyeri |
| 164 | P.C.E.A Hospital | 243 | Nyeri |
| 165 | P.C.E.A Kikuyu Orthopaedic Reh. Centre | 30 | Limuru |
| 166 | PEFA Mercy Medical Centre | 25 | Kiambu |
| 167 | Plainsview Nursing Home | 22 | Ruiru |
| 168 | Radiant Group Of Hospitals-Kiambu | 26 | Kiambu |
| 169 | Romkan Medical Centre | 25 | Thika |
| 170 | Ruby Medical Centre | 26 | Limuru |
| 171 | Ruiru Private Hospital | 35 | Ruiru |
| 172 | Ruiru Sub District Hospital | 24 | Ruiru |
| 173 | St. Jude Nursing Home | 20 | Ruiru |
| 174 | St. Matia Mulumba Hospital | 40 | Thika |
| 175 | St. Ann Medical Centre | 28 | Limuru |
| 176 | St. Teresa Kikuyu Maternity & Nur. Home | 27 | Limuru |
| 177 | Thika Level 5 Hospital | 317 | Thika |
| 178 | Thika Nursing Home (Thika) | 27 | Thika |
| 179 | Tigoni District Hospital | 68 | Limuru |
| 180 | Vineyard Hospital | 40 | Thika |
| 181 | Waka Ruringu Maternity | 120 | Nyeri |
| 182 | Wangige Health Centre | 20 | Limuru |

Eastern Region

| | Name Of Hospital | Beds | Physical Location |
|-----|------------------------------------|-------------|--------------------------|
| 183 | AIC Gatab Health Centre | 21 | Marsabit |
| 184 | AIC Mulango Health Centre | 20 | Kitui |
| 185 | Al-Bilal Nursing Home | 25 | Moyale |
| 186 | Athi River Health Centre | 24 | Machakos |
| 187 | Bishop U Kioko Catholic Hospital | 140 | Machakos |
| 188 | Consolata Hospital Chuka (Meru) | 54 | Chuka |
| 189 | Consolata Hospital Kyeni (Embu) | 157 | Embu |
| 190 | Consolata Hospital (Embu town) | 167 | Embu |
| 191 | Consolata Hospital Nkubu (Meru) | 257 | Meru |
| 192 | Cottolengo Mission Hospital | 30 | Meru |
| 193 | County Medical Centre | 40 | Embu |
| 194 | County Medical Centre, Embu town | 25 | Embu |
| 195 | Emali Nursing Home | 25 | Wote |
| 196 | Embu Children's Hospital | 50 | Embu |
| 197 | Embu Children's Home | 20 | Embu |
| 198 | Embu Provincial Hospital | 199 | Embu |
| 199 | Gabartulla District Hospital | 60 | Isiolo |
| 200 | Giaki Sub District Hospital | 28 | Meru |
| 201 | Ikutha Health Centre | 22 | Mwingi |
| 202 | Ishara District Hospital Embu | 90 | Embu |
| 203 | Isiolo County Nursing Home | 29 | Isiolo |
| 204 | Isiolo District Hospital | 48 | Isiolo |
| 205 | Isiolo District Hospital (Amenity) | 26 | Isiolo |
| 206 | Jordan Hospital | 30 | Kitui |
| 207 | Joy Kim Nursing Home | 30 | Embu |
| 208 | Kangundo District Hospital | 128 | Machakos |
| 209 | Kanyakine Sub-District Hospital | 80 | Meru |
| 210 | Kasaala Health Centre | 26 | Mwingi |
| 211 | Kathiani Hospital Machakos | 180 | Machakos |

| | | | |
|-----|---|-----|----------|
| 212 | Katse Health Centre | 25 | Mwingi |
| 213 | Katulani Sub-District Hospital | 33 | Kitui |
| 214 | Kikoko Mission Hospital (Machakos) | 52 | Wote |
| 215 | Kilala Model Health Centre | 24 | Wote |
| 216 | Kilome Maternity & Nursing Home | 35 | Wote |
| 217 | Kisasi Health Centre | 24 | Kitui |
| 218 | Kisau Sub-County Hospital | 31 | Wote |
| 219 | Kitui District Hospital | 20 | Kitui |
| 220 | Kyuasini Health Centre | 20 | Wote |
| 221 | Laare Nursing & Maternity Home | 22 | Meru |
| 222 | Laisamis Catholic Hospital | 20 | Marsabit |
| 223 | Laisamis Hospital | 40 | Marsabit |
| 224 | Liberty Maternity & Nursing Home | 20 | Embu |
| 225 | Machakos Medical Clinic | 22 | Machakos |
| 226 | Magutuni District Hospital | 40 | Chuka |
| 227 | Makindu District Hospital | 58 | Wote |
| 228 | Makueni Hospital Machakos | 152 | Wote |
| 229 | Marsabit District Hospital | 94 | Marsabit |
| 230 | Matungulu Medical Centre | 28 | Machakos |
| 231 | Matuu Sub District Hospital | 20 | Machakos |
| 232 | Maua Methodist Hospital (Meru) | 164 | Meru |
| 233 | Mbeere District Hospital | 30 | Embu |
| 234 | Mbitini Health Centre | 22 | Kitui |
| 235 | Mbooni Sub-District Hospital | 30 | Wote |
| 236 | Merti District Hospital | 26 | Isiolo |
| 237 | Meru District Hospital(Amenity) | 25 | Meru |
| 238 | Meru District Hospital (General) | 246 | Meru |
| 239 | Miambani Health Centre | 22 | Kitui |
| 240 | Miathene District Hospital | 40 | Maua |
| 241 | Migwani Sub-District Hospital | 22 | Kitui |
| 242 | Mikinduri Catholic Church Health Centre | 24 | Chuka |
| 243 | Mikinduri Sub-District Hospital | 32 | Meru |

