

THE STRATEGIC ROLES AND IMPACTS OF PERSONNEL IN ORGANISATIONAL PROCUREMENT MANAGEMENT

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Abstract

Procurement management is a critical organizational function that ensures the timely acquisition of goods, services, and works while optimizing costs and maintaining quality standards. Personnel involved in procurement are responsible for maintaining transparency, accountability, and efficiency in all procurement processes.

This article explores the strategic roles and impact of personnel in organizational procurement management, emphasizing how their decisions influence supplier relations, cost management, operational efficiency, and risk mitigation. It highlights the significance of well-trained and professional procurement personnel in enhancing organizational competitiveness and sustainability.

Through detailed theoretical, conceptual, and empirical analysis, the study demonstrates that investing in procurement personnel positively impacts organizational performance, strategic decision-making, and operational excellence. The findings underscore the necessity of ongoing training, professional development, and technological support for procurement staff.

Keywords

Procurement management, procurement personnel, organizational performance, strategic procurement, supply chain management, professional development, supplier relations, risk management.

Introduction

“Procurement management is a vital component of modern organizations, enabling the acquisition of goods and services necessary for operational and strategic goals” (Lysons & Farrington, 2016). “The role of procurement personnel has evolved from simple administrative duties to strategic functions that directly influence organizational efficiency, competitiveness, and sustainability” (Monczka et al., 2015).

“Personnel in procurement are tasked with developing procurement strategies, selecting appropriate suppliers, negotiating contracts, monitoring compliance, and evaluating procurement outcomes” (Baily et al., 2015). “Their expertise ensures that organizational procurement aligns with both short-term operational requirements and long-term strategic objectives” (Van Weele, 2018).

“In today’s dynamic business environment, procurement personnel must possess advanced analytical skills, negotiation capabilities, and knowledge of procurement laws and ethical standards” (CIPS, 2020). “Organizations with skilled procurement personnel benefit from improved supplier relationships, cost reductions, risk mitigation, and enhanced organizational performance” (Thai, 2017).

Statement of Problem

“Despite increasing recognition of procurement as a strategic function, many organizations still face challenges such as poor planning, inefficiency, corruption, and inadequate supplier management” (Monczka et al., 2015). “These challenges result in higher operational costs, delayed project implementation, reduced quality of goods and services, and lower organizational performance” (Lysons & Farrington, 2016).

“One primary contributor to these challenges is the lack of adequately trained and competent procurement personnel” (Van Weele, 2018). “Organizations that assign procurement responsibilities to unqualified staff often experience poor supplier evaluation, weak contract enforcement, and increased risk of unethical practices” (Baily et al., 2015). “Addressing these challenges requires strategic interventions, including professional development programs, clear policy frameworks, technological support, and effective monitoring mechanisms” (Thai, 2017). “Without investment in skilled personnel, organizations may fail to achieve operational efficiency and strategic procurement objectives” (Christopher, 2016).

Objectives of Study

The objectives of this study are:

To examine the roles of procurement personnel in organizational procurement processes and decision-making.

To analyze the impact of procurement personnel on organizational efficiency, cost management, and performance outcomes.

To identify the challenges faced by procurement personnel and their implications for organizational success.

To provide practical recommendations for enhancing the effectiveness and strategic value of procurement personnel.

To explore how procurement personnel contribute to sustainable procurement practices and long-term organizational competitiveness.

Conceptual Review

“Procurement management is the systematic process through which organizations acquire goods, services, and works necessary to meet operational and strategic needs” (Baily et al., 2015). “It involves planning, supplier selection, negotiation, execution, and monitoring of procurement activities” (Lysons & Farrington, 2016).

Procurement planning:

“Procurement planning ensures that organizational needs are identified in advance and that resources are acquired efficiently” (Monczka et al., 2015). “Personnel evaluate market trends, budget constraints, and organizational requirements to develop procurement schedules” (Baily et al., 2015). “Effective planning minimizes delays, reduces costs, and ensures compliance with organizational policies” (Van Weele, 2018).

Supplier Relationship Management:

“Strong supplier relationships are critical for achieving quality, cost-efficiency, and timely delivery” (Lysons & Farrington, 2016). “Procurement personnel assess supplier reliability, capacity, ethical practices, and quality standards before engagement” (Monczka et al., 2015). “Maintaining open communication and collaboration with suppliers enhances trust and long-term partnerships” (Van Weele, 2018).

