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Relationship Between Purchasing Power and Performance of County Governments in Kenya

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Abstract

Purpose: The study aimed to evaluate the relationship between purchasing power and performance of county governments in Kenya.

Methods: The study used a descriptive research design. The target population of this study was 384 respondents drawn from all 47 counties in Kenya which included the staff from the procurement, ICT, finance and administration, and audit departments. The study sample size was 188 respondents and both stratified random sampling technique and simple random sampling techniques were adopted to get the sample of respondents to be included in the study. Data analysis was done with the help of Statistical Package for Social Science version 28. Quantitative data was analyzed using descriptive and inferential analysis.

Results: The findings revealed that purchasing power had a positive significant linear effect on performance of county governments in Kenya.

Implication: The study recommends that donors build and strengthen the local capacity of the affected nations and populations to prevent, prepare for, alleviate, and contain County crises, to make sure that governments and societies can efficiently perform their obligations and coordinate effectively with County actors. This also includes promotion of local industries and local supplies increasing standardizing procurement and purchasing power in the event of global county disruptions.

Keywords: *Purchasing power, organization performance, county governments*

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1. Introduction

The importance of supply chain management has been growing in various areas because of the trend of nationalization and globalization in recent decades (Jamwal, Agrawal & Sharma, 2022). For industries, it helps to optimize the existing production and distribution processes based on the same resources through management techniques for promoting the efficiency and competitiveness of enterprises. Transportation system is the key element in a supply chain. It joins the separated activities. Transportation occupies one-third of the amount in the county costs and transportation systems influence the performance of county system enormously.

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Transporting is required in the whole production procedure, from County to delivery to the final consumers and returns. Good coordination between each component can give the maximum benefits (Joshi & Sharma, 2022).

Purchasing power is defined as a function of mutual dependence of partners on contributions, capabilities, and activities of the other partner (Pierce, 2022). To understand purchasing power, the factors that give rise to higher or lower power should be first identified (investigate sources of power from the perspective of network structures stemming from resources, interconnections, and organization position. They suggest capabilities and resources of organizations determine their roles and power. Purchasing power is the value of a currency expressed in terms of the amount of goods or services that one unit of money can buy. Purchasing power is important because, all else being equal, inflation decreases the amount of goods or services you would be able to purchase. Purchasing power affects every aspect of economics, from consumers buying goods to investors and stock prices to a country's economic prosperity. When a currency's purchasing power decreases due to excessive inflation, serious negative economic consequences arise, including rising costs of goods and services contributing to a high cost of living, as well as high interest rates that affect the global market, and falling credit ratings as a result. All of these factors can contribute to an economic crisis (Ngatia, Osoro & Nyang'au, 2022).

According to Sharma and Joshi (2023), the performance of procurement in Kenya is heavily affected by the implementation of inventory optimization, especially where e-procurement systems are used. The evaluation of procurement performance takes into consideration both the strategic and operational dimensions of the procurement function. From the operational dimension, procurement performance relates to the costs of purchasing, product and/or service quality, delivery, and flexibility in procurement (Shen et al., 2022).

Poor procurement performance on its part contributes to rising inefficiency as well as costs and competitiveness of the procurement function. According to Sharma and Joshi (2023), poor procurement performance contributes to a decrease in reduction of complaints in the private sector and hence is a major hindrance to the realization of organizational growth as it leads to delays in delivery, low-quality goods and services, and an increase in defects. In both private and public sectors, poor procurement performance results from an inability to embrace e-procurement, use traditional procurement procedures, and poor coordination of procurement activities between the requisitioning departments and the procurement department (Shen et al., 2022).

1.1 Problem Statement

Over the last two decades, there has been renewed interest in procurement centralization practices in the public sector, following challenges of inefficiency in the county governments in the public sector around the globe (Lerman, et al., 2022). This effect resulted in a decline in county governments from 79% to 28% in the same year. Although most sub-Saharan African countries do not have significant procurement centralization practices, the public sector needs to enhance performance of the public sector. In a study of a sample of citizens from six different countries dispersed across North America, Europe and Asia-Pacific, Mehmood, Ahmad, and Alnuem (2023) conclude that their superior performance in the public sector is linked to strong and effective procurement centralization practices such as vendor selection, negotiation, contract monitoring and contract closure. Li, Barenji, and Huang (2023) indicated that effective procurement centralization practices positively and significantly affect county governments by more than 30%.

Despite all the efforts by the central governments and County governments in Kenya, still inadequacies are observed in the performance among counties (Lerman, et al., 2022). It is not clear the extent to which procurement centralization practices effects tend to affect performance of the county governments in service provision (Momanyi& Osoro, 2022). For example, despite the legal, policy, and institutional reforms undertaken so far in the public procurement sector in Kenya still county governments find it hard to effectively enhance performance in terms of county governments. Muhammad et al. (2023), indicated that over 70 percent of failures of the county governments in the county governments Kenya are due to issues related to procurement centralization practices. In 2019-21, further statistics show that 60 percent of the county governments performed poorly due to procurement-related challenges. The performance in the county governments was below 35 percent which is too small compared to over 90% effectiveness and efficiency in the developed countries with effective procurement centralization practices (Lerman, et al., 2022).