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| 244 | Mikumbune Sub District Hospital | 30 | Meru |
| 245 | Milimani Maternity & Nursing Home | 41 | Meru |
| 246 | Mitunguu Medical Services | 26 | Meru |
| 247 | Moyale District Hospital | 58 | Moyale |
| 248 | Moyale Nursing Home | 27 | Moyale |
| 249 | Mukothima C.C.M Health Centre | 32 | Chuka |
| 250 | Mumbuni Maternity & Nursing Home | 23 | Mwingi |
| 251 | Mumoni Nursing Home | 28 | Kitui |
| 252 | Muthale Mission Hospital (Kitui) | 75 | Kitui |
| 253 | Mutomo Health Centre | 26 | Mutomo |
| 254 | Mutomo Mission Hospital (Mutomo) | 140 | Kitui |
| 255 | Mutuati Catholic Mission Hospital | 60 | Meru |
| 256 | Mutuati Sub District Hospital | 25 | Meru |
| 257 | Mwingi Hospital (Kitui) | 73 | Kitui |
| 258 | Mwingi Medicare Centre | 22 | Mwingi |
| 259 | Mwingi Nursing Home | 28 | Mwingi |
| 260 | Neema Hospital | 20 | Kitui |
| 261 | Neema Nursing Home | 49 | Kitui |
| 262 | New Ngei Road Maternity & Nursing | 40 | Machakos |
| 263 | Ngomeni Model Health Centre | 31 | Kitui |
| 264 | Nuu Sub-District Hospital | 24 | Kitui |
| 265 | Nyambene Clinical Services & Nursing | 20 | Maua |
| 266 | Nyambene District Hospital | 40 | Maua |
| 267 | Nyambene Maternity And Nursing Home | 30 | Meru |
| 268 | P.C.E.A. Chogoria Hospital (Meru) | 297 | Chuka |
| 269 | Provincial General Hospital (Machakos) | 507 | Machakos |
| 270 | Shalom Hospital | 220 | Machakos |
| 271 | Sololo Mission Hospital Sololo | 64 | Moyale |
| 272 | St. Anne Maternity –Cottage | 43 | Meru |
| 273 | St. Lucies Hospital | 20 | Chuka |
| 274 | St. Luke Cottage Hospital Kiamuri | 37 | Meru |
| 275 | St. Michael Maternity & Nursing Home | 48 | Machakos |

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|-----|--------------------------------------|----|----------|
| 276 | St. Michael Hospital | 50 | Embu |
| 277 | St. Michael Nursing Home | 24 | Embu |
| 278 | St. Orsola Hospital, Materi | 70 | Chuka |
| 279 | St. Teresa Riiji Health Centre | 25 | Meru |
| 280 | St.Francis De Sales Health Centre | 26 | Chuka |
| 281 | St.Theresas Mission Hospital-Kiirua | 20 | Meru |
| 282 | Sultan Hamud Sub County Hospital | 26 | Wote |
| 283 | Tahidi Nursing Home (Mwingi) | 25 | Kitui |
| 284 | Tei Wa Yesu Hospital | 45 | Kitui |
| 285 | Test Hospital Of Hope | 25 | Machakos |
| 286 | Tharaka District Hospital | 22 | Chuka |
| 287 | The Kitui Maternity & Nursing Home | 20 | Kitui |
| 288 | Tigania Hospital (Meru) | 43 | Meru |
| 289 | Tseikuru Sub-District Hospital | 20 | Kitui |
| 290 | Tuuru Cottolengo Health Centre | 22 | Meru |
| 291 | Waso Medical Services & Nursing Home | 29 | Isiolo |
| 292 | Woodlands Hospital Meru | 27 | Meru |
| 293 | Yanzuu Health Centre | 24 | Kitui |

Coast Region

| | Name of Hospital | Beds | Physical Location |
|-----|-----------------------------------|------|-------------------|
| 294 | Adu Medical Centre | 22 | Malindi |
| 295 | Alfarooq Hospital | 30 | Mombasa |
| 296 | Bakarani Maternity & Nursing Home | 26 | Mombasa |
| 297 | Bamba Sub-District Hospital | 27 | Kilifi |
| 298 | Baricho Medical Centre | 23 | Malindi |
| 299 | Boalala Model Health Centre | 20 | Malindi |
| 300 | Bomani Malde Medical Centre | 21 | Kilifi |
| 301 | Bomu Medical Center | 28 | Mombasa |
| 302 | Bura Sub-County Hospital | 20 | Hola |
| 303 | Chakama Medical Centre | 22 | Malindi |
| 304 | Coast General Hospital (Mombasa) | 533 | Mombasa |

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|-----|---------------------------------|-----|---------|
| 305 | Dagamra Medical Centre | 28 | Malindi |
| 306 | Diani Beach Hospital | 32 | Ukunda |
| 307 | Dida Medical Centre | 22 | Kilifi |
| 308 | Dungicha Medical Centre | 21 | Kilifi |
| 309 | Dzikunze Medical Centre | 23 | Malindi |
| 310 | Faza Sub District Hospital | 20 | Lamu |
| 311 | Fundi Issa Medical Centre | 21 | Malindi |
| 312 | Ganze Health Centre | 25 | Kilifi |
| 313 | Garashi Medical Centre | 26 | Malindi |
| 314 | Gede Health Centre | 56 | Malindi |
| 315 | Gongoni Health Centre | 26 | Malindi |
| 316 | H.H Aga Khan Hospital (Mombasa) | 111 | Mombasa |
| 317 | Hola District Hospital | 157 | Hola |
| 318 | Ibnusina Nursing Home | 26 | Lamu |
| 319 | Jaribuni Medical Centre | 21 | Kilifi |
| 320 | Jibana Health Centre | 54 | Mombasa |
| 321 | Jilore Medical Centre | 28 | Malindi |
| 322 | Jocham Hospital | 53 | Mombasa |
| 323 | Kakoneni Medical Centre | 22 | Malindi |
| 324 | Karimboni Medical Centre | 22 | Malindi |
| 325 | Khairat Medical Centre | 23 | Kilifi |
| 326 | Kikoneni Health Centre | 20 | Ukunda |
| 327 | Kilifi District Hospital | 192 | Mtwapa |
| 328 | Kinango Hospital Kwale | 116 | Ukunda |
| 329 | Kinondo Kwetu Health Services | 29 | Ukunda |
| 330 | Kipini District Hospital | 32 | Lamu |
| 331 | Kiteje Medical Centre | 21 | Ukunda |
| 332 | Kizibe Medical Centre | 19 | Ukunda |
| 333 | Kwale District Eye Centre | 52 | Ukunda |
| 334 | Kwale District Hospital | 26 | Ukunda |
| 335 | Lady Griggs Maternity Hospital | 105 | Mombasa |
| 336 | Lamu District Hospital | 34 | Lamu |

