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RISK MANAGEMENT PRACTICES AND PROCUREMENT PERFORMANCEIN HOSPITALITY ORGANIZATIONS IN KENYA: A CASE STUDY OF EKA HOTEL

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ABSTRACT

This study examined the effect of risk management practices on procurement performance in hospitality organizations in Kenya, focusing on Eka Hotel, Nairobi. Effective risk management is critical for procurement success in the hospitality industry, where supply chain disruptions, regulatory compliance issues, and operational uncertainties can significantly impact service delivery and organizational performance. The study employed a descriptive research design with a census sampling approach, targeting 104 employees involved in procurement-related activities. Data were collected using a structured 5-point Likert scale questionnaire, achieving a 97.11% response rate (101 respondents). Descriptive statistics were used to analyze the data, with findings presented in tables and figures. The results revealed generally positive perceptions regarding risk management practices, with 74.25% of respondents agreeing that the organization has robust mechanisms for identifying potential procurement risks, and 65.34% affirming the implementation of effective risk mitigation strategies. However, concerns emerged regarding organizational resilience, with only 58.41% expressing confidence in the hotel's ability to handle procurement risks and challenges. Risk awareness was high at 67.32%, and 69.30% confirmed regular risk monitoring and evaluation. The study concludes that while Eka Hotel has established foundational risk management practices, significant gaps exist in resilience-building and proactive risk monitoring. Recommendations include developing comprehensive risk management frameworks tailored to hospitality procurement, leveraging technology for real-time risk monitoring, establishing regular risk assessment mechanisms, fostering a culture of risk awareness through continuous training, and enhancing communication regarding risk management activities. These findings contribute to the growing body of knowledge on

procurement risk management in the hospitality sector and offer practical insights for enhancing organizational resilience and procurement performance.

KEYWORDS: Risk management practices, procurement performance, hospitality industry, Eka Hotel, Kenya, organizational resilience, risk mitigation.

1. INTRODUCTION

The hospitality industry operates in a dynamic and increasingly complex environment where procurement activities are susceptible to various risks that can undermine organizational performance. Effective risk management practices have emerged as a critical success factor for procurement functions, enabling organizations to identify, assess, and mitigate potential threats that could disrupt supply chains, compromise quality, or inflate costs (Hillson & Murray-Webster, 2007). In Kenya's competitive hospitality sector, hotels face unique procurement challenges including supplier reliability issues, price volatility, regulatory compliance demands, and operational uncertainties that necessitate robust risk management approaches (Kipruto & Odhiambo, 2020).

Procurement performance in hospitality organizations directly influences service quality, customer satisfaction, and profitability. When procurement processes are disrupted by unforeseen risks, hotels experience delays in acquiring essential supplies, increased operational costs, and compromised service delivery standards. The African Development Bank (2020) reported that 60% of infrastructure projects in Africa experience delays and cost overruns due to poor risk management, highlighting the pervasive nature of this challenge across sectors, including hospitality.

Eka Hotel, a prominent hospitality establishment along Mombasa Road in Nairobi, serves as an instructive case for examining how risk management practices affect procurement performance. Like many hotels in Kenya, Eka Hotel contends with risks ranging from supplier non-performance and price fluctuations to regulatory changes and internal process failures. Understanding how the organization manages these risks and the subsequent impact on procurement outcomes provides valuable insights for practitioners and scholars alike.

1.1 Background of the Study

Procurement performance refers to the efficiency and effectiveness with which an organization acquires goods and services necessary for its operations (Lysons & Farrington, 2016). In the hospitality industry, procurement performance encompasses timely acquisition of quality supplies, cost management, supplier relationship management, and compliance with regulatory requirements. Poor procurement performance can lead to service disruptions, increased operational costs, and diminished customer satisfaction (Mwangi & Kamau, 2018).