This implies that, despite the legal, policy, and institutional reforms so far undertaken in the public sector like development of PPDRA (2015) in Kenya, still the county governments are struggling to effectively utilize and adopt appropriate procurement centralization practices. Thus, the county governments are still performing poorly. The inability of county governments to establish procurement centralization practices in the country with public procurement in the county governments consuming about 20% of the GDP and up to 60% of the annual budget (Muhammad et al., 2023) is a serious problem given that county governments are the engine of economic growth and development needed to move the country to a middle-level economy as envisaged in the development blueprint of Vision 2030. In view of the foregoing, this study endeavours to bridge the existing research gap by establishing the effect of purchasing power on performance of county governments in Kenya.

1.2 Research Hypothesis

H_{02}: Purchasing power does not significantly affect performance of county governments in Kenya.

2. Literature Review

Shen et al. (2022) empirically analyzed the impact of global purchasing on product innovation sourced from suppliers, while taking into account how county integrate their suppliers. The data used in this study are from the International Purchasing Survey, an international online survey on purchasing and supply management conducted in 2009. The data was analyzed using factor and regression analyses. The study findings show that global purchasing has no direct impact on product innovation performance. However, supplier integration is more strongly associated with product innovation performance for county purchasing globally compared to county purchasing regionally (Sharma & Joshi, 2023).

Shen et al. (2022), their study focused on power relations between buyers and suppliers and discussed the role of power relations in the county's supplier relationship management (SRM). The nature of the buyer-supplier relationship and the ways how these relationships are handled vary due to the different influencing factors. The possible effect of power on the county's supplier relationship management was empirically analyzed by using a case study with three cases and 23 interviews. The case companies are Finnish companies representing different-sized companies from three different industries. The main finding is that supplier relationship management differs in different power situations. When the power relation between the buyer and supplier is in balance there is a good basis for a collaborative relationship and the adoption of strategies based on collaboration. Balanced power does not inhibit but rather encourages the

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use of a collaborative strategy, whereas inequality in terms of power and imbalance in the relationship may prevent it. If the buyer county is more powerful than the supplier, the buyer may not be willing to adopt a strategy based on collaboration and may prefer to sustain its power position (ibid) (Sharma & Joshi, 2023).

Shen et al. (2022), focused on the purchasing power and purchasing strategies from the insights from the humanitarian sector and discussed how buyers practice purchasing strategies in an asymmetric power situation favoring suppliers, and how their purchasing strategies impact their purchasing power and buyer-supplier relationships. In an exploratory pre-study of vaccine procurement in the humanitarian sector, they observed that some weaker buyers had managed to affect their supply market for better purchase terms. Considering the predictions of previous research on constraint absorption of powerful partners, this effect was surprising. The interrelation between purchasing power and purchasing strategies was conceptualized, based on the study of multiple buyers of vaccines for developing countries. Observations from the same multiple case studies were also used to explain how purchasing strategies practiced by weaker partners can impact the buyer's purchasing power. The predictions from this study were extended to a single case study where the impact of one specific purchasing strategy (cooperative purchasing) found from the multiple case studies, were studied on the buyers' purchasing power (Sharma & Joshi, 2023).

Shen et al. (2022) sought to investigate the effect of power on county integration and focused on different types of power that may be relevant to a company to affect the other parties in a county. County integration can be separated into three types (coercive, mediated, and economic) and power has a different effect on these types. This study concluded that if all parties in the county accept the power differences and the dominating company uses the parts of county integration to give companies fast and efficient access to the county, power is valuable.

Shen et al. (2022), their study identified how power position and buyer-supplier relationships are interrelated, and whether there are common determinants and/or characteristics (trust, commitment, frequency of communication, relationship duration) behind this strong bond between the two concepts. Both transaction cost analysis theory and social exchange theory were integrated in building the argument. Regarding the methodology, a qualitative exploratory research design was employed by using a multiple-case study as the main research method, where three multinational Egyptian organizations were selected. Moreover, data was collected using individual in-depth interviews and analyzed through coding and -cross-case analysis techniques. The results showed that there are common factors that affect both buyer-supplier relationship characteristics and power position attributes. According, the findings helped in pointing out a new lens for discussing and investigating the bond between buyer-supplier relationships and power in research (Sharma & Joshi, 2023).

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2.1 Conceptual Framework

The conceptual framework links purchasing power to performance of county governments.