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|-----|------------------------------------|-----|---------|
| 337 | Langoni Medical Centre | 23 | Lamu |
| 338 | Langoni Nursing Home | 20 | Lamu |
| 339 | Madunguni Medical Centre | 16 | Malindi |
| 340 | Mainland Health Centre | 30 | Mombasa |
| 341 | Malindi District Hospital | 145 | Malindi |
| 342 | Mamba Medical Centre | 21 | Ukunda |
| 343 | Mambrui Medical Centre | 24 | Malindi |
| 344 | Marafa Health Centre | 17 | Malindi |
| 345 | Marekebuni Medical Centre | 22 | Malindi |
| 346 | Marereni Medical Centre | 26 | Malindi |
| 347 | Mariakani Sub-District Hospital | 60 | Mombasa |
| 348 | Marie Stopes Hospital (K) Mombasa | 20 | Mombasa |
| 349 | Mary Immaculate Nursing Home | 17 | Mombasa |
| 350 | Mary Immaculate Medical Centre | 16 | Mombasa |
| 351 | Matolani Medical Centre | 21 | Malindi |
| 352 | Matsangoni Model Health Centre | 20 | Mtwapa |
| 353 | Mazumalume Medical Centre | 22 | Ukunda |
| 354 | Mbuani Medical Centre | 19 | Ukunda |
| 355 | Mbugini Medical Centre | 21 | Ukunda |
| 356 | Medina Diagnostic Limited Hola | 32 | Hola |
| 357 | Mewa Medical Centre | 44 | Mombasa |
| 358 | Midoina Medical Centre | 21 | Malindi |
| 359 | Mizijini Medical Centre | 12 | Malindi |
| 360 | Mla Leo Health Centre | 18 | Mombasa |
| 361 | Moi Hospital- Voi | 88 | Voi |
| 362 | Mombasa Hospital Association | 80 | Mombasa |
| 363 | Mpeketoni Sub- District Hospital | 48 | Lamu |
| 364 | Msambweni District Hospital | 106 | Ukunda |
| 365 | Mtondia Medical Centre | 22 | Mtwapa |
| 366 | Mtwapa Health Centre | 16 | Mtwapa |
| 367 | Mtwapa Med Clinic and Nursing Home | 18 | Kilifi |
| 368 | Muhaka Medical Centre | 22 | Ukunda |

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| 369 | Mwaluphamba Medical Centre | 14 | Ukunda |
| 370 | Mwangatini Medical Centre | 21 | Malindi |
| 371 | Mzizima Medical Centre | 23 | Ukunda |
| 372 | Nairobi Homes Nursing Home | 16 | Mombasa |
| 373 | New Wananchi Maternity And Nursing | 20 | Mtwapa |
| 374 | Ngao Hospital Tana River | 68 | Hola |
| 375 | Ngerenya Medical Centre | 24 | Mtwapa |
| 376 | Njukini Health Centre | 17 | Voi |
| 377 | Pablo Horstman Health Centre | 20 | Lamu |
| 378 | Palakumi Medical Centre | 21 | Malindi |
| 379 | Palm Beach Hospital | 18 | Ukunda |
| 380 | Pandya Memorial Hospital (Mombasa) | 95 | Mombasa |
| 381 | Pandya Memorial Hospital | 70 | Mombasa |
| 382 | Port Reitz Chest Hospital | 121 | Mombasa |
| 383 | Pwani Maternity and Nursing Home | 22 | Mtwapa |
| 384 | Rabai Rural Health Demonstration Centr | 22 | Mombasa |
| 385 | Riflot Medical Center | 15 | Voi |
| 386 | Roka Maweni Medical Centre | 20 | Kilifi |
| 387 | Soko Medical Centre | 21 | Malindi |
| 388 | Sabaki Medical Centre | 21 | Malindi |
| 389 | Sagalla Health Centre | 20 | Voi |
| 390 | Sayyid Fatmah Hospital, Kisauni | 38 | Mombasa |
| 391 | Shomella Medical Centre | 12 | Malindi |
| 392 | Sosoni Medical Centre | 16 | Malindi |
| 393 | St. Joseph Shelter Of Hope Health Centre | 15 | Voi |
| 394 | St. Luke Hospital Kaloleni (Mombasa) | 140 | Mombasa |
| 395 | St. Thomas Maternity Hospital | 22 | Ukunda |
| 396 | Star Hospital | 28 | Malindi |
| 397 | Taveta District Hospital | 105 | Voi |
| 398 | Tawfiq Hospital | 96 | Malindi |
| 399 | Tawfiq Nursing Home | 86 | Malindi |
| 400 | The River Jordan Medical Centre | 22 | Voi |

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| 401 | The Sofiaz Medical Clinics | 20 | Voi |
| 402 | Tudor Healthcare | 15 | Mombasa |
| 403 | Ukunda Medical Centre | 20 | Ukunda |
| 404 | Vigurungani Medical Centre | 20 | Ukunda |
| 405 | Vipingo Health Centre | 16 | Mtwapa |
| 406 | Vitengeni Health Centre | 13 | Mtwapa |
| 407 | Vitsangalaweni Medical Centre | 21 | Ukunda |
| 408 | Watamu Nursing Home | 20 | Malindi |
| 409 | Wesu District Hospital | 172 | Voi |

North Eastern Region

| | Name Of Hospital | Beds | Physical Location |
|-----|-------------------------------------|------|-------------------|
| 410 | Alhayat Nursing Home | 18 | Wajir |
| 411 | Alliance Medical Centre-Garissa | 20 | Garissa |
| 412 | Balambala Sub-County Hospital | 30 | Garissa |
| 413 | Blue Light Nursing Home | 12 | Mandera |
| 414 | Buna Nursing Home | 18 | Wajir |
| 415 | Camel Medical Centre | 30 | Wajir |
| 416 | District Hospital Mandera | 53 | Mandera |
| 417 | Eastgate Medical Centre | 16 | Mandera |
| 418 | Eldas Health Centre | 20 | Wajir |
| 419 | Excel Health Services, Garissa | 12 | Garissa |
| 420 | Garissa Mother & Child Health Care | 14 | Garissa |
| 421 | Garissa Nursing Home | 18 | Garissa |
| 422 | Hulugho Sub-District Hospital | 20 | Garissa |
| 423 | Iftin Sub-District Hospital | 30 | Garissa |
| 424 | Ijara District Hospital | 20 | Garissa |
| 425 | Mandera West Nursing Home | 15 | Mandera |
| 426 | Medina Diagnostic Limited | 20 | Garissa |
| 427 | Provincial General Hospital Garissa | 162 | Garissa |
| 428 | Samaad Hospital | 30 | Wajir |
| 429 | Simaho Mch/Fp Clinic | 17 | Garissa |

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|-----|---------------------------------|----|---------|
| 430 | Takaba District Hospital | 20 | Mandera |
| 431 | Twaheed Community Nursing Home | 40 | Garissa |
| 432 | Wajir District Hospital (Wajir) | 79 | Wajir |
| 433 | Woodlands Hospital | 20 | Mandera |
| 434 | Zonal Annex Nursing Home | 24 | Mandera |

