

*Assessment of Factors Affecting Procurement Processing the case of
Jimma University*



*The Thesis Submitted To Jimma University School Of Graduate Studies
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Partial Fulfillment Of Degree Requirements Of Master Of Public
Management*

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Jimma University
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DECLARATION

I hereby declare that this thesis entitled “***Assessment of factors Affecting Procurement Process in the case of Jimma University: A Study at Jimma University College of Business and Economics, Department of Management***”, has been Carried out by me under the guidance and supervision of Dr.Chalcisa Amenti (PhD).

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ABSTRACT

The main objective of the study was to assess factors affecting procurement process in the case of Jimma University. The study was conducted to assess factors affected procurement process in employ competence, procurement planning, organizational structure and resource allocation. Descriptive research tabulation design was used in executing the study. The targeted groups of the study were top level managers, middle level managers and procurement staff who were pertinent to the procurement process, and had knowledge of procurement. The study was consisted 56 respondents 52 for questionnaires and 4 for interview, who were found in Jimma University. Accordingly, the sampled technique was purposive because implemented knowledgeable staffs. Primary data were collected using questionnaire and interview. All respondents filled in and returned the questionnaire, making the response rate 100%, according to Procurement method knowledge. Also the inferential statistics were employed in this study. According to the respondents response the study forwarded the assessment factors that were poor deals or findings in the procurement process like, Quality is not always achieved, the quality purchased goods by procurement office is not satisfied, Purchasing is not assisted by technology like computerized system, the organization not used planned job rotation results, the respondents do not believe in providing specific mechanisms can monitor and detect misconduct behaviors in their organization were found by this study in the case of Jimma University and were hampered greatly on the procurement process service delivery. Independent variables contribute in this study were only about 77.5% to the procurement process in the case of Jimma University while other factors not studied in this research contribute 22.5% of the procurement process at Jimma University. In general the results 'of this study revealed that 61% of the respondents indicated that procurement plans in the department impacted positively on procurement performance while the rest (39%) of them indicated that the procurement plans did not affect procurement performance. As a whole the study recommends that plans were not static and that preparation of annual procurement plans should be participatory, frequently reviewed so as to improve on the organization of procurement process.

Keywords: procurement process, staff competency, procurement planning, Organizational structure and resource allocation.

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TABLE OF CONTENTS

ABSTRACT	i
ACKNOWLEDGMENTS	ii
TABLE OF CONTENTS	iii
LIST OF TABLES	vi
ACRONYMS/ABRIVATIONS	vii
CHAPTER ONE	1
INTRODUCTION	1
1.2 STATEMENT OF THE PROBLEM	4
1.1 Research Questions	5
1.3 OBJECTIVE OF THE STUDY	5
1.3.1 General Objective	5
1.3.2 Specific Objective	5
1.4 SIGNIFICANT OF THE STUDY	6
1.5 SCOPE OF THE STUDY	6
1.7. ORGANIZATION OF THE STUDY	7
2.1. THEORETICAL LITERATURE REVIEW	8
2.1.1. Steps involved in a Procurement Process	8
➤ Purchase Requisition	9
➤ Review of Request	9
➤ Budget Approval	9
➤ Quotation Requests	9
➤ Negotiation & Contract	9
➤ Receive Goods/Services	9
➤ Three-Way Matching	10
➤ Record Keeping	10
2.1.2. over View of Public Procurement process	10
2.1.3. History of Public Procurement process in Ethiopia	13
2.1.3.1. Legal Framework of Public Procurement in Ethiopia	14
2.2. Empirical Literature Review	15
2.2.1. Basic Public Procurement Methods, Principles and Process	15
2.2.2. Procurement Methods	15

2.2.3. Procurement Principles	16
2.2.4. Procurement Process	18
2.2.5. Factor affecting procurement process.....	18
2.2.5.1. Procurement process planning	19
2.2.5.2. Preparation of Procurement process Plan	20
2.2.5.3. Quality Suitability and Best Buy	20
2.2.5.4. Employ competency in procurement process	21
2.2.5.5. Employee Competence.....	22
2.2.5.5.1. Implementation of Electronic Procurement System.....	23
2.2.5.5.2 Employee Competence and Implementation of E-procurement	24
2.2.4.5.3. E-procurement in County Governments	24
2.2.6. Organizational Procurement Structure in the Procurement Process	25
2.2.6.1. Centralized procurement structure.....	25
2.2.6.2. Decentralized Procurement structure	26
2.2.6.3. Factors influencing Procurement Structure.....	27
2.2.7. Resource Allocation	29
2.3. Conceptual framework	32
32	
CHAPTER THREE	33
RESEARCH METHODOLOGY.....	33
3.1 Overview.....	33
3.2 Location of the Study	33
3.3 Research Approaches.....	33
3.4. Research Design.....	34
3.5 Nature of the Data Required	34
3.6. Sampling Technique.....	35
3.6.1. Target population of the study and sample size determination	35
3.6.2. Types and source of Data.....	35
3.6.3. Data Collection Procedures	36
3.7. Methods of Data Analysis, Presentation and Interpretation.....	36
CHAPTER FOUR.....	37
DATA ANALYSIS, PRESENTATION AND INTERPRETATION.....	37
4.1 Introduction	37
4.2.1. Gender.....	37
4.3.2. Academic qualification	38