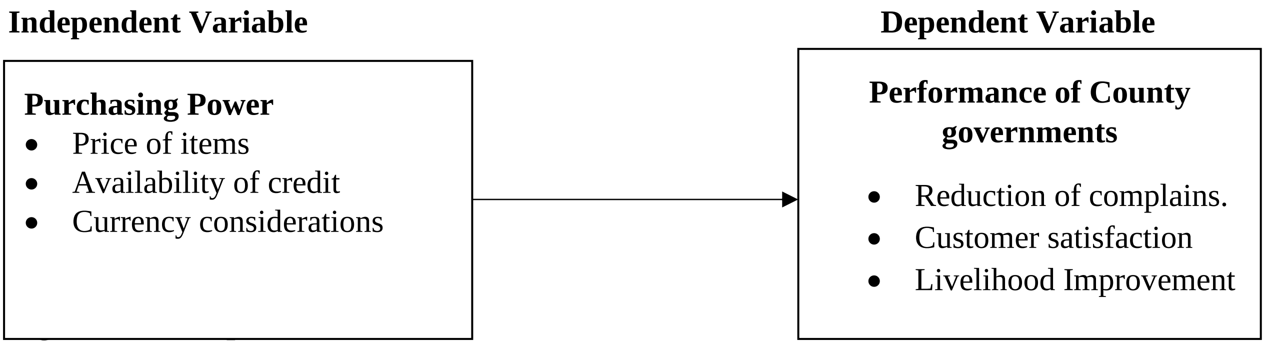

Figure 1: Conceptual framework

3. Methodology

The study used a descriptive research design. In this study, the unit of analysis was county governments. The unit of observation was the procurement-related officials. Therefore, the study population of the study was 384 drawn from all 47 counties in Kenya including the heads of county-related departments in the county governments. For this study, our sampling frame was 188 respondents. Data was collected through a questionnaire instrument. Once the questionnaires were collected by the researcher, they were coded and keyed into Statistical Package for Social Science (SPSS) Version 28 and analyzed. The study used both descriptive and inferential statistics to analyze the quantitative data. Descriptive statistics describe and summarize the data in a meaningful way using charts, tables, and bars while inferential statistics conclude the analysed data thus helping in generalization.

4. Results and Discussion

4.1 Descriptive Analysis

4.1.1 Descriptive Statistics for the Purchasing Power

Respondents were requested to indicate their level of agreement with various statements on aspects of purchasing power. It was posited as a one-dimensional construct measured by the six items; Do you agree that the county procures items based on their affordability (PP1), What is your agreement that the county has ensured credit of items is available to procure items? (PP2), Do you agree that the county takes into consideration currency to import goods to be used in the county? (PP3), To what extent do you agree that the price of items is used as a criterion to determine the purchase of items? (SP4), What is your agreement that the county price inflation of items determines amount of items purchased? (HP5); How has the county provided credit allowances for every item being purchased in the county? (HP6). These findings are in line with the findings of Bareiss (2023).

The results are shown in Table 1. According to Baghlaf (2023), the findings, respondents agreed that the county procures items based on their affordability (M=4.498, SD=0.317); The county has ensured credit for items is available to procure items (M=4.355, SD=0.384). The respondents agreed that the price of items is used as a criterion to determine the purchase of items (M=4.213, SD=0.577). The respondents also agreed that the county takes into consideration currency to import goods to be used in the county (M=4.465, SD=0.323). In addition, the respondents agreed that the county price inflation of items determines amount of items purchased (M=4.213, SD=0.745); The respondents agreed that county provided credit allowances for every item being purchased in the county (M=4.213, SD=0.702). The finding

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revealed that the respondents took a positive position (above 4.0). All items had a mean of above 4.0. The standard deviation of less than one indicates that the responses were closely varied. This shows that the general position was that the respondents agreed with the items. The scores of responses for this section agreed at 75% indicating that most respondents agreed that purchasing power was a key factor influencing performance of county governments in Kenya. These findings are in line with the findings of Baghlaf (2023).

Table 1: Descriptive Statistics for the Construct Purchasing Power

Code	Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Std. Dev
PP1	Do you agree that the county procures items based on their affordability	0.9	2.1	12.8	21.3	59.9	4.498	.317
PP2	What is your agreement that the county has ensured credit of items is available to procure items?	7.4	0.8	11.8	22.1	57.9	4.355	.384
PP3	Do you agree that the county takes into consideration currency to import goods to be used in the county?	2.0	3.8	5.3	24.5	64.4	4.213	.577
PP4	To what extent do you agree that the price of items is used as a criterion to determine the purchase of items?	5.4	4.5	9.1	18.2	62.8	4.465	.323
PP5	What is your agreement that the county price inflation of items determines amount of items purchased?	1.0	4.8	5.3	24.5	64.4	4.007	.745
PP6	How has the county provided credit allowances for every item being purchased in the county?	5.4	4.5	9.1	18.2	62.8	4.111	.702
	Aggregate Mean						**4.275**	**.508**

4.1.2 Descriptive Statistics for the Construct Performance of County Governments

In this section of the analysis, the results of performance of devolved governments are presented. Based on the findings in Table 2, Does the county governments complete counties in a short period? (mean = 3.751, SD = 1.124). Do the employees in the county get satisfied with the way counties manage their welfare? (mean = 3.113, SD = 1.141). Are there stalled counties within the county? (mean = 3.231, SD = 1.181). Also, the respondents neither agreed nor disagreed that quarterly reports on budget implementation were prepared (mean = 3.108, SD = 1.167). Similarly, the respondents neither agreed nor disagreed that there was enough budget allocation for the infrastructural counties in the county (mean = 3.531, SD = 1.201). Finally, the respondents neither agreed nor disagreed that county governments passed budgets in conformity with the cash disbursement schedules (mean = 3.623, SD = 1.111). These findings echo the findings of Bhangu et al. (2023).