Nyanza Region

| | Name Of Hospital | Beds | Physical Location |
|-----|--|-------------|--------------------------|
| 435 | Acorn Community Hospital | 13 | Homa Bay |
| 436 | Afya Health Systems Organization | 18 | Homa Bay |
| 437 | Ahero Sub District Hospital | 62 | Kisumu |
| 438 | Alpha Community And Nursing Home | 30 | Migori |
| 439 | Ambira Sub-County Hospital | 25 | Siaya |
| 440 | Awasi Catholic Mission Medical Centre | 17 | Kisumu |
| 441 | Awendo Sub-District Hospital | 17 | Migori |
| 442 | Bama Nursing & Maternity Home | 20 | Siaya |
| 443 | Bondo Medical Centre | 31 | Siaya |
| 444 | Bondo Sub County Hospital | 38 | Siaya |
| 445 | Bosongo Medical Centre | 35 | Kisii |
| 446 | Boya Rural Nursing Home | 114 | Kisumu |
| 447 | Chemelil Sugar Company Health Centre | 13 | Kisumu |
| 448 | Christa Marianne Hosp & Nursing Home | 143 | Kisii |
| 449 | Coptic Nursing Home Maseno | 15 | Kisumu |
| 450 | Divine Mercy Aluor Health Centre | 23 | Siaya |
| 451 | Dophil Nursing & Maternity Home | 29 | Siaya |
| 452 | Etago Sub District Hospital | 14 | Kisii |
| 453 | Gesusu Sub-District Hospital | 17 | Kisii |
| 454 | Getembe Nursing Home | 83 | Kisii |
| 455 | Getembe Medical Centre | 30 | Kisii |
| 456 | Gucha Cottage Maternity & Nursing Home | 20 | Kisii |
| 457 | Gucha District Hospital | 25 | Kisii |
| 458 | H.H Aga Khan Disp. & Mat. Hosp.Kisumu | 76 | Kisumu |

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|-----|---------------------------------------|-----|----------|
| 459 | Hema Hospital | 245 | Kisii |
| 460 | Holy Family Catholic Mission Hospital | 18 | Kisumu |
| 461 | Homabay District Hospital | 294 | Homa Bay |
| 462 | Homabay District Hosp. (Amenity Ward) | 12 | Homa Bay |
| 463 | Homeground Medical Centre | 15 | Siaya |
| 464 | Inuka Nursing Home | 20 | Siaya |
| 465 | Isana Nursing Home | 14 | Kisii |
| 466 | Isebania Sub-District Hospital | 24 | Migori |
| 467 | Jalaram Nursing & Maternity Home | 97 | Kisumu |
| 468 | Janeiro Nursing Home | 77 | Homa Bay |
| 469 | Kendu Mission Hospital (Kendu Bay) | 164 | Oyugis |
| 470 | Kisii Level V Hospital (General) | 450 | Kisii |
| 471 | Kisii Level V Hospital (Amenity) | 302 | Kisii |
| 472 | Kisumu District Hospital (Kisumu) | 565 | Kisumu |
| 473 | Kombewa District Hospital | 54 | Kisumu |
| 474 | Kuria District Hospital | 35 | Migori |
| 475 | Lenmek Hospital | 60 | Kisii |
| 476 | Madiany District Hospital | 16 | Siaya |
| 477 | Mama Pilista Health Centre | 15 | Kisumu |
| 478 | Mamas Nursing Home-Riat | 38 | Homa Bay |
| 479 | Maseno Hospital | 150 | Kisumu |
| 480 | Matangwe Community Medical Centre | 21 | Siaya |
| 481 | Matata Nursing & Maternity Home | 60 | Oyugis |
| 482 | Migori District Hospital | 45 | Migori |
| 483 | Milimani Maternity Hospital | 15 | Kisumu |
| 484 | Mother Solbrit Health Centre | 12 | Migori |
| 485 | Mt.Sinai Hospital | 39 | Kisumu |
| 486 | Nightgale Maternity & Nursing Home | 40 | Kisumu |
| 487 | Nyabondo Centre For The Disabled | 36 | Kisumu |
| 488 | Nyamira District Hospital – Amenity | 20 | Nyamira |
| 489 | Nyamira District Hospital Kisii | 242 | Nyamira |
| 490 | Nyamira Maternity & Nursing Home | 30 | Nyamira |

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| 491 | Nyangena Hospital | 150 | Kisii |
| 492 | Nyangoma Sub-County Hospital | 20 | Kisumu |
| 493 | Nyansiongo Maternity And Nursing Home | 40 | Nyamira |
| 494 | Oasis Doctors Plaza Kisumu | 20 | Kisumu |
| 495 | Oasis Specialist Hospital | 20 | Kisii |
| 496 | Ogembo Medical Centre | 30 | Kisii |
| 497 | Ogra Medical Centre & Community | 30 | Kisumu |
| 498 | Ojele Memorial Hospital | 40 | Migori |
| 499 | Oruba Nursing & Maternity Home Ltd | 91 | Migori |
| 500 | Owens Maternity & Nursing Home | 30 | Siaya |
| 501 | Pastor Machage Memorial Hospital | 74 | Migori |
| 502 | Provincial General Hospital Kisumu | 461 | Kisumu |
| 503 | Rabuor Sub-County Hospital | 18 | Kisumu |
| 504 | Rachar Sugar Belt Nursing Home | 40 | Kisumu |
| 505 | Rachuonyo District Hospital | 27 | Homa Bay |
| 506 | Ram Memorial Hospital | 60 | Kisii |
| 507 | Rangala Mission Hospital | 48 | Siaya |
| 508 | Rapogi Community Health & Mat. Centre | 30 | Migori |
| 509 | Rongo Sub-District Hospital | 26 | Migori |
| 510 | Rosewood Nursing Home | 25 | Migori |
| 511 | Sagam Community Hospital | 55 | Siaya |
| 512 | Samjomen Nursing Home | 15 | Migori |
| 513 | Santa Jane Nursing Home & Maternity | 46 | Kisumu |
| 514 | Sega Cottage Hospital | 40 | Siaya |
| 515 | Siaya County Referral Hospital | 227 | Siaya |
| 516 | Sori Lakeside Nursing Home | 114 | Migori |
| 517 | St Akidiva Memorial Hospital | 30 | Migori |
| 518 | St,Marys Mission Health Centre | 20 | Mbita |
| 519 | St. Akidiva Mindira Maberu | 25 | Migori |
| 520 | St. Consolata Kisumu Hospital | 23 | Kisumu |
| 521 | St. Elizabeth Chiga Medical Centre | 21 | Kisumu |
| 522 | St. Elizabeth Hospital Lwak | 40 | Siaya |