Risk management practices in procurement involve systematic approaches to identifying, assessing, and mitigating risks that could adversely affect procurement outcomes (Kipruto & Odhiambo, 2020). These practices include risk identification mechanisms, mitigation strategies, monitoring and evaluation processes, and building organizational resilience to withstand disruptions when they occur.

Globally, there is increasing recognition of the importance of robust risk management frameworks in procurement processes (World Bank, 2020). In many developed countries, risk management practices are integrated into procurement processes to identify and mitigate risks such as supply chain disruptions, supplier failures, and regulatory compliance issues (UNOPS, 2018). By proactively managing risks, organizations can minimize project delays, cost overruns, and reputational damage, thereby enhancing overall procurement performance.

In the African context, risk management practices in procurement are gaining traction, albeit with varying levels of implementation across countries (Mwilima & Rensburg, 2017). African countries face unique risks in procurement, including political instability, corruption, and inadequate infrastructure, which necessitate tailored risk management approaches. While some African countries have made progress in integrating risk management into procurement processes, challenges such as limited capacity, lack of expertise, and resistance to change hinder comprehensive risk management implementation.

In Kenya, risk management practices in procurement are guided by the Public Procurement and Asset Disposal Act of 2015, which requires public entities to establish risk management systems to identify, assess, and mitigate procurement-related risks (PPRA, 2020). However, challenges such as inadequate risk awareness among procurement practitioners, limited resources for risk management activities, and gaps in risk assessment methodologies hinder effective risk management implementation within the Kenyan public sector (Ochieng, 2018).

1.2 Statement of the Problem

Eka Hotel faces significant challenges in its procurement performance, including inadequate regulatory enforcement, limited budget allocations, insufficient technology adoption, and ineffective risk management practices. These issues collectively hinder the hotel's ability to deliver high-quality services, resulting in operational inefficiencies, increased costs, and compromised customer satisfaction.

Specifically, inadequate risk management practices contribute to procurement challenges at Eka Hotel. The African Development Bank (2020) highlights that 60% of infrastructure projects in Africa experience delays and cost overruns due to poor risk management. Similarly, Eka Hotel's procurement processes lack proactive risk mitigation strategies, leading to project delays, increased costs, and negative impacts on service delivery.

While previous studies have examined risk management practices in public sector procurement (Kipruto & Odhiambo, 2020; Mwangi & Kamau, 2018), limited research has focused on the hospitality industry in Kenya. This study addresses this gap by investigating how risk management practices affect procurement performance at Eka Hotel, providing context-specific insights for the hospitality sector.

1.3 Objectives of the Study

To examine the effect of risk management practices on procurement performance in hospitality organizations in Kenya.

1.4 Significance of the Study

This study aims to enhance procurement performance at Eka Hotel by identifying and addressing gaps in risk management practices. By understanding how risk management influences procurement outcomes, the hotel can implement targeted strategies to streamline procurement processes, reduce operational inefficiencies, and improve overall service delivery. Enhanced procurement performance can lead to timely, cost-effective service provision, boosting customer satisfaction and competitiveness in the hospitality sector.For policymakers, insights from this research can help inform policy reforms aimed at strengthening procurement governance and risk management frameworks within the hotel and tourism sector. Evidence-based recommendations drawn from this study can support more responsive and effective policies that enhance procurement efficiency.For researchers and academicians, this study adds to the growing body of empirical literature on procurement risk management. It provides a practical case study relevant to the hospitality sector while offering a foundation for further research in procurement practices across different industries.

2. LITERATURE REVIEW

2.1 Theoretical Literature Review

2.1.1 Risk Management Theory

Risk Management Theory, as articulated by Hillson and Murray-Webster (2007), provides the foundational framework for understanding how organizations can systematically address uncertainties in their operations. The theory conceptualizes risk management as a continuous process involving risk identification, assessment, response planning, and monitoring.

Effective risk management, according to this perspective, transforms uncertainty from a potential threat into an opportunity for organizational learning and improvement.