The findings on county governments had an aggregate mean of 3.27, standard deviation of 0.87, and a skewness of -0.38. On average, the overall score of the responses for this section was neutral at 45.8% indicating that most employees neither agreed nor disagreed with the statements concerning county governments in county governments in Kenya. Furthermore, the highest mean was 3.76 while the lowest was 2.98. Out of the six items, 5 of them had a mean of above 3.0. This shows the respondents took a neutral position (above 3.0). The general position was that the respondents were neutral with performance items in the county governments in Kenya. In a nutshell, performance of county governments in Kenya realized a mean of 3.392, a standard deviation of 1.154, a Skewness of -0.26, and a Kurtosis of 0.22. The results suggest that not much change has been elicited in the performance of the county governments after the based on the procurement centralization practices. The implication is that the county governments have not fully adopted procurement centralization practices hence they are unable to elicit changes in the county governments, infrastructural development, countries completed, budget absorption rate, and savings. These findings echo the findings of Bhangu et al. (2023).

Table 2: Performance of County governments Descriptive Statistics

Code	Statement	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Mean	Std.
PCG1	Do the county governments complete counties in a short period?	11.3%	4.3%	11%	44.8%	28.6%	3.751	1.124
PCG2	Do the employees in the county get satisfied with the way county manages their welfare?	9.5%	19.4%	30.6%	29.5%	11%	3.113	1.141
PCG3	Are there stalled county's within the county?	9.2%	17.9%	27.7%	30.6%	14.5%	3.231	1.181
PCG4	Do agree that quarterly reports on budget implementation are prepared?	6.4%	22.8%	29.5%	8.7%	12.5%	3.108	1.167
PCG5	Do you agree that there is enough budget allocation for the infrastructural in the county?	6.1%	17.6%	22.8%	38.4%	14.9%	3.531	1.201
PCG6	Do you agree that county governments pass budgets in conformity with the cash disbursement schedules?	32.7%	21.7%	14.9%	10.8%	11.9%	3.623	1.111

The participants of the study were asked to indicate the other measures of performance utilized by the county governments. The study established that 17.3% of the county governments in Kenya embraced capacity utilization; 24.0% compliance with food safety standards; 13.3% customer complaints; 9.3% customer retention rate; 4.3% customer satisfaction; 28.0% lead time and 3.7% waste reduction respectively. The findings are presented in table 4.17 below. This data offers a fascinating glimpse into the performance metrics prioritized by Kenyan county governments. The most prominent indicator, capacity utilization (17.3%), suggests a strong emphasis on maximizing production output. This aligns with a focus on efficiency and economies of scale, potentially reflecting a competitive market environment. Interestingly, lead time (28.0%) also features prominently, indicating a potential concern with optimizing production flow and reducing bottlenecks. These findings echo the findings of Bhangu et al. (2023).

County safety standards garner significant attention (24.0%), unsurprisingly. Prioritizing adherence to regulations demonstrates a commitment to consumer health and potentially positions these counties for export opportunities (Uyanto, 2019). The relatively low emphasis on customer satisfaction (4.3%) and customer retention rate (9.3%) invites further exploration. Perhaps these counties operate primarily in business-to-business (B2B) markets, where long-term relationships and brand loyalty hold less sway. Alternatively, it might suggest a need to invest in customer relationship management (CRM) strategies to enhance brand perception and foster customer loyalty. The inclusion of waste reduction (3.7%) is an encouraging sign, hinting

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at a nascent environmental awareness within the industry. However, this metric's low ranking suggests further optimization efforts might be beneficial, potentially leading to cost savings and improved resource management. These findings echo the findings of Bhangu et al. (2023).

This is in tandem with the findings of Chai et al. (2021), who concluded that return on equity, customer satisfaction, and employee satisfaction, measure the performance of large County in Kenya. This is in agreement with the outcome of Price et al. (2023), who observed that the financial performance of counties in Kenya, is measured through return on assets and profitability. The findings are in tandem with the findings of Ongeri and Osoro (2021), who observed that customer satisfaction plays a big role in measuring the performance of pharmaceutical counties in Kenya, who established that the performance of counties in Kenya is measured in terms of return on equity. They observed that customer retention indicates performance of food processing county in Kenya.

The findings are in tandem with the findings of Ongeri and Osoro (2021), who asserted that there are two types of performance reports, which are service and cost performance reports. The findings are in tandem with those of Bhangu et al. (2023), who found that the performance of a county is a multi-dimensional construct that is measured by customer satisfaction. According to Grabs (2020), customer satisfaction is a key performance indicator within business is often part of a Balanced Scorecard, and provides a leading indicator of consumer purchase intentions and loyalty. The result was in tandem with Pyo et al. (2023), who observed that financial leveraging positively influences financial performance of counties in Kenya and counties with effective financial leveraging mechanisms could realize an increase in their profitability.

This finding is in line with the finding of Bor, Ngugi, and Odhiambo (2021), who observed that product quality and cost management, measures the performance of food and beverage processing sector in Kenya. The result was in tandem with Pyo et al. (2023), who concluded that customer satisfaction and quality measure performance of agri-counties in Kenya. The results agreed with those who postulated that financial and cost indicators should be complemented by non-financial measures related to quality of products, delivery, and flexibility and be integrated with management's strategic objectives. According to Bhangu et al. (2023), performance indicators in agro-food counties are efficiency, flexibility, responsiveness, and food quality. They used right quality, right quantity, right source, and timeliness to measure performance of county systems in the petroleum industry in Kenya.