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| 523 | St. Elizabeth Ndisi Health Centre | 21 | Homa Bay |
| 524 | St. Joseph's Hospital (Nyabondo) | 167 | Kisumu |
| 525 | St. Joseph's Mission Hospital Migori | 164 | Migori |
| 526 | St. Lukes Medical Centre | 16 | Kisumu |
| 527 | St. Monicas Medical Centre | 20 | Kisumu |
| 528 | St. Monicas Hospital | 80 | Kisumu |
| 529 | St.Camillus Mission Hospital | 64 | Migori |
| 530 | St.Pauls Mission Hospital | 42 | Homa Bay |
| 531 | St.Vincent De Pauls Health Centre | 41 | Siaya |
| 532 | Star Children Hospital | 30 | Kisumu |
| 533 | Steken Nyarombo Maternity & Nursing | 23 | Migori |
| 534 | Suba District Hospital | 31 | Mbita |
| 535 | Suna Mat & Nursing Home | 30 | Migori |
| 536 | Tabaka Mission Hospital (Kisii) | 240 | Kisii |
| 537 | The Port Florence Community Hospital | 40 | Kisumu |
| 538 | Tombe Medicare Centre | 20 | Nyamira |
| 539 | Victoria Hospital (Kisumu) | 23 | Kisumu |
| 540 | World Youth International Mama Ann Odede Health Complex | 18 | Siaya |
| 541 | Yala Sub District Hospital | 20 | Siaya |

Rift Valley Region

| | Name Of Hospital | Beds | Physical Location |
|-----|--|-------------|--------------------------|
| 542 | A.I.C Kapsowar Hospital (Eldoret) | 130 | Iten |
| 543 | A.I.C. Litein Cottage Hospital Kericho | 57 | Kericho |
| 544 | AIC Kijabe Hospital Naivasha Med. Centre | 22 | Naivasha |
| 545 | Akemo Valley Maternity | 38 | Kilgoris |
| 546 | Akemo Valley Nursing Home | 30 | Kilgoris |
| 547 | Alexandria Cancer Centre & Palliative | 40 | Eldoret |
| 548 | Archers Post Health Centre | 31 | Nanyuki |
| 549 | Arror Health Centre | 34 | Iten |
| 550 | Assisi Nursing Home | 15 | Kitengela |

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| 551 | Athi River Medical Services | 15 | Kitengela |
| 552 | Athi-River Shalom Community Hospital | 278 | Kitengela |
| 553 | Bahati District Hospital | 54 | Nakuru |
| 554 | Baraka Maternity Nursing Home | 20 | Nakuru |
| 555 | Baraton Jeremic Community Medical | 50 | Kapsabet |
| 556 | Baringo District Hospital (Kabarnet) | 120 | Kabarnet |
| 557 | Barnet Memorial Medical Centre | 14 | Kabarnet |
| 558 | Bethania Medical Centre | 19 | Nakuru |
| 559 | Bishop Eddie Long Bondeni Hospital | 65 | Nakuru |
| 560 | Burnt Forest Sub-District Hospital | 16 | Eldoret |
| 561 | Care Givers Community Hospital | 11 | Kajiado |
| 562 | Catholic Hospital Wamba Via Maralal | 59 | Maralal |
| 563 | Charity Nursing Home | 30 | Nanyuki |
| 564 | Charity Medical Centre | 19 | Nanyuki |
| 565 | Cheborgei Health Centre | 20 | Sotik |
| 566 | Chemase Health Centre | 20 | Kapsabet |
| 567 | Chemosot Health Centre | 16 | Sotik |
| 568 | Chepkanga Health Centre | 18 | Eldoret |
| 569 | Chepkigen Health Centre | 25 | Eldoret |
| 570 | Chepkorio Health Centre | 12 | Iten |
| 571 | Cheptil Maternity Wing | 12 | Kapsabet |
| 572 | Cherangany Nursing Home | 27 | Kitale |
| 573 | Chesongoch Health Centre | 49 | Iten |
| 574 | Consolata Maternity & Children's Hosp. | 38 | Nanyuki |
| 575 | County Medicare Ltd- Maralal | 20 | Maralal |
| 576 | Egerton University Health Centre | 30 | Nakuru |
| 577 | Elburgon Nyayo Hospital | 72 | Nakuru |
| 578 | Eldama Ravine Sub-District Hospital | 29 | Kabarnet |
| 579 | Eldoret Hospital | 136 | Eldoret |
| 580 | Elgon View Hospital | 42 | Eldoret |
| 581 | Emining Health Centre | 20 | Kabarnet |
| 582 | Endo Health Centre | 36 | Iten |

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| 583 | Enkitok Joy Nursing Home | 15 | Ongata Rongai |
| 584 | Entarara Health Centre | 20 | Loitoktok |
| 585 | Entasopia Health Centre | 20 | Ongata Rongai |
| 586 | Esageri Health Center | 17 | Kabarnet |
| 587 | Evans Sunrise Medical Centre | 44 | Nakuru |
| 588 | Family Healthcare Medical Centre | 16 | Eldoret |
| 589 | Fatima Maternity Hospital | 32 | Ongata Rongai |
| 590 | Favour Medical Services | 16 | Kajiado |
| 591 | Finlays Medical Centre | 44 | Naivasha |
| 592 | Fountain Healthcare | 24 | Eldoret |
| 593 | Fountain Medical Centre | 14 | Nakuru |
| 594 | Gilgil Sub District Hospital | 15 | Naivasha |
| 595 | Goldenlife Victors Hospital Limited | 50 | Naivasha |
| 596 | Good Hope Medical Centre | 15 | Nanyuki |
| 597 | Imurtot Health Centre | 18 | Loitoktok |
| 598 | Iten District Hospital | 17 | Iten |
| 599 | Kaiboi Mission Health Centre | 34 | Kapsabet |
| 600 | Kajiado District Hospital | 100 | Kajiado |
| 601 | Kakuma Mission Hospital | 56 | Lodwar |
| 602 | Kapenguria District Hospital | 286 | Kapenguria |
| 603 | Kapkatet District Hospital | 46 | Kericho |
| 604 | Kapkoi Health Centre | 15 | Iten |
| 605 | Kapsabet District Hospital | 124 | Kapsabet |
| 606 | Kapsabet District Hospital (Amenity) | 70 | Kapsabet |
| 607 | Kapsara District Hospital | 40 | Kitale |
| 608 | Kaptarakwa Sub-District Hospital | 24 | Eldoret |
| 609 | Karen Hospital Ltd | 102 | Ongata Rongai |
| 610 | Kenlands Health Services Nkr Maili Sita | 16 | Nakuru |
| 611 | Kericho District Hospital | 142 | Kericho |
| 612 | Kericho Nursing Home Ltd. | 142 | Kericho |
| 613 | Keringet Health Centre | 12 | Nakuru |
| 614 | Kimalel Health Center | 24 | Kabarnet |