4.3.3. Status of respondents in Jimma University	38
4.3.4. Service year of respondents.....	39
4.4. Procurement planning scale rate	40
4.5. Rate of Organizational Structure	41
4.6. Resource Allocation Rate.....	43
4.7. Procurement Process Rate.....	45
4.8. Semi-structured interview questions Interpretation and Discussion	46
4.9. Correlation in independent variables	47
4.9.1. Spearman’s Rank Correlation Coefficient.....	47
CHAPTER FIVE.....	52
SUMMARY, CONCLUSION AND RECOMMENDATIONS.....	52
5.1 Summary	52
5.2.2. Effect of Resource Allocations and Procurement Performance	53
5.2.3. Staff Competency and Procurement Process	53
5.2.4. Organizational Structure and Procurement Process.....	53
5.3. Recommendation	54
5.3.1 Recommendations for Further Research.....	55
Reference	56
Questionnaires.....	59
Appendix A and B.....	

LIST OF TABLES

Table 4:1 Frequency of Gender of respondents.....	18
Table 4:2: Education levels of respondents	40
Table 4:3. Job status of respondents	41
Table 4:4. Service year of respondents in the Jimma University	41
Table 4:5. The Scale rate on procurement plan	42
Table 4: 6. The scale rate of organizational structure.....	42
Table 4:7. The scale Rate of Resource Allocation	43
Table 4:8. The Scale Rate of Procurement Process.....	45
Table 4:9. Correlation Coefficient Models	47

ACRONYMS/ABRIVATIONS

CPFR	Collaborative Planning, Forecasting and Replenishment
FPPAA	Federal Public Procurement and Property Administration Agency
EFPPD	Ethiopian Federal Public Procurement Disposal
GDP	Gross Domestic Product
JU	Jimma University
SPSS	Statistical Package for social science
PP	procurement process
PPA	Public Procurement Act
PPP	public procurement performance
PPS	Procurement System
US	United States

CHAPTER ONE

INTRODUCTION

This chapter was covered Background of the study, which gives us quick look about procurement process, problem statement, research questions, objectives, significance, and scope of the research.

1.1 Background of the study

According to understanding of globally, a critical aspect of the Global Fund's fight against the three diseases is to ensure that countries and communities have access to quality, life-saving health products in a timely manner and at a reasonable cost. Efficient and effective Procurement and Supply Chain Management (PSM) is key to achieving this objective. These days, many governments have embarked on reforms in their procurement process systems to streamline and harmonize legal and institutional framework. Procurement process is essential for the development of economies and as a result governments, policy makers, business practitioners and academia are giving it much attention than ever. (Mlinga, R ; .2009)

According to Mlinga (2012) Public procurement process is a means used to support the country's economic development and procuring entities must ensure fairness, economy, efficiency effectiveness, as well as factors affecting the process in the system. If the procurement process policy and practices ensure Transparency and Accountability, it will enhance good governance, build trust and create conducive environment between the Government, citizens, organizations and donor partners in order to help create various partnership arrangements. Evidently, in order to address the aforementioned issues the Public Procurement and Property Administration Agency was established Proclamation (649/2009) to regulate, set standards and build capacity of the procurement process personnel in public bodies.

The public procurement process spans the whole life cycle from initial conception and definition of the needs through to the end of the useful life of an asset or the end of contract. In relation to this, Public Procurement has undoubtedly become an increasing important factor in economic and business circles globally. This is evidenced by the growing interest of donors, governments, civil society, professional organizations, the private sector and the general public. A majority of

developing countries are now reforming the legal, organizational and institutional frameworks for public procurement (UNES, 2009).

As different researchers determined it, the identified assessment factors that affect the procurement process. According to (Kiage, 2013) the study conducted on Ministry of Energy in Nairobi – Kenya the major hindrances factor in public procurement performance is poor procurement planning. Resources allocations are examined under adequacy of allocation of resources budget reviews to cater for changes in the economic environment and tender award based on resources availability and confirmation. According to Kiprotich, et al.(2015), the study established in Kenya that staff competence plays a significant influence on the procurement performance, the information technology use in the public firms and quality management systems have great influence on procurement process.

