

ABSTRACT

Success of any given organization depends on the strategic management of all key functions and procurement is one of them. KEMRI works to advance health through high quality medical and social research, health care services, and training in collaboration with local partners in Kenya and internationally. However, KEMRI has been facing some problems in its procurement function including wrong specifications of required supplies, long lead time, poor quality of supplies and over expenditure on the organization's budget, these challenges leads to failure in running clients test in good time and offering treatment while these are part of the core business of KEMRI. The purpose of this study was to analyze factors influencing effective procurement process. The objectives of the study were to establish the influence of supplier relationship management on effective procurement process, to establish effect of global sourcing on effective procurement process and to determine the contribution of tendering process on effective procurement process. The study was anchored on contingency theory. Correlation research design was adopted and a census survey was used to collect data from the 40 procurement staff was involved. Quantitative primary data was collected using self-administered questionnaires while secondary data was collected from relevant documents. Validity of questionnaire was confirmed by research experts while reliability was determined using Cronbach alpha and an alpha coefficient of 0.75 was obtained. Data were analyzed using regression analysis. The study found that there was low after sale service offered to KEMRI by the suppliers at 40.5%. The study found that 43.2% of respondents confirmed that there was high frequency of rejection of goods due to non-conformity with standards and there were considerably high instances of failure to fulfill orders among suppliers. Generally, the study found that improvement in SRM could lead to reduction on procurement expenditure and that there was a statistical significant relationship between supplier relationship management and effective procurement process of ($B_1=0.29$, $P<0.05$). 86.5% of respondent found that goods sourced internationally took long to be delivered indicating that there was an evident delay in delivery of procured products. 45.9% found that global sourcing was a challenge that KEMRI was facing. Further; relationship between global sourcing and effective procurement was statistically significant ($B_2=0.224$, $P<0.05$). The relationship between tendering process and effective procurement was statistically significant ($B_3=0.311$, $P<0.05$). The study concluded that there was low after sales service while international sourcing took long to deliver goods and lastly tendering process at KEMRI Kisumu County was not effective due to low level of transparency and accountability of the process and failure by the firm to prepare the procurement progress reports as required by the organizational tendering policy. The study recommends that accountability and measurement of goals and results need to be considered since they affect effective procurement process at any organization. Adequate controls should be put in place reducing opportunities for corruption. The study further recommends the organizations such as KEMRI to adopt ICT, this will enhance the process of effective tendering through advertising, sourcing reviews, prequalification, potential for cost savings and greater awareness of new development. Further research should be done on the impact of ethical practices in tendering process and how it affects the Kenyan economy and a similar study may also be carried out in other organizations to establish whether the findings are similar as those generalized in this study.