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| 615 | Kimanjo Sub County Hospital | 24 | Nanyuki |
| 616 | Kimini Cottage Hospital | 50 | Kitale |
| 617 | Kipchimchim Mission Hospital | 40 | Kericho |
| 618 | Kipwastuiyo Health Centre | 16 | Sotik |
| 619 | Kitale District Hospital | 167 | Kitale |
| 620 | Kitale Nursing Home | 62 | Kitale |
| 621 | Kitengela Medical Centre | 40 | Kitengela |
| 622 | Kitengela Medical Services-Kajiado | 20 | Kajiado |
| 623 | Kobujoi Mission Hospital | 30 | Nandi Hills |
| 624 | Kocholwa Sub-District Hospital | 20 | Eldoret |
| 625 | Langas Racecourse Health Centre | 15 | Eldoret |
| 626 | Langata Hospital | 33 | Ongata Rongai |
| 627 | Lelmolok Nursing Home | 13 | Eldoret |
| 628 | Lodwar District | 38 | Lodwar |
| 629 | Loitoktok District Hospital | 150 | Kajiado |
| 630 | Lokitang Hospital Lodwar | 12 | Lodwar |
| 631 | Londiani District Hospital | 39 | Kericho |
| 632 | Longisa County Referral Hospital | 78 | Bomet |
| 633 | Lopiding District Hospital | 150 | Lodwar |
| 634 | Maasai Nursing Home | 26 | Narok |
| 635 | Magadi Soda Company Hospital Magadi | 50 | Ongata Rongai |
| 636 | Makadara Health Care | 18 | Kitengela |
| 637 | Maralal District Hospital | 59 | Maralal |
| 638 | Marigat Sub-District Hospital | 12 | Kabarnet |
| 639 | Maryhill Medical Centre | 12 | Nyahururu |
| 640 | Matasia Health Clinic | 23 | Ongata Rongai |
| 641 | Mediheal Hosp.& Fertility Center | 18 | Eldoret |
| 642 | Mediheal Hospital | 65 | Nakuru |
| 643 | Mercy Hospital Eldama Ravine | 79 | Kabarnet |
| 644 | Meteitei Sub-District Hospital | 24 | Nandi Hills |
| 645 | Mogil Health Centre | 30 | Iten |
| 646 | Mogotio Sub-County Hospital | 22 | Nakuru |

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| 647 | Moi Teaching & Referral Hospital Amty | 50 | Eldoret |
| 648 | Moi Teaching & Referral Hospital Amty | 29 | Eldoret |
| 649 | Moi Teaching & Referral Hospital. | 420 | Eldoret |
| 650 | Molo District Hospital | 130 | Nakuru |
| 651 | Mosoriot Rural Health Training Clinic | 15 | Kapsabet |
| 652 | Mount Olive Sinai Hospital Limited | 32 | Ongata Rongai |
| 653 | Mt. Longonot Medical Services Limited | 27 | Naivasha |
| 654 | Mulemi Maternity Nursing Home | 20 | Naivasha |
| 655 | Naivasha District Hospital | 66 | Naivasha |
| 656 | Naivasha Quality Healthcare Services Ltd | 15 | Naivasha |
| 657 | Nakuru Heart Centre | 60 | Nakuru |
| 658 | Nakuru Nursing And Maternity Home Ltd. | 65 | Nakuru |
| 659 | Nakuru War Memorial Hospital (Nakuru) | 16 | Nakuru |
| 660 | Nandi Hills District Hospital | 53 | Kapsabet |
| 661 | Nanyuki Cottage Hospital (Nanyuki) | 20 | Nanyuki |
| 662 | Nanyuki District Hospital | 102 | Nanyuki |
| 663 | Nanyuki Maternity | 30 | Nanyuki |
| 664 | Nanyuki Nursing Home | 50 | Nanyuki |
| 665 | Narok Cottage Hospital | 17 | Narok |
| 666 | Narok County Referral Hospital | 99 | Narok |
| 667 | Nasha Lengot Medical Centre | 36 | Nakuru |
| 668 | Ndaragwa Health Centre | 15 | Nyahururu |
| 669 | Ngong Rapha Hospital | 15 | Ongata Rongai |
| 670 | Njoro Health Centre | 16 | Nakuru |
| 671 | Nyahururu District Hospital | 105 | Nanyuki |
| 672 | Nyahururu Private Hospital | 35 | Nanyuki |
| 673 | Olchobosei Medical Centre | 15 | Narok |
| 674 | Oleguruone Subdistrict Hospital | 25 | Nakuru |
| 675 | Oljabet Annex Medical & Nursing Home | 25 | Nanyuki |
| 676 | Oljabet Medical Centre – Laikipia | 25 | Nanyuki |
| 677 | Olkiramatian Medical Centre | 12 | Kajiado |
| 678 | Ortum Mission Hospital (Kitale) | 104 | Kapenguria |

| | | | |
|-----|---|-----|---------------|
| 679 | P.C.E.A. Nakuru West Hospital | 18 | Nakuru |
| 680 | Plateau Mission Hospital (Eldoret) | 77 | Eldoret |
| 681 | Poly-Clinic Hospital | 40 | Naivasha |
| 682 | Provincial General Hosp. Annex Nakuru | 492 | Nakuru |
| 683 | Rapha Medical Centre Nakuru | 18 | Nakuru |
| 684 | Reale Medical Centre | 64 | Eldoret |
| 685 | Reale Medical Centre | 127 | Eldoret |
| 686 | Rift Valley Prov. General Hosp. Nakuru | 580 | Nakuru |
| 687 | Rombo Mission Hospital | 25 | Kajiado |
| 688 | Roret Sub District Hospital | 50 | Sotik |
| 689 | Segeera Mission Clinic | 15 | Nanyuki |
| 690 | Seniors Medical Services | 15 | Kitengela |
| 691 | Sereolipi Health Centre | 13 | Maralal |
| 692 | Sigor Sub District Hospital | 31 | Bomet |
| 693 | Siloam Hospital | 70 | Kericho |
| 694 | Sinai Hospital Rongai | 32 | Ongata Rongai |
| 695 | Sipili Maternity & Nursing Home | 16 | Nanyuki |
| 696 | Sister Fridas Medical Centre | 18 | Kitale |
| 697 | Sister Mazzoldi Maternity | 17 | Nakuru |
| 698 | Soy Health Centre | 18 | Eldoret |
| 699 | St Elizabeth Medical Centre | 32 | Nakuru |
| 700 | St. Anthony Health Centre | 15 | Nakuru |
| 701 | St. Brigitas Catholic Ya Mumbi | 16 | Eldoret |
| 702 | St. Clares Mission Hospital (Kaplong) | 220 | Sotik |
| 703 | St. Joseph Mission Hospital | 50 | Kapsabet |
| 704 | St. Joseph's Hospital (Kilgoris) | 200 | Narok |
| 705 | St. Joseph's Nursing And Maternity Home | 22 | Nakuru |
| 706 | St. Leonards Hospital Limited | 124 | Kericho |
| 707 | St. Peter Claver RC Medical Centre | 15 | Ongata Rongai |
| 708 | Tambach District Hospital | 72 | Iten |
| 709 | Tambach Sub - District Hospital | 72 | Eldoret |
| 710 | Tenges Health Centre | 24 | Kabarnet |

