

**EFFECTS OF RISK MANAGEMENT PRACTICES ON PROCUREMENT  
PERFORMANCE IN KENYA**

**(A Case Study of Kenya Medical Supplies Agency)**

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## ABSTRACT

This study was conducted to unravel the utilization of risk management practices on procurement activities in business organizations in Kenya. It was particularly to assess the effects of risk identification, risk analysis, risk evaluation and risk mitigation on procurement performance in terms of assured supplies, improved quality of products, enhanced profitability and sustainability of suppliers and products. The study used simple random method to select a sample of 46 employees from a population of 120. Questionnaires were distributed and 28 were fully completed and returned. This formed 59% of the population and it was found to be sufficient for the study. It was appropriate for the researcher to use descriptive research design as all the respondents did was describe the effects of risk management practices on procurement performance. This method was appropriate because it ensured law of statistical regularity.

The findings were that risk identification affects the procurement performance according to the entire 100% of the respondents. This was especially on daily operations of procurement such as sourcing, purchasing, supply and delivery, planning of budget and bidding process. Risk analysis influenced procurement performance according to 36% of the respondents. This was especially when dealing with bidding process, suppliers' capacity to deliver and cost of building supplier capacity. Risk evaluation affected procurement performance according to 68% of the respondents especially on warehousing and distribution of products. Risk mitigation according to 68% of the respondents affected procurement performance especially in budget allocations, quality of staff, strategic management and planning. It would help minimize or eliminate unacceptable risks associated with procurement operations such as warehouse rentals increasing, budget allocation and distribution of products. Hence avoid, reduce and transfer such risks to other departments or partners affecting the impact it would have on procurement performance.