Table 3: Performance of County governments

Particulars	Frequency	Percentage	Cumulative Percentage
Livelihood improvements	52	17.3	17.3
JIT	72	24.0	41.3
EOQ	40	13.3	54.7
Inventory Management	28	9.3	64.0
Customer satisfaction	13	4.3	68.3
Reduction of complaints			

Reduction of Complaints

The study compared the reduction of complaints for the entire procurement centralization and the county governments. From the findings in Figure 1, it was established that the reduction of complaints for the county governments was decreasing from Kshs 4.3 million in 2023 to Kshs.2.9 million in 2023. During the same period, the entire county had increased its

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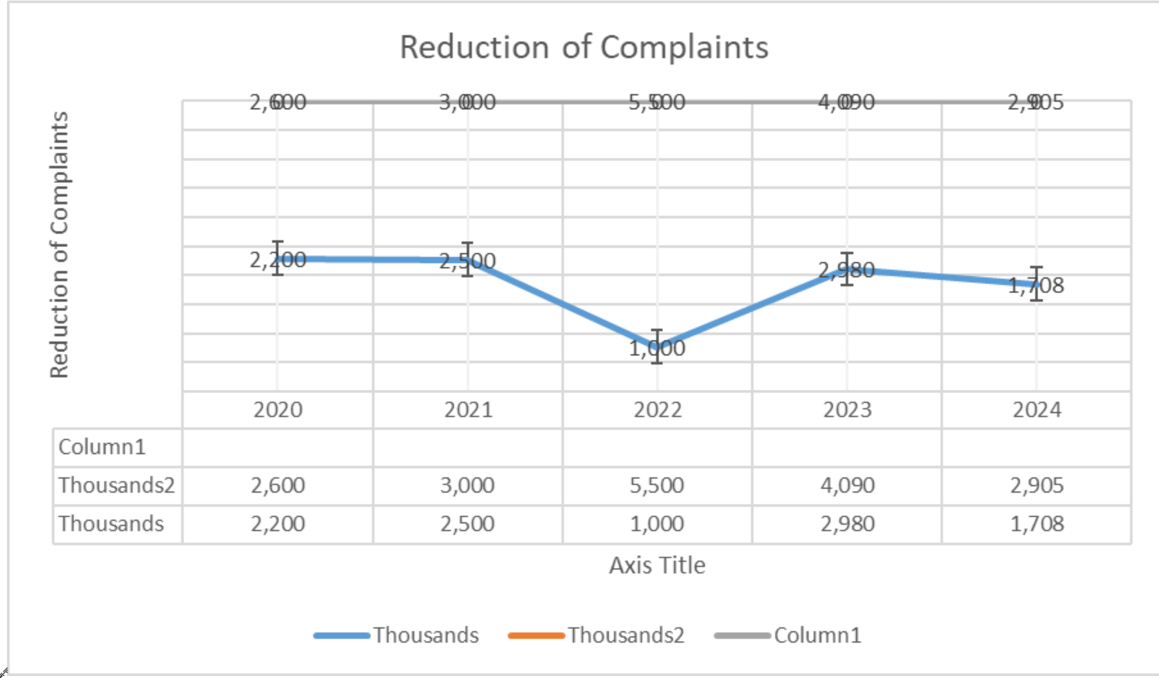
complaints from Kshs.4.3 million in 2023 to Kshs.2.5 million in 2023. Between 2023 and 2023, the county governments had their total reduction of complaints reduced from Kshs.4.3 million to Kshs.2.5 million, while the entire procurement centralization had recorded an increase in reduction of complaints from Kshs.4.8 million to 2.7 million in 2023. The result was in tandem with Pyo et al. (2023). A further decline was recorded in the county region to Kshs.2.3 million in 2023, whereas the entire sector grew their complaints to Kshs.3.5 million. This signifies that the county governments have been recording a decline in their complaints, despite the entire centralization sector growing as far as the reduction of complaints is concerned.



	2020	2021	2022	2023	2024
Column1					
Thousands2	2,600	3,000	5,500	4,090	2,905
Thousands	2,200	2,500	1,000	2,980	1,708

Figure 1: Reduction of Complaints

Customer Satisfaction

The research assessed the customer satisfaction of the county and results are presented in Figure 2. The findings show that the level of customer satisfaction in the county has been decreasing in a fluctuating way for the last five consecutive years. The result was in tandem with Pyo et al. (2023). In 2020 from 5,210 thousand to 4,140 thousand. In 2021 the same trend from 4,140 thousand to 3,890 thousand, also in 2022 from 3,100 thousand to 2,210 thousand, further in the year 2023 from 3,090 thousand to 2,050 thousand and finally in 2024 from 2,200 thousand to 1,800 thousand respectively. Customer satisfaction represents the total percentage of satisfaction that results in county governments. Further, the customer county governments give the measure of a county government relative to its revenue. These findings are in line with the findings of Ongeri and Osoro (2021).