| | | | |
|-----|---------------------------------------|-----|---------------|
| 711 | Tenwek Hospital Bomet (Sotik) | 299 | Bomet |
| 712 | The Light Naivasha Doctors Plaza | 15 | Naivasha |
| 713 | The Nairobi Womens Hospital Kitengela | 21 | Kitengela |
| 714 | The Nairobi Womens Hospital-Nakuru | 30 | Nakuru |
| 715 | Timboroa Health Centre | 15 | Eldama Ravine |
| 716 | Transmara Medicare Hospital | 50 | Kilgoris |
| 717 | Transmara West Sub-County Hospital | 32 | Kilgoris |
| 718 | Trinity Care Centre Limited | 29 | Ongata Rongai |
| 719 | Uasin Gishu District Hospital | 15 | Eldoret |
| 720 | Unilever Tea (K) Ltd-Central Hospital | 50 | Kericho |
| 721 | Valley Hospital Limited | 72 | Nakuru |
| 722 | Wama Nursing Home | 18 | Ongata Rongai |
| 723 | Wananchi Jamii Maternity & Nursing | 12 | Ongata Rongai |

Western Region

| | Name of hospital | Beds | Physical Location |
|-----|---------------------------------------|-------------|--------------------------|
| 724 | Ahmadiya Muslim Hospital | 20 | Mumias |
| 725 | Alupe Hospital (Busia) | 102 | Busia |
| 726 | Appex Hospital | 20 | Busia |
| 727 | Banja Health Centre | 18 | Vihiga |
| 728 | Bukaya Medical Centre | 20 | Mumias |
| 729 | Bungoma District Hospital (General) | 216 | Bungoma |
| 730 | Bungoma District Hospital (Amenity) | 184 | Bungoma |
| 731 | Busia District Hospital | 13 | Busia |
| 732 | Butere District Hospital | 34 | Mumias |
| 733 | Butula Mission Hospital (Busia) | 42 | Busia |
| 734 | Central Maternity & Nursing Home | 56 | Kakamega |
| 735 | Elgon View Medical Cottage | 16 | Bungoma |
| 736 | Emuhaya Sub-District Hospital | 30 | Vihiga |
| 737 | Friends Lugulu Hospital | 101 | Bungoma |
| 738 | Holy Family Hospital Nangina | 78 | Busia |
| 739 | Itando Mission Of Hope And Healthcare | 23 | Kakamega |

| | | | |
|-----|--------------------------------------|-----|----------|
| 740 | Jumuia Friends Hospital | 75 | Vihiga |
| 741 | Kakamega County General Hospital | 322 | Kakamega |
| 742 | Kakamega Orthopedic Hospital | 10 | Kakamega |
| 743 | Kari(Trc)Alupe Hospital-Busia | 16 | Mumias |
| 744 | Kima Mission Hospital | 50 | Vihiga |
| 745 | Kimilili District Hospital | 49 | Bungoma |
| 746 | Kory Family Hospital | 15 | Bungoma |
| 747 | Likuyani Sub-County Hospital | 50 | Kakamega |
| 748 | Lumakanda County Hospital | 12 | Kakamega |
| 749 | Lumino Maternity & Nursing Home | 25 | Kakamega |
| 750 | Lupe Medical Centre | 32 | Kakamega |
| 751 | Makunga Rural Health Demonstration | 13 | Mumias |
| 752 | Malava County Hospital | 66 | Kakamega |
| 753 | Manyala Sub-County Hospital | 26 | Mumias |
| 754 | Mautuma Sub-County Hospital | 22 | Kakamega |
| 755 | Mt.Elgon County Hospital | 36 | Bungoma |
| 756 | Mungoma Hospital | 15 | Vihiga |
| 757 | Mwihila Mission Hospital (Yala) | 111 | Mumias |
| 758 | Nala Maternity & Nursing Home | 40 | Kakamega |
| 759 | Namasoli Health Centre | 26 | Mumias |
| 760 | Navakholo Sub-County Hospital | 16 | Kakamega |
| 761 | New Busia Maternity And Nursing Home | 101 | Busia |
| 762 | Nzoia Medical Centre | 20 | Bungoma |
| 763 | Port Victoria Sub-District Hospital | 35 | Busia |
| 764 | Sabatia Eye Hospital | 40 | Vihiga |
| 765 | Shibwe Sub-County Hospital | 15 | Kakamega |
| 766 | St. Damiano Medical Hospital | 50 | Bungoma |
| 767 | St. Elizabeth Hospital (Mukumu) | 233 | Kakamega |
| 768 | St. Marys Hospital (Mumias) | 220 | Mumias |
| 769 | Tanaka Nursing Home | 30 | Busia |
| 770 | Teso District Hospital | 27 | Busia |
| 771 | The Great Lakes Medical Centre | 30 | Vihiga |

| | | | |
|-----|--------------------------|-----|---------|
| 772 | Vihiga District Hospital | 145 | Vihiga |
| 773 | Webuye District Hospital | 40 | Bungoma |