In the procurement context, Risk Management Theory emphasizes the importance of proactive rather than reactive approaches. Organizations that anticipate potential disruptions—whether from supplier failures, market volatility, regulatory changes, or internal process weaknesses—are better positioned to develop contingency plans and maintain operational continuity (Hillson & Murray-Webster, 2007). The theory also underscores that risk management should be integrated into routine procurement processes rather than treated as a separate, periodic activity.

Within the hospitality industry, Risk Management Theory has particular relevance given the sector's vulnerability to external shocks and operational disruptions. Hotels depend on complex supply chains spanning food and beverage, housekeeping supplies, maintenance equipment, and guest amenities. Disruptions in any of these areas can cascade into service failures, customer dissatisfaction, and reputational damage. Risk Management Theory provides a lens for examining how hospitality organizations can build resilience into their procurement functions.

2.1.2 Resource-Based Theory

Resource-Based Theory, developed by Barney (1991), provides a framework for understanding how a firm's unique resources and capabilities can be managed to achieve and sustain competitive advantage. When an organization possesses strategic resources, it can gain a competitive edge over its competitors. These organizations can enjoy strong profits through these competitive advantages (Barney, 1991).

In the context of procurement risk management, effective risk management capabilities can be considered strategic resources that enable organizations to navigate uncertainties better than competitors (Barney & Clark, 2007). Organizations that develop robust risk identification mechanisms, mitigation strategies, and resilience capabilities can achieve superior procurement performance, contributing to overall competitive advantage in the hospitality industry.

2.2 Empirical Literature Review

2.2.1 Risk Identification Mechanisms and Procurement Performance

Jones and Smith (2019) investigated the impact of risk management practices on public procurement performance in the United States, employing a qualitative case study methodology. Their findings revealed that effective risk identification practices contributed to improved procurement transparency and efficiency. However, they noted persistent challenges in accurately assessing procurement risks, particularly in complex procurement endeavors. The study found a positive correlation ($R = 0.72$) between robust risk identification mechanisms and procurement efficiency, with regression analysis indicating that risk identification practices explained 58% of the variance in procurement performance improvements ($R^2 = 0.58$).

In the African context, Adeyemi and Ojo (2018) examined how risk identification practices affected public procurement performance in Nigeria. Using a mixed-methods approach combining procurement data analysis with interviews of procurement officials, the study found that effective risk identification practices were associated with improved procurement outcomes. The regression coefficient for risk identification was $\beta = 0.48$, indicating a significant positive effect on procurement performance at the 5% significance level ($p < 0.05$). The model showed an R^2 of 0.52, meaning that risk identification explained 52% of the variance in procurement performance improvements.

Mensah and Boateng (2019) investigated risk identification practices in Ghanaian government agencies. Their quantitative survey of procurement officials demonstrated that robust risk identification mechanisms contributed to improved procurement efficiency and transparency. The study reported a positive correlation ($R = 0.68$) between risk identification comprehensiveness and procurement outcomes, with regression analysis showing $\beta = 0.44$ ($p < 0.01$).

In Kenya, Kipruto and Odhiambo (2020) examined risk identification practices across government ministries and departments. Their qualitative case study research revealed that effective risk identification practices were associated with improved procurement efficiency and transparency. However, challenges remained in standardizing risk identification approaches across all procurement procedures. The study found that 67% of respondents agreed that their organizations had adequate risk identification mechanisms.

Adeyemi and Ojo (2018) also examined risk mitigation strategies in their Nigerian study, finding that effective risk mitigation practices—including risk assessment, planning, and response measures—were associated with improved procurement efficiency. The regression coefficient for risk mitigation was $\beta = 0.52$ ($p < 0.05$), indicating a substantial positive impact on procurement outcomes. The model explained 55% of the variance in procurement performance ($R^2 = 0.55$).