According to a report prepared by the Ethiopian Procurement and Property Administration Agency, public procurement process was started in 1940 EC. Further, according to Admasu Mamo (2008) as sighted as Yirga (2011) it was established to procure military equipment and supplies for soldiers. With the responsibility laid on the then Ministry of Finance; the procured materials were stored at the Ministry's warehouse. According to the report, the improved procurement services were started in 1942 EC. In addition to military equipment, the Ministry of Finance was given the mandate to procure stationeries and cars for organizations which are financed by the regular government budget. Other public organizations didn't like to be subordinated to the Ministry and they felt dominated. In addition, the ministry didn't have skilled and qualified man power that it couldn't perform its function efficiently and effectively as expected Yirga (2011).

On the other hand when we come to the Ethiopian case, like other countries, the Governments` of Ethiopia need to adopt appropriate measures to improve management of the public procurement process systems and to ensure that public procurement is carried out fairly, openly and without discrimination against any person, group or institute. The Federal Democratic Republic of Ethiopia considers its necessity to regulate and improve the way in which the public procurement of goods, works and services is undertaken. Achieving better transparency,

efficiency, fairness and Impartiality in public procurement process in the country is among the most important Ethiopian Government Issue. (Directive, 2010), Expenditure on public procurement takes the major share of the annual Government budget and also forms a considerable portion of the GDP. More than 65% of the Annual budget of Ethiopia or 14% of the GDP goes to procurements. Thus, it still remains the most serious challenging factors and governments' difficulty that require more efforts, commitment and certain internal interventions to counter such affecting factors in the procurement process. An assessment undertaken by the Agency discovered defects in the procurement practices especially with regard to procurement planning and usage of the SBD due to poor enforcement mechanism. Thus, all the above research results revealed the wise handling of public procurement process is fundamental to achieve economic, socio-political and other government objectives.

Accordingly, unless these real factors affecting effective functioning of public procurement process practices are minimized or handled as long as possible, they may become more serious, require more resources, commitment and makes the current intent more difficult, and as a result seriously affect the emerging economy of the country. In general, public procurement process is an area in need of attention since scarce resources are not being properly managed in many countries including Ethiopia as well as major reform needs to be placed in order to improve the level of effectiveness of the public procurement process system.

In line of this to achieve the procurement process activities, procurement planning, adequate recourse allocation and value-based moral virtue is expected. The transparency of the public procurement process is critical in order to ensure that the public funds are not squandered. Based on this the purpose of this research was to assess factors affecting procurement process in the case of Jimma University. As we know Jimma University, which is located in Jimma Town, Southwest Ethiopia 345km far from the capital city.

1.2 STATEMENT OF THE PROBLEM

Practically in Ethiopia, there is a drawback in preparing and properly deploying a procurement process plan in public institutions; most organizations have been undertaking too much unjustified and unplanned purchase in each budget year (Tesfahun, 2011).

Other researchers like Getahun,(2015), tried to Assess on Procurement process Planning and Implementation Effectiveness in Ethiopia: The Case of Ministry of Urban Development, Housing and Construction, and also Tsegaye,(2017), tried to Analyze the international procurement process practices and assessment factors affecting procurement process : the case of Addis Ababa University. Even though these problems occur, there is no study that is conducted on assessment of Factor affecting Procurement Process: in case of Jimma University. Since Jimma University is one of the oldest universities in Ethiopia which performs huge procurement process activities by following least cost of government procurement process principles stated in proclamation No 17/2009. Even if there is a well-prepared procurement principle, the procurement department did not practice as stated in the procedure. Moreover, even though they have a plan, which they prepared it, based on the proclamation, they are not appropriately implementing it; definitely they were forced to undertake several fragmentary purchases which is against the plan. As stated in Thai (2005), every organization that purchases goods or services must have effective standard procurement process procedures.

Consequently, the work program of the university could be affected, and hence the organization could be failed to achieve its objective in due time. So the study title stated the assessment of factors affecting procurement process in the case of Jimma University was given some related solutions. The acquiring of goods or services with well-defined specifications or requirements and when there is enough competition to determine a fair and reasonable fixed price, these are the situations where a fixed price contract is used. These are the most common types of contracts. The seller bears additional costs if the costs are more than agreed upon costs. The buyer has the least cost risk in this type of contract. The seller is duly concerned with the specifications provided in the procurement Statement of this work as stated by different authors

Moreover, though there were a lot of international and local empirical studies on procurement and procurement performance, none of these studies focused on the influence of information technology, employee competency, organizational structure, procurement planning, resource allocation and procurement follow-up mechanism on procurement performance. Likewise, most of these studies have been conducted in other countries with varying contexts of demographics, economic, political and environmental factors and institutional settings than Ethiopian higher public education institutions. Hence their findings couldn't be generalized to the Ethiopian public higher education institutions as subject of the study. This study sought to fill this research gap by assessing the factors affecting procurement performance in government higher educational institution. To this end the investigation was attempt answering the following research questions.