Appendix IV: Factor Loadings

| Supply Chain Orientation | Component | | |
|--|------------------|----------|----------|
| | 1 | 2 | |
| The hospital is satisfied with the past performance of current suppliers | .789 | -.478 | |
| Suppliers provide reliable information to hospital administration | .805 | -.531 | |
| Suppliers demonstrate high level of professionalism. | .771 | -.509 | |
| Suppliers and strategic partners are reliable. | .570 | .538 | |
| Suppliers provide services that are superior compared to alternatives in the market. | .506 | .060 | |
| Suppliers are willing to make short term sacrifices to maintain relationship with the hospital. | .815 | .343 | |
| Suppliers and the hospital possess similar operating principles. | .907 | .330 | |
| Suppliers have similar work ethics as those of the hospital | .584 | .728 | |
| Suppliers have complementary goals and objectives with those of the hospital. | .649 | -.222 | |
| Lean Supply Chain | 1 | 2 | 3 |
| The hospital has installed process flow charts and signage across hospital premises to guide supply chain partners. | .663 | -.497 | .396 |
| The hospital has formulated a service charter to manage supply chain service provision. | .829 | -.099 | .292 |
| The hospital has an information desk to receive complaints and guide suppliers on the process flow and expectations. | .810 | .129 | .385 |
| The hospital uses ICT in its procurement process. | .494 | .726 | -.348 |
| The hospital uses ICT to manage patient information. | .904 | -.053 | -.321 |
| The hospital uses IT to manage its inventory. | .724 | -.114 | -.507 |
| The hospital has an integrated system for patient management | .897 | -.262 | -.172 |
| The Hospital has a standard policy regarding procurement process. | .314 | .647 | .558 |
| The hospital has a human resource management policy | .126 | .881 | -.059 |
| Supply Chain Analytics | 1 | | |
| The hospital has linked its system with those of suppliers | .770 | | |
| The hospital has a centralized system of storing data | .794 | | |
| The hospital collaborates with its key suppliers in joint planning and forecasting | .884 | | |
| The hospital has an automated capacity planning system such as staff and ward scheduling. | .946 | | |
| The hospital has an automated financial management system | .968 | | |
| The hospital has an automated system that can analyze patient health history | .812 | | |
| The hospital has an automated standard performance system | .818 | | |

| | | |
|---|----------|----------|
| The hospital has a quality and standard management system | .824 | |
| The hospital has standard key performance indicators for evaluating performance of suppliers. | .949 | |
| Supply Chain Integration | 1 | 2 |
| The hospital consults and involves staff in matters concerning their departments. | .833 | .287 |
| The hospital involves suppliers in procurement and inventory management. | .542 | .574 |
| The hospital has outsourced some services | .713 | - |
| | | .578 |
| The hospital involves employees and partners in decision making. | .813 | - |
| | | .464 |
| The hospital frequently evaluates performance of its suppliers | .847 | .025 |
| The hospital has a long term relationship with its service providers | .866 | - |
| | | .350 |
| The hospital uses ICT to communicate to the citizens. | .722 | .306 |
| The hospital has an integrated system with its suppliers | .597 | .752 |
| | .657 | - |
| The Hospital has invested in ICT that links departments. | | .228 |
| Supply Chain Resilience | 1 | |
| The hospital has adequate capacity to mitigate against demand and supply variations. | .832 | |
| The hospital has an efficient logistics system. | .921 | |
| The hospital has process back up plans and systems | .928 | |
| The hospital uses multiple sourcing of goods and services. | .928 | |
| The hospital encourages the use of local suppliers. | .643 | |
| The hospital uses different payment platforms | .953 | |
| The hospital has clear roles and responsibilities to minimize conflict | .883 | |

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

Appendix V: Eigenvalues table

| | Component | Initial Eigenvalues | | | Extraction Sums of Squared Loadings | | |
|--------------------------|-----------|---------------------|---------------|--------------|-------------------------------------|---------------|--------------|
| | | Total | % of Variance | Cumulative % | Total | % of Variance | Cumulative % |
| Supply Chain Orientation | 1 | 4.696 | 52.173 | 52.173 | 4.696 | 52.173 | 52.173 |
| | 2 | 1.869 | 20.764 | 72.937 | 1.869 | 20.764 | 72.937 |
| | 3 | .911 | 10.126 | 83.063 | | | |
| | 4 | .732 | 8.130 | 91.193 | | | |
| | 5 | .519 | 5.767 | 96.960 | | | |
| | 6 | .219 | 2.438 | 99.399 | | | |
| | 7 | .054 | .601 | 100.000 | | | |
| Lean Supply Chain | 1 | 4.287 | 47.635 | 47.635 | 4.287 | 47.635 | 47.635 |
| | 2 | 2.079 | 23.104 | 70.739 | 2.079 | 23.104 | 70.739 |
| | 3 | 1.215 | 13.502 | 84.241 | 1.215 | 13.502 | 84.241 |
| | 4 | .699 | 7.770 | 92.011 | | | |
| | 5 | .472 | 5.241 | 97.252 | | | |
| | 6 | .174 | 1.931 | 99.183 | | | |
| | 7 | .052 | .573 | 99.756 | | | |
| | 8 | .022 | .244 | 100.000 | | | |
| Supply Chain Analytics | 1 | 6.746 | 74.958 | 74.958 | 6.746 | 74.958 | 74.958 |
| | 2 | .909 | 10.102 | 85.060 | | | |
| | 3 | .557 | 6.186 | 91.245 | | | |
| | 4 | .442 | 4.909 | 96.155 | | | |
| | 5 | .211 | 2.341 | 98.496 | | | |
| | 6 | .068 | .753 | 99.249 | | | |
| | 7 | .032 | .357 | 99.606 | | | |
| | 8 | .026 | .293 | 99.899 | | | |
| | 9 | .009 | .101 | 100.000 | | | |
| Supply Chain Integration | 1 | 4.932 | 54.805 | 54.805 | 4.932 | 54.805 | 54.805 |
| | 2 | 1.796 | 19.954 | 74.759 | 1.796 | 19.954 | 74.759 |
| | 3 | .867 | 9.638 | 84.397 | | | |
| | 4 | .713 | 7.918 | 92.315 | | | |
| | 5 | .382 | 4.243 | 96.559 | | | |
| | 6 | .225 | 2.499 | 99.058 | | | |
| | 7 | .071 | .790 | 99.848 | | | |
| | 8 | .012 | .137 | 99.985 | | | |
| | 9 | .001 | .015 | 100.000 | | | |
| Supply Chain Resilience | 1 | 5.365 | 76.638 | 76.638 | 5.365 | 76.638 | 76.638 |
| | 2 | .842 | 12.032 | 88.671 | | | |
| | 3 | .417 | 5.953 | 94.623 | | | |
| | 4 | .202 | 2.892 | 97.515 | | | |
| | 5 | .126 | 1.805 | 99.319 | | | |
| | 6 | .035 | .494 | 99.814 | | | |
| | 7 | .013 | .186 | 100.000 | | | |

Extraction Method: Principal Component Analysis.