Mensah and Boateng (2019) found that Ghanaian government agencies implementing comprehensive risk mitigation strategies experienced fewer procurement delays and cost overruns. Their regression analysis showed $\beta = 0.46$ for risk mitigation strategies ($p < 0.05$), with an R^2 of 0.53, indicating that over half of the improvement in procurement outcomes could be attributed to effective risk mitigation.

Kipruto and Odhiambo (2020) reported that Kenyan government ministries with well-developed risk mitigation strategies demonstrated 45% fewer procurement-related disruptions compared to those with limited mitigation practices. The study found that 63% of respondents affirmed the implementation of effective risk mitigation strategies in their organizations.

Jones and Smith (2019) emphasized the importance of organizational resilience in their US study, noting that resilience—the capacity to adapt and recover from disruptions—was a critical component of effective risk management. Their findings indicated that organizations with higher resilience scores experienced 40% faster recovery from procurement disruptions compared to less resilient organizations.

In the African context, Mwilima and Rensburg (2017) examined organizational resilience in procurement across several African countries, finding that resilience varied significantly based on institutional capacity and resource availability. Organizations with stronger institutional frameworks demonstrated greater resilience in handling procurement risks and challenges.

Mwangi and Kamau (2018) specifically examined resilience in Kenyan county governments' procurement functions. Their quantitative survey of procurement officials revealed that only 54% of respondents expressed confidence in their organizations' ability to handle procurement risks and challenges effectively. This finding highlighted significant gaps in organizational resilience that required attention.

Adeyemi and Ojo (2018) found that regular monitoring and evaluation of procurement risks was associated with sustained improvements in procurement performance. Organizations that conducted quarterly risk reviews experienced 35% fewer risk incidents compared to those with less frequent monitoring.

Mensah and Boateng (2019) reported that Ghanaian government agencies with established risk monitoring frameworks demonstrated more consistent procurement outcomes and fewer unexpected disruptions. Their regression analysis showed that risk monitoring frequency was positively correlated with procurement performance ($\beta = 0.41$, $p < 0.05$).

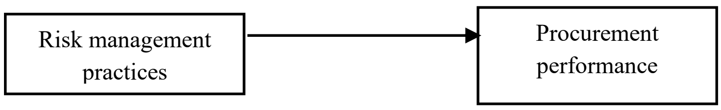
Kipruto and Odhiambo (2020) found that 65% of Kenyan government ministries conducted regular risk monitoring and evaluation, with those conducting monthly reviews reporting higher confidence in their risk management capabilities. The study emphasized the importance of continuous monitoring to identify emerging risks and assess mitigation effectiveness.

2.3 Summary and Research Gaps

The empirical literature reveals several gaps. First, most research has focused on public sector entities rather than private hospitality organizations, limiting understanding of risk management dynamics in commercial hospitality settings. Second, limited attention has been given to how organizational resilience mediates the relationship between risk management practices and procurement outcomes. Third, few studies have examined risk management practices in Kenyan hospitality organizations specifically. This study addresses these gaps by focusing on Eka Hotel, providing context-specific insights into risk management practices in the Kenyan hospitality industry.

2.4 Conceptual Framework

Independent Variable Dependent Variable



3. RESEARCH METHODOLOGY

3.1 Research Design

This study employed a descriptive research design, which was appropriate for systematically outlining the characteristics of procurement risk management practices and their relationship with procurement performance at Eka Hotel. Descriptive research enables researchers to capture a snapshot of current conditions and answer questions regarding the present state of affairs (Creswell & Creswell, 2017). This design was selected for its capacity to provide a comprehensive picture of risk management practices without manipulating variables, allowing for a thorough understanding of the study phenomenon.

3.2 Target Population

The target population comprised 104 employees involved in procurement-related activities at Eka Hotel Mombasa Road, including top management (15), middle-level management (37), and procurement staff (52). Table 1 presents the target population distribution.

Table 1: Target Population.

