

**DETERMINANTS OF EFFECTIVE PROCUREMENT PERFORMANCE IN OIL INDUSTRY IN  
KENYA: A CASE OF KENYA PIPELINE CORPORATION**

**Fabian Spencer**

Msc. Procurement and Logistics,

Jomo Kenyatta University of Agriculture & Technology

**Dr. David Kiarie Mburu**

Lecturer,

Jomo Kenyatta University of Agriculture and Technology

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## **ABSTRACT**

**Public procurement is key to government service delivery, yet constraints affect its performance. Procurement is perceived as prone to corruption; occasioning waste and affecting quality of service and life improving opportunities. There is need to reverse this worrying trend and win public confidence. Despite Government efforts to improve the procurement system, it is still marred by shoddy works, poor quality goods and services. Improper implementation of recommended performance standards results in unnecessarily high operation costs, uncoordinated business activities, inability to achieve domestic policy goals, and**

failure to attract and retain professionals. Suppliers complain about the capability of public sector buyers. Procurement performance encompasses the whole process of acquiring property and/or services and it begins when an agency has identified a need and decided on its procurement requirement. Prudent management of public procurement systems has been identified as very important to accelerated national development and organizations have realized that proper and sound procurement management is very essential.

The ability to realize procurement goals is influenced by professionalism in procurement planning, staffing levels – training and budget resources, contracts management, government procurement regulations. This study was guided by the following specific objectives: to assess the influence of the use of information technology, employee competence, quality management systems and supplier relationship management on effective procurement performance in KPC. Descriptive research design was used for the study.

The target population for this study was 100 procurement personnel from five depots who are contracted to execute procurement services at Kenya Pipeline Company. Primary data was collected using questionnaires and SPSS was used for analysis.

The study found that adoption of E-technology system on computerized tender process leads to better customer satisfaction . Also the study indicates that the lead time management influence on storage costs reduction . Again training and career development

**influence**

**procurement performance**

**and training reduces the breach of contract and motivation of employees**

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**The most important functions of procurement management in quality work and also being able to motivate procurement employees and promote their morale in organization.**

**T**

**he extent of**

**any organization**

**success depends on it and as well as developing the supplier relations is important. Understanding your suppliers and utilizing your suppliers mutual competition has proven to be a very effective way of supplier relationship development. The study recommend the organization to practice E-procurement and automate all the procurement process. The**

**study**

**recommends further research on**

**effective procurement performance**

**based on, inventory management, Outsourcing and third party Logistics.**

**From the finding the study shows that employee competence influences the effective procurement performance most followed by Quality management systems, Information technology and finally Supplier relationship management.**

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