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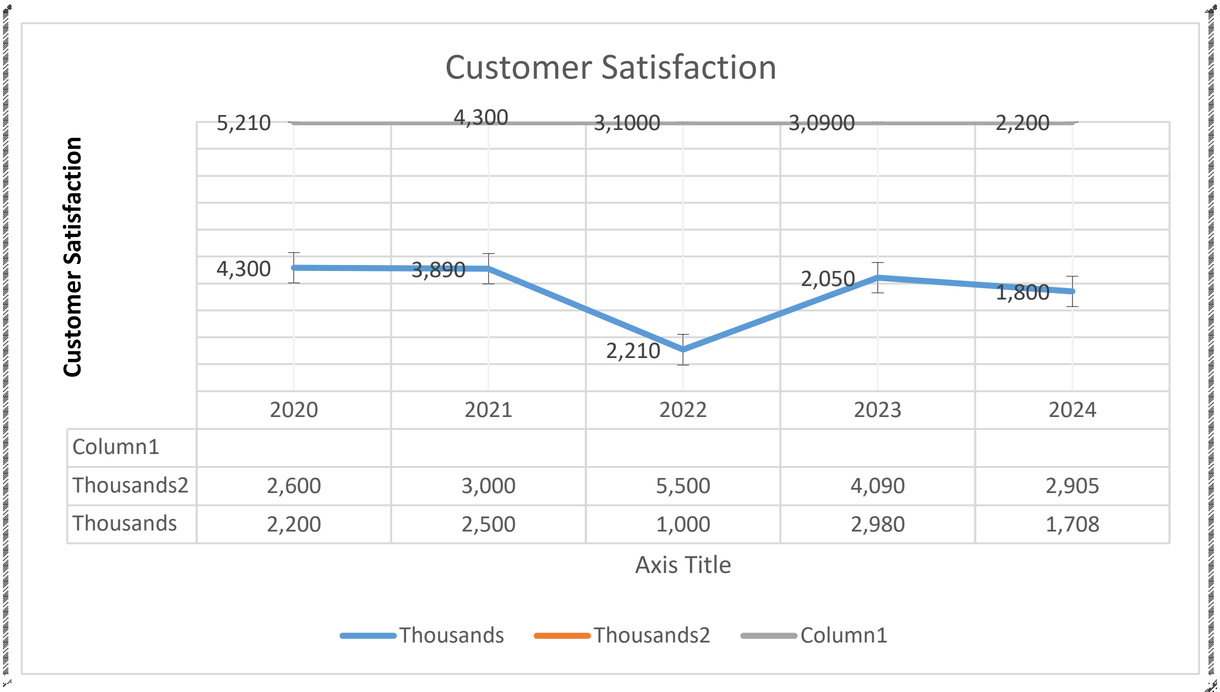

Figure 2: Customer satisfaction

Livelihood Improvement

On the level of livelihood improvement, it was established that while the entire county governments had a quantum index of 6.7% in 2023 while the county governments had a 10.2%, in 2023, the entire county declined to 3.0% while the county governments had their service decline to negative 0.20%. In 2023, the county governments increased their service to 56% but declined to 3.0% in 2023, while in the same period (2023), the entire County sector had its county governments to 6.5%. The county governments further recorded a county governments decline of 1.1% in county governments in 2023, while the entire sector had a county government index of 3.8%. From the results, it can deduce that as much as the county government food and beverage sub-sector has more decline in daily their service, implying that the sector is indeed ailing (KEBS, 2023). This outcome concurs with the finding of Ongeri and Osoro (2021) (As per Figure 3 below);