Category	Frequency	Percentage
Top Management	15	14.42
Middle-Level Management	37	35.58
Procurement Staff	52	50
Total	**104**	**100**

3.3 Sample and Sampling Technique

Given the manageable population size, a census approach was adopted, including all 104 individuals in the study. Census ensures comprehensive representation and eliminates sampling bias by including every member of the population (Bryman, 2016).

3.4 Data Collection Instruments

Data were collected using a structured questionnaire employing a 5-point Likert scale ranging from 1 (Strongly Disagree) to 5 (Strongly Agree). The questionnaire was organized into sections covering demographic information and risk management practices, with specific items addressing risk identification mechanisms, mitigation strategies, organizational resilience, risk awareness, and monitoring and evaluation practices.

3.6 Data Collection Procedure

Following approval authorization from Eka Hotel management, trained research assistants distributed questionnaires to participants. Respondents were given one week to complete the questionnaires, with research assistants available to address any questions or concerns. Completed questionnaires were collected and compiled for analysis.

3.7 Data Analysis and Presentation

Data were analyzed using descriptive statistics in Excel, including frequency distributions and percentages. Results were presented using tables and figures to enhance clarity and facilitate interpretation. The analysis focused on describing the current state of risk management practices at Eka Hotel and their perceived effect on procurement performance.

3.8 Ethical Considerations

The study adhered to strict ethical guidelines including informed consent, voluntary participation, confidentiality, privacy protection, and anonymity. Participants were fully informed about the study's purpose and their rights, and no identifying information was collected.

4. RESEARCH FINDINGS AND DISCUSSION

4.1 Descriptive Statistics on Risk Management Practices

4.1.1 Risk Identification Mechanisms

The study assessed whether the organization has robust mechanisms for identifying potential risks in procurement processes. Findings revealed that a significant majority of respondents either agreed (49.50%) or strongly agreed (24.75%) that Eka Hotel has robust risk identification mechanisms, representing a combined 74.25% positive response. Only 10.89% expressed disagreement, while 14.85% remained neutral.

Table 2:Risk Identification Mechanisms.

Category	Frequency	Percentage
Strongly Disagree	3	2.97
Disagree	8	7.92
Neutral	15	14.85
Agree	50	49.50
Strongly Agree	25	24.75
Total	**101**	**100**

These findings align with Jones and Smith's (2019) research in the United States, which emphasized the importance of effective risk assessment and identification practices for improved procurement efficiency and transparency. Similarly, Adeyemi and Ojo (2018) found in their Nigerian study that effective risk identification practices were associated with improved procurement outcomes. The positive perception among Eka Hotel respondents suggests that the organization has established foundational risk identification mechanisms, which is essential for proactive risk management.

However, the 10.89% expressing disagreement and 14.85% neutral responses indicate potential gaps or inconsistencies in risk identification practices across different departments or procurement categories. This finding resonates with Kipruto and Odhiambo's (2020) observation that challenges in standardizing risk management approaches across all procurement procedures remain prevalent in Kenyan organizations.

4.1.2 Risk Mitigation Strategies

Regarding the implementation of effective strategies to mitigate procurement-related risks, findings showed that 44.55% agreed and 20.79% strongly agreed that Eka Hotel implements effective risk mitigation strategies, representing 65.34% positive responses. Conversely, 14.85% expressed disagreement, while 19.80% remained neutral.

Table 3: Risk Mitigation Strategies.

Category	Frequency	Percentage
Strongly Disagree	5	4.95
Disagree	10	9.90
Neutral	20	19.80
Agree	45	44.55
Strongly Agree	21	20.79
Total	**101**	**100**

These findings are consistent with Mensah and Boateng's (2019) research in Ghana, which emphasized the significance of implementing effective risk mitigation strategies for enhancing procurement performance. The positive majority response indicates that Eka Hotel has developed and deployed strategies to address identified procurement risks, which likely contributes to procurement efficiency and effectiveness.