Procurement Ethics and Transparency:

“Ethics and transparency in procurement processes ensure fairness, accountability, and compliance with regulations” (CIPS, 2020). “Personnel must adhere to high ethical standards, avoid conflicts of interest, and enforce transparent supplier selection processes” (Thai, 2017). “Organizations that prioritize ethics in procurement enhance stakeholder trust and reduce risks of corruption” (Baily et al., 2015).

Technology in Procurement:

“Technological integration in procurement, such as e-procurement systems and digital supply chain analytics, improves process efficiency, accuracy, and traceability” (Christopher, 2016). “Personnel trained in procurement technologies can automate repetitive tasks, monitor supplier performance, and make data-driven decisions” (Monczka et al., 2015). “Digital tools also enhance record keeping and transparency, enabling better compliance and auditing” (Van Weele, 2018).

Concept of Procurement Management:

Procurement management refers to the systematic process of acquiring goods, services, and works required by an organization from external suppliers. According to Van Weele (2018), procurement management encompasses activities such as supplier selection, contract negotiation, purchasing, and supplier performance evaluation.

Baily et al. (2015) describe procurement management as a strategic function that ensures organizations obtain the best value for their expenditures. Effective procurement management helps organizations minimize costs, improve product quality, and enhance operational efficiency.

Procurement management also involves strategic sourcing, which focuses on identifying the most reliable suppliers and establishing long-term relationships with them. Monczka et al. (2016) explain that strategic sourcing enables organizations to achieve cost savings and improve supply chain performance.

Concept of Procurement Personnel:

Procurement personnel are individuals responsible for managing procurement activities within an organization. These professionals are

involved in planning procurement strategies, selecting suppliers, negotiating contracts, and ensuring compliance with procurement regulations.

According to Lysons and Farrington (2016), procurement personnel must possess a wide range of skills including negotiation skills, analytical abilities, communication skills, and ethical judgment. Their role is not limited to purchasing goods but also includes managing supplier relationships and contributing to strategic decision-making within the organization.

Roles of Procurement Personnel:

Procurement personnel perform several important roles in organizations. These include supplier selection, contract negotiation, cost management, and risk management. According to Monczka et al. (2016), procurement professionals play a key role in ensuring that organizations obtain high-quality goods and services at competitive prices.

They are also responsible for monitoring supplier performance and ensuring that suppliers comply with contractual agreements. Effective supplier management helps organizations maintain reliable supply chains and avoid disruptions in production or service delivery.

Theoretical Framework

Resource-Based View (RBV):

“Resource-Based View (RBV) theory asserts that an organization’s unique resources and capabilities can be a source of sustained competitive advantage” (Barney, 1991). “Procurement personnel are a critical organizational resource whose knowledge, skills, and experience

enable efficient procurement and strategic decision-making” (Van Weele, 2018).

“Organizations that invest in building the capabilities of procurement personnel are better positioned to reduce operational costs, improve supplier performance, and achieve strategic objectives” (Monczka et al., 2015). “RBV emphasizes that human resources, including skilled procurement staff, are valuable, rare, inimitable, and non-substitutable, making them central to organizational success” (Lysons & Farrington, 2016).

Principal–Agent Theory

“Principal–Agent Theory explains the relationship between organizational leaders (principals) and procurement personnel (agents), highlighting the need for monitoring and accountability” (Jensen & Meckling, 1976). “In procurement, principals must ensure that agents act in the organization’s best interest, follow policies, and comply with ethical standards” (Baily et al., 2015).

“Monitoring mechanisms, such as audits, performance evaluations, and reporting structures, help reduce agency problems and ensure alignment between personnel actions and organizational objectives” (Thai, 2017). “Failure to monitor procurement personnel can result in corruption, inefficiency, and poor supplier management” (CIPS, 2020).

Transaction Cost Theory:

“Transaction Cost Theory emphasizes minimizing the costs associated with procurement transactions, including negotiation, monitoring, and enforcement costs” (Williamson, 1981). “Procurement personnel reduce

transaction costs by selecting reliable suppliers, negotiating favorable terms, and ensuring contract compliance” (Lysons & Farrington, 2016).

