

FACTORS INFLUENCING RISK MANAGEMENT IN CONSTRUCTION PROJECTS IN THE PETROLEUM INDUSTRY IN KENYA

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ABSTRACT

In the Petroleum Industry worldwide, many negative safety incidents have occurred during the implementation of construction projects. Project Risk Management can play a key role in reducing the occurrence of such incidents. However, past research has established that project risk management has not been well integrated into project management, leading to a negative impact on the safety objective in many construction projects. The problem that this study sought to address is the occurrence of incidents in projects undertaken by contractors in the Petroleum Industry in Kenya and how such incidents can be reduced by the integration of Project Risk Management into the management of construction projects. The objective of the study was to determine the factors that influence construction projects risk management in the Petroleum

Industry in Kenya. Knowledge of these factors and the implementation of the recommendations of this study can contribute towards the reduction of the occurrence of such incidents. The methodology used was a census survey of the project managers of the various contractors working for the petroleum Industry in Kenya using a questionnaire. The study found that there is a significant relationship between training of project managers on project risk management and risk management practice in construction projects in the Petroleum Industry in Kenya. Even though most contractors indicated that their project managers were trained in risk management, this training is not structured and often depends on training offered occasionally by the Petroleum Companies or on-the-job training. Important aspects of training that influence risk management were found to be training policy, type of training offered and the implementation of the learning at the workplace. The study also found that there is a significant relationship between attitude towards risk and risk management in the Petroleum Industry in Kenya. Safety committee meetings, incident reporting and executive management support for safety were found to be important aspects that influence risk management to a large extent. Lastly the study found that most companies rarely carried out all steps of project risk management which ought to include planning risk management, risk identification, risk analysis, risk response and risk monitoring and control. They were weak in planning risk management, risk response and risk monitoring and control.

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