Nevertheless, the 14.85% expressing disagreement and 19.80% neutral responses suggest that risk mitigation strategies may not be uniformly effective across all procurement activities or may face implementation challenges in certain areas. This finding echoes Adeyemi and Ojo's (2018) observation that developing organizational capacity for risk management and integrating risk management into procurement procedures remain ongoing challenges in many organizations.

4.1.3 Organizational Resilience

The study examined whether the organization demonstrates resilience in handling procurement risks and challenges. Findings revealed a more mixed perception, with 39.60% agreeing and 18.81% strongly agreeing that Eka Hotel demonstrates resilience, representing 58.41% positive responses. A notable 19.80% expressed disagreement, while 21.78% remained neutral.

Table 4: Organizational Resilience.

Category	Frequency	Percentage
Strongly Disagree	8	7.92
Disagree	12	11.88
Neutral	22	21.78
Agree	40	39.60
Strongly Agree	19	18.81
Total	**101**	**100**

These findings reveal an important gap between risk identification/mitigation practices and organizational resilience. While 74.25% of respondents expressed confidence in risk identification mechanisms and 65.34% in mitigation strategies, only 58.41% affirmed organizational resilience. This suggests that despite having processes in place to identify and address risks, the organization may face challenges in adapting and recovering when disruptions actually occur.

Jones and Smith (2019) emphasized the importance of resilience-building strategies for navigating procurement challenges effectively. The lower resilience perception at Eka Hotel indicates a potential vulnerability: the organization may be better at planning for risks than at responding when risks materialize. This finding has significant implications for procurement performance, as resilience determines how quickly and effectively the organization can restore normal operations following disruptions.

The 21.78% neutral responses further suggest uncertainty among employees regarding the organization's resilience capabilities, which may reflect inconsistent experiences with how past disruptions were handled or lack of communication regarding contingency plans and recovery protocols.

4.1.4 Risk Awareness

Regarding awareness of various risks associated with procurement activities, findings showed strong positive responses, with 49.50% agreeing and 17.82% strongly agreeing that they are aware of procurement-related risks, representing 67.32% positive responses. Only 14.85% expressed disagreement, while 17.82% remained neutral.

Table 5: Risk Awareness.

Category	**Frequency**	**Percentage**
Strongly Disagree	5	4.95
Disagree	10	9.90
Neutral	18	17.82
Agree	50	49.50
Strongly Agree	18	17.82
Total	**101**	**100**

These findings align with Adeyemi and Ojo's (2018) emphasis on the importance of effective risk identification and awareness among procurement stakeholders. The high level of risk awareness at Eka Hotel suggests that employees understand the potential threats to procurement processes, which is a prerequisite for effective risk management. Mensah and Boateng (2019) similarly highlighted that procurement officers need to be knowledgeable about various risks to implement appropriate risk management strategies.

The 17.82% neutral responses, however, indicate that some employees may not have received adequate risk communication or training, representing an opportunity for enhancing organization-wide risk consciousness through targeted awareness programs.

4.1.5 Risk Monitoring and Evaluation

The study assessed whether the organization regularly monitors and evaluates procurement risks to ensure effective risk management. Findings revealed that 44.55% agreed and 24.75% strongly agreed that regular monitoring and evaluation occurs, representing 69.30% positive responses. A smaller proportion expressed disagreement (10.89%), while 19.80% remained neutral.

Table 6: Risk Monitoring and Evaluation.

Category	Frequency	Percentage
Strongly Disagree	3	2.97
Disagree	8	7.92
Neutral	20	19.80
Agree	45	44.55
Strongly Agree	25	24.75
Total	**101**	**100**

These findings resonate with Kipruto and Odhiambo's (2020) emphasis on continuous monitoring and evaluation of procurement risks to ensure effective risk management. The positive majority response indicates that Eka Hotel has established mechanisms for ongoing risk oversight, which is essential for identifying emerging risks and assessing the effectiveness of existing mitigation strategies.