“Efficient procurement personnel can streamline processes, reduce administrative burdens, and avoid delays or conflicts with suppliers, which directly impacts organizational performance” (Van Weele, 2018).

“Transaction cost minimization is especially important for organizations operating in competitive environments or with limited resources” (Baily et al., 2015).

Human Capital Theory

“Human Capital Theory emphasizes the importance of employee knowledge, skills, and competencies in achieving organizational goals” (Becker, 1993). “Skilled procurement personnel are capable of making informed decisions, managing suppliers effectively, and ensuring compliance with procurement policies” (Monczka et al., 2015).

“Investment in professional development, certifications, and training programs increases procurement personnel’s effectiveness and enhances organizational productivity” (CIPS, 2020). “Human capital development ensures that procurement staff are adaptable to changes in regulations, technology, and market conditions” (Christopher, 2016).

Empirical Review

“Empirical research consistently demonstrates that competent procurement personnel positively affect organizational efficiency, cost management, and supplier performance” (Baily et al., 2015).

“Organizations with professionally trained staff achieve improved procurement planning, better negotiation outcomes, and enhanced operational control” (Monczka et al., 2015).

“A study by Van Weele (2018) indicates that investment in procurement personnel training leads to measurable improvements in supplier

performance, risk management, and strategic alignment of procurement activities.” “Similarly, research by Thai (2017) highlights that skilled personnel enhance transparency, reduce procurement fraud, and maintain compliance with organizational and legal requirements.”

“Empirical studies also show that technology adoption in procurement amplifies the impact of personnel competence. E-procurement systems, digital supply chain monitoring, and data analytics allow personnel to track supplier performance, forecast demand, and improve cost efficiency” (Christopher, 2016). “These findings emphasize that human expertise combined with technological support produces optimal procurement outcomes” (Monczka et al., 2015).

“Organizations that prioritize procurement personnel development report higher satisfaction among internal stakeholders, better supplier relations, and measurable savings in procurement costs” (CIPS, 2020). “Overall, empirical evidence supports the strategic importance of personnel in enhancing organizational procurement management” (Baily et al., 2015). Several studies have examined the role of procurement personnel in organizational performance.

For example, a study by Thai (2009) found that organizations with well-trained procurement professionals achieved better procurement outcomes compared to those with poorly trained personnel. The study highlighted the importance of professional training and capacity building in improving procurement performance.

Similarly, Monczka et al. (2016) reported that strategic procurement management contributes significantly to cost reduction and improved supplier performance. Their research indicated that procurement professionals play a key role in implementing strategic sourcing practices.

Another study conducted by Van Weele (2018) found that effective procurement personnel contribute to improved supply chain coordination and enhanced organizational competitiveness.

The study emphasized the importance of integrating procurement strategies with overall organizational objectives.

Conclusion

Procurement management is a strategic organizational function, and personnel play a central role in achieving organizational objectives. Skilled procurement personnel improve efficiency, reduce operational costs, strengthen supplier relationships, and ensure compliance with ethical and regulatory standards.

Investing in professional development, training, and technological support enhances the effectiveness of procurement personnel and aligns procurement strategies with organizational goals. Personnel contribute not only to operational success but also to strategic decision-making, risk management, and sustainable procurement practices.

Organizations that fail to develop competent procurement personnel risk inefficiency, increased costs, supplier dissatisfaction, and reduced competitiveness. Therefore, procurement personnel are a critical determinant of organizational performance and long-term success.

Recommendation

Organizations should provide continuous professional development, certifications, and training programs for procurement personnel.

Procurement functions should be assigned to qualified and trained personnel who understand policies, procedures, and ethical obligations.

Transparent and accountable procurement systems must be established to prevent corruption and ensure fair supplier engagement.

Adoption of digital procurement tools and e-procurement platforms should be prioritized to enhance efficiency and record keeping.

Regular monitoring and evaluation of procurement personnel performance should be implemented to maintain accountability and continuous improvement.

Collaboration between procurement personnel, management, and other departments should be encouraged to ensure procurement aligns with organizational strategy.

Organizations should benchmark procurement practices against industry standards to ensure procurement personnel maintain best practices.

Investment in talent retention strategies is essential to maintain experienced procurement personnel who contribute to long-term organizational success.

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