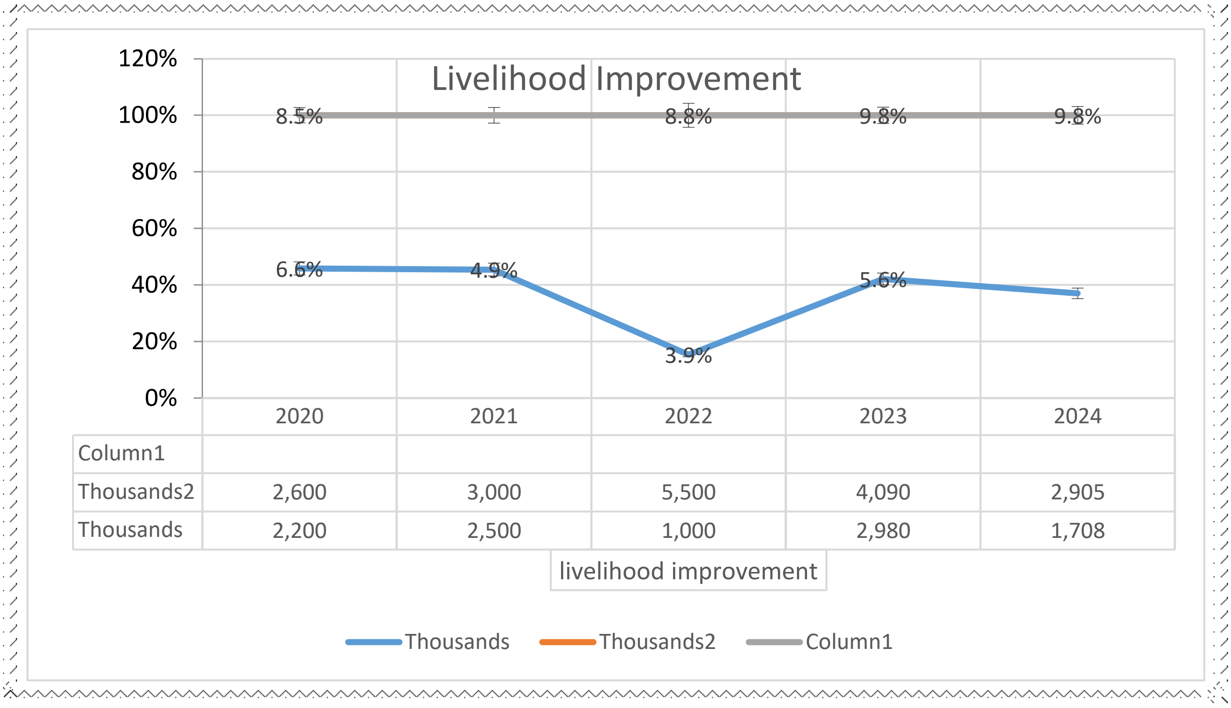

Figure 3: Livelihood Improvement

4.2 Regression Analysis of the Effect of Purchasing power on Performance of County governments in Kenya

The study sought to establish the effect of purchasing power on performance of county governments in Kenya. The literature that was reviewed in this study as well as theoretical reasoning associated purchasing power with the performance of county governments. Following the theoretical arguments, the following hypothesis was formulated and tested:

H_0: *Purchasing power does not significantly affect the performance of county governments in Kenya.*

The hypothesis was tested by running an ordinary least square regression model. The acceptance and rejection criteria were that, if the p-value is greater than 0.005, the H_0 is not rejected but if it is less than 0.05, the H_0 fails to be accepted. The model summary in Table 4 demonstrates the coefficient of determination as indicated by Adjusted R square to be 0.695 implying that 69.5% performance of county governments in Kenya is explained by purchasing power (Hammersley, 2023). While 30.5% in the variation of other factors not covered in my study. The researcher rejected the null hypothesis and considered the alternative hypothesis as purchasing power has a significant influence on performance of county governments in Kenya. Regression indicates the strength of the relationship between the independent variable and the dependent variable (performance). This is in agreement with the findings of Bareiss (2023), who observed that where the Adjusted R square value indicates a strong relationship between the independent variable and the dependent variable, then the null hypothesis is rejected and the alternative hypothesis is considered.

This finding is in agreement with the finding of Tenny et al. (2023), who established that purchasing power skills are critical in the successful management of procurement relationships and help in avoiding high costs of more formal inter-organizational controls leading to performance of county. It is in line with the finding of Bareiss (2023), who observed that purchasing power improves the buyer and supplier relationships to be more flexible than

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written contracts in enhancing the performance of Kenya counties. The finding agrees with the result of Tenny et al. (2023), who concluded in their study that purchasing power is effective in improving performance of counties in Kenya. The finding is in tandem with the outcome of Ongeri and Osoro (2021), who concluded that purchasing power improves public-private partnerships in the Netherlands.

The result is in tandem with the finding of Tenny et al. (2023), who observed that purchasing power is positively associated with relationship quality, relational value, and county performance. This finding that purchasing power affects the performance of county governments is in line with the finding of Bareiss (2023), who established that purchasing power is a procurement management structure used to manage the relationships between parties to a transaction and reduce opportunism to enhance performance of Chinese and Ghanaian county. It is also in agreement with the finding of Tenny et al. (2023), who observed that purchasing power structures assist in performance of Kenya counties. According to Obi *et al.* (2020), relational governance has a positive effect on county performance of counties in Ghana.

Table 4: Model Summary for Purchasing power and Performance of County governments in Kenya

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.718[a]	0.695	0.514	0.21336

a. Predictor: (Constant), Purchasing power
b. Dependable Variable: Performance of county governments

In Table 5, the ANOVA was used to show the overall model significance. The hypothesis was tested by running an ordinary least square regression model. The acceptance and rejection criteria were that, if the p-value is greater than 0.05, the H_0 is not rejected but if it is less than 0.05, the H_0 fails to be accepted (Bareiss, 2023). Since the p-value is less than 0.005, then purchasing power had a significant explanatory power on performance of county governments (F=316.850 and p-value <0.05). The finding was further supported by a p-value of 0.000. The researcher rejected the null hypothesis stating that purchasing power does not influence performance of county governments in Kenya, and considered the *alternative* hypothesis since purchasing power has a significant influence on performance of county governments in Kenya.

This finding is in agreement with that finding of Tenny et al. (2023), who established that purchasing power skills are critical in the successful management of buyer-supplier relationships and help in avoiding high costs of more formal inter-organizational controls leading to performance of county. It is in line with the finding of Tenny et al. (2023), who observed that purchasing power improves the buyer and supplier relationships to be more flexible than written contracts in enhancing the performance of Kenya counties. The finding agrees with Bareiss (2023), who concluded in their study that purchasing power is effective in improving performance of counties in Kenya.