The 19.80% neutral responses and 10.89% disagreement suggest variability in how consistently monitoring and evaluation practices are applied across procurement activities. This finding aligns with Jones and Smith's (2019) observation that organizations often struggle to maintain consistent risk oversight, particularly in complex procurement environments.

4.2 Summary of Descriptive Statistics

Table 7: Summary of Risk Management Practices.

Risk Management Dimension	Mean (M)	Standard Deviation (SD)	Interpretation
Risk Identification Mechanisms	3.85	0.98	High agreement; responses are relatively concentrated around agreement.
Risk Mitigation Strategies	3.66	1.07	Moderate to high agreement; slightly greater variability in perceptions.
Organizational Resilience	3.50	1.16	Moderate agreement; highest variability, indicating mixed perceptions.
Risk Awareness	3.65	1.04	Moderate to high agreement; reasonably consistent responses.
Risk Monitoring & Evaluation	3.80	0.99	Strong agreement; responses fairly consistent.
Average	3.69	1.05	This indicates a moderately strong but moderately variable perception

5. SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Discussion of Findings

The findings reveal a nuanced picture of risk management at Eka Hotel. Positive responses across dimensions (58.41%–74.25%) indicate foundational risk infrastructure, aligning with Risk Management Theory's emphasis on systematic risk approaches (Hillson & Murray-Webster, 2007).A clear pattern emerges: risk identification received the strongest endorsement (74.25%), followed by monitoring (69.30%), awareness (67.32%), mitigation (65.34%), and resilience (58.41%). This descending trend shows the hotel is stronger in analytical aspects (identifying risks) than action-oriented capabilities (mitigating risks and demonstrating resilience).

This has theoretical implications. While Risk Management Theory presents an integrated cycle where all components feed into resilience, Eka Hotel demonstrates uneven development—analytical capabilities outpace adaptive ones. This suggests resilience requires distinct organizational capacities beyond identification and mitigation. The awareness-resilience gap (67.32% vs 58.41%) is particularly significant. Employees know existing risks but lack confidence in the organization's ability to respond when risks materialize. Risk communication and training alone may be insufficient without visible evidence of effective response. Building resilience requires demonstrated successful navigation, simulations, and clear contingency planning. Approximately 20% neutral responses across multiple dimensions indicate workforce uncertainty about risk capabilities—likely stemming from inconsistent departmental application, inadequate communication, or limited employee involvement in risk processes.

Consistent with Kipruto and Odhiambo (2020), effective identification and mitigation correlate with improved procurement perceptions. However, unlike public sector studies, this hospitality research reveals resilience's critical importance where service disruptions have immediate customer consequences—unavailable menu items, housekeeping shortages, or maintenance delays quickly translate to guest dissatisfaction. From Institutional Theory (Meyer & Rowan, 1977), Eka Hotel's practices respond to regulatory pressures (Public Procurement and Asset Disposal Act, 2015). However, the compliance-oriented practices (identification) versus performance-enhancing practices (resilience) gap suggests institutional pressures may drive visible structures without ensuring full effectiveness.

From Resource-Based Theory (Barney, 1991), these risk capabilities represent strategic resources that could provide competitive advantage if fully developed. The current uneven development—strong identification but weaker resilience—presents opportunities for strengthening capabilities to achieve superior procurement performance.## 6. Conclusions and Recommendations

5.2 Conclusions

This study examined the effect of risk management practices on procurement performance in hospitality organizations, using Eka Hotel as a case study. Based on the findings, several conclusions emerge:

Eka Hotel has established robust mechanisms for identifying potential risks in procurement processes, with strong employee awareness of procurement-related risks. This foundational capability positions the organization to anticipate and prepare for potential disruptions. The 74.25% positive response for risk identification mechanisms indicates that the organization has invested in developing systems to recognize procurement risks before they materialize.