Therefore, this study was identified the gap between procurement planning, organizational structure and resource allocation practices, with that of the working procurement process procedures. Hence, this study was tried to find out the link between procurement process procedures with working procurement process practices, which can then be taken up by management to make the required decisions for improving procurement process practices.

1.1 Research Questions

This study was answered the following basic questions

- How Affects Employee Competence on Procurement Process?
- What are the effects of the organizational structure on procurement process?
- What are the effects of Procurement Planning on Procurement Process?
- What are the effects of Resource allocation on Procurement Process?

1.3 OBJECTIVE OF THE STUDY

1.3.1 General Objective

The main objective of this study was to investigate *the* assessment of factors affecting Procurement Process: in the case of Jimma University.

1.3.2 Specific Objective

- To measure effects of employee competence on procurement process
- To judge effects of organizational Structure on procurement process

- To evaluate effects of procurement planning on procurement process
- To assess effects of resource allocation on procurement process

1.4 SIGNIFICANT OF THE STUDY

This research study was significant in the sense that has to put into perception the effects for public procurement process for Jimma University as whole, specially main campus, through attaining the purpose the researcher is expecting this study was benefited through put in to insight the effects for procurement process for Jimma University, The findings of the study also assisted Jimma University and other organizations to utilize the best practices as suggested throughout this study. The findings were ensured work improvements and lead to better incentives and payments achieved through better utilization of resources in regards to improving processes for procurement and general organization performance.

1.5 SCOPE OF THE STUDY

The scope of the study is limited to Jimma University. The researcher was tried to look at specifically the purchasing system on the way of procurement process, mainly on accelerated working conditions like on employee competence, on Procurement planning, on organizational structure, and on Resource allocation materials considering the assessment of factors affecting procurement process in the case of Jimma University. As a target respondent, the researcher was took managers and others who were related to procurement process.

Ideally, one to have a better picture of procurement procedure`s practice and problem on the issue but practically impossible to encompass all. It is considered that it may not be manageable in terms of time and cost to cover all procurement as it is defined in the proclamation No 17/2009 but the researcher highly focus on the local procurement process especially goods defined as stated on the proclamation No/17/2009 article one, and therefore, in order to arrive at sound conclusions on the procurement activities of the Jimma University, it would be necessary to assess the issue broadly across the University in general. However, the researcher was not able to do due to the available time and budget. Thus, the scope of the research was limited to the assessment of investigating thefactors affecting Procurement Process: in the case of Jimma University.

1.6 Limitations of the Study

It is obvious that adequate and reliable information is important to undertake any kind of study. However, the unwillingness and carelessness of some respondents while filling the questionnaires during data collection were considered as a major constraint to the study. The outcome of this study is based on sample from a single organization i.e. Jimma University. Due to constraints in terms of time and cost it was not considered samples from other universities. Therefore, it may be difficult to generalize the findings to other similar organizations. Nevertheless the result can shed some light on the nature of procurement Process among different units of the University. For the findings to be reliable more similar studies need to be replicated in similar other organizations. Another limitation of this study might be the descriptive method it employed for investigation. The other method may use more to pin point or trace factors having the most devastated effect or could be the most obstacles. Future research may look into this issue and could narrow the gap .

1.7. ORGANIZATION OF THE STUDY

This study was organized into five chapters. The first chapter entails Introduction, background of the study, Statement of the Problems, Objectives of the study, research questions, significance, and scope of the study. The second chapter is covers review of related literature. The third chapter includes the methodological issues of the study such as research design, population, sampling issues, data sources, data collection instruments, data collection procedures and data analysis methods. Chapter Four was data analysis, presentation and interpretation. Fifth chapter discuss, the summary of the findings, discussions, conclusions and recommendations.

CHAPTER TWO

2. RELATED LITERATURE REIVIEW

The purpose of this study is to examine assessment of factors affecting procurement process in the case of Jimma University. Therefore, this chapter deals with the views of different scholars on procurement process, factors associated with public procurement, basic principles and major procurement phases to be followed and implemented with the conceptual frame work views. So covers Definition and terms, theoretical views, and viewing past studies. Hence literature review is the process entailed identification, evaluating and presenting pertinent information's from other sources such as journals, magazines and other academics areas.

2.1. THEORETICAL LITERATURE REVIEW

To keep the procurement management process fair, transparent, and efficient, a good understanding of the procurement process flow is solution