The result is in tandem with the finding of Bareiss (2023), who observed that purchasing power is positively associated with relationship quality, relational value, and county performance. This finding that purchasing power affects the performance of county governments is in line with the finding of Bareiss. (2023), who established that purchasing power is a procurement management structure used to manage the relationships between parties to a transaction and reduce opportunism to enhance performance of Chinese and Ghanaian counties. It is also in agreement with the finding of Hammersley (2023), who observed that purchasing power structures assist in performance of county governments in Kenya. The result is in line with According to Tenny *et al.* (2023), who concluded that relational governance has a positive effect on county performance of counties in Ghana.

Table 5: ANOVA Table for Purchasing power and Performance of County governments in Kenya

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	14.423	1	14.423	313.543	.000[b]
	Residual	13.565	139	0.046		
	Total	27.988	140			

a. Dependent Variable: Performance of county governments
b. Predictor: (Constant), Purchasing power

5. Conclusion

Regarding purchasing power, it could be concluded that purchasing power had a positive significant linear effect on performance of county governments in Kenya. County processes through counties are prone to vulnerabilities and disruptions emanating internally or externally to the organizations. The adoption of practices designed in county gives county governments the capacity to survive, adapt, and sustain in the event of turbulences to save the lives of vulnerable populations. Practices design enables County processes through counties to recover from inevitable risky events effectively and efficiently that minimizes wastage of scarce resources.

The findings from the study revealed the various challenges faced in the implementation of procurement centralization practices by county governments as insufficient resources, demand uncertainty, poor coordination among the County actors, indifference to development approaches, and community poverty and illiteracy. For County process county to overcome these vulnerabilities, local resource mobilization makes it possible to raise funds from local businesses, individuals, governments, and locally generated income. For this to be realized, county governments need to have a capable administration and systems that shun fraud, apparent plans, and internal credibility arising from proper design of their county.

Proper coordination of County activities and ability to forecast demand plays an important responsibility in the employment of procurement centralization practices by county governments. In addition, the increase in numbers and complexity of productions intensifies the need for the County department to include the local emergency capacity in its pre-production plan and reinforce the capacity as a part of resilient development plans. The findings of this study indicate local capacity is one of the main fields in need of improvement and on which to build in the country. To build on resilience, county governments should strive to make local capacity building an essential field in emergency response where partnerships bring together knowledge and County experience in a working relationship that is collaborative, risk implementation, and one that involves the affected populations to avert, alleviate, and prepare for productions.

County governments utilize business continuity frameworks to predict threats and come up with organized containment strategies to safeguard major proficiencies from the destructive effects of protracted shortages. Business continuity is an administrative method that detects hazards and shortcomings that might affect the consistency of organizational setups and procedures. The business continuity framework enables the organization to develop pliability and the capacity to effectively respond to crisis. By creating time for a process called business impact analysis, organizations can react swiftly and efficiently to safeguard processes thereby decreasing damages and expenditure. Sourcing officers should evaluate their weaknesses, establish the implications, and come up with strategies for operating under pressure.

6. Recommendations

The study findings indicate that County governments are not a one-man show and all the parties involved are potential effects of the operations. With the productions getting more frequent and severe, county governments that rely on global countries to secure their inbound materials and outbound product flows are highly affected. County governments need to stay resilient, no matter what hits. The study recommends that donors build and strengthen the local capacity of the affected nations and populations to prevent, prepare for, alleviate, and contain County crises, to make sure that governments and societies can efficiently perform their obligations and coordinate effectively with County actors. This also includes promotion of local industries and local supplies increasing standardizing procurement and purchasing power in the event of global county disruptions. Particularly in sudden onset crises, neighboring communities voluntarily undertake immediate County assistance. It may take some days for organized national or international County governments to get to the affected places. Local capacities save lives in the first vital hours thus responsiveness.

County governments should seek the help of technology to ensure resilience in their county. The presence of technologies such as in-memory computing and improved analytics algorithms, help organizations solve complicated county questions with ease and without wasting quality time. Rapid analysis and data accuracy are two crucial factors for organizations aiming for resilient counties. Organizations need to deploy versatile digital supply networks to be ready to deal with the unexpected and unpredictable events that continue to unfold. There is a need to reimagine County process through counties and move from a static view of county to envisioning a county as an organic system. Like dancing, there is a need to follow both established steps and improvise when necessary.

The study recommends that, in the effort to ensure purchasing power and preparedness, county managers should formulate backup or continuity plans long before production strikes to ensure minimal county disruptions. For the productions that allow for advanced warning, county managers can proactively reroute supplies to other ports or roads, stock up on parts for production, and communicate with beneficiaries and vendors. When emergency county management is involved, a fraction of alertness could save the day. Investing seemingly small portions of time and resources for the sake of being prepared can prove to be a great decision when production occurs, reducing the effect on people and infrastructure.

The study recommends the use of outsourcing, spare capacity, and use of local suppliers to mitigate against County processes through county vulnerabilities. In addition, county professionals should come up with new ways of predicting demand in a volatile, uncertain, complex, and ambiguous environment learning from data from previous productions. County process county actors need to be familiar with county vulnerabilities and the implications to the community and its lifelines so they can come up with reliable plans for responding to productions and adapt easily in times of crisis.

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