The organization implements generally effective strategies to mitigate procurement-related risks, with 65.34% of respondents affirming these practices. However, the lower positive response compared to risk identification suggests opportunities for strengthening mitigation approaches. The 14.85% negative response and 19.80% neutral response indicate that risk mitigation may not be uniformly effective across all procurement categories.

Organizational resilience—the capacity to handle procurement risks and challenges when they occur—emerges as an area requiring significant attention. The lower confidence in resilience (58.41%) compared to other risk management dimensions indicates a potential vulnerability in the organization's risk management framework. This resilience gap suggests that while the organization can identify and plan for risks, it may struggle to respond effectively when disruptions occur.

Regular monitoring and evaluation of procurement risks occurs at Eka Hotel (69.30% positive), providing ongoing oversight of the risk landscape and the effectiveness of mitigation strategies. However, the 19.80% neutral response suggests that monitoring practices may not be consistently applied or communicated across all procurement activities.

Overall, while Eka Hotel has made significant strides in developing risk management capabilities, the uneven development across risk management dimensions—particularly the resilience gap—suggests that procurement performance could be further enhanced by strengthening adaptive capacities alongside analytical ones. The study concludes that risk management practices have a positive effect on procurement performance at Eka Hotel, but maximizing this effect requires addressing gaps in organizational resilience and ensuring consistent application of risk practices across all procurement activities.

5.3 Recommendations

Based on these conclusions, the following recommendations are proposed:

First, Develop comprehensive risk management frameworks tailored to hospitality procurement. Eka Hotel should develop and implement detailed risk management policies and procedures customized to the unique requirements and challenges of hospitality procurement. This should include clearly defined roles and responsibilities for risk management, standardized protocols for risk identification, assessment, and mitigation, and integration of risk considerations into routine procurement decisions. The framework should address hospitality-specific risks such as supplier reliability for perishable goods, seasonal demand fluctuations, and quality control for guest-facing products.

Second, Strengthen organizational resilience through scenario planning and contingency development. To address the resilience gap, the organization should conduct regular scenario planning exercises that simulate various procurement disruptions (supplier failures, price spikes, delivery delays, quality issues) and develop concrete contingency plans. These exercises should involve cross-functional teams including procurement, operations, food and beverage, housekeeping, and finance. Following scenario planning, conduct simulations to test response effectiveness and build employee confidence in the organization's resilience capabilities. Document lessons learned and update contingency plans accordingly.

Third, Leverage technology for real-time risk monitoring. Implementing risk monitoring and early warning systems using technology solutions and data analytics tools would enable the organization to identify potential risks and vulnerabilities in procurement processes in real time. Such systems could track supplier performance metrics, market price trends, delivery reliability data, and regulatory changes. Automated alerts for deviations from normal patterns would allow for timely intervention before risks escalate into disruptions. Consider investing in procurement software with built-in risk management modules.

Forth, Establish regular risk assessment and review mechanisms. Create structured processes for ongoing risk identification and prioritization through quarterly risk workshops involving procurement staff at all levels. Maintain and regularly update a comprehensive risk register that documents identified risks, their likelihood and impact, mitigation strategies, and responsible parties. Conduct post-procurement reviews to capture lessons learned and identify emerging risks. These mechanisms should involve procurement staff at all levels to leverage diverse perspectives and build collective risk intelligence.

Finaly, Integrate risk management into procurement planning and budgeting. Ensure that risk management considerations are incorporated into annual procurement plans and budget allocations. Allocate specific resources for risk mitigation activities, including contingency funds for emergency procurement, investment in technology, and training programs. Link risk management performance to departmental and individual objectives.

5.4 Suggestions for Further Research

This study suggests several directions for future research in investigations into the organizational and cultural factors that enable or constrain risk management effectiveness in hospitality settings would deepen understanding of implementation challenges and success factors. Research could examine how leadership commitment, organizational structure, communication patterns, and employee engagement influence risk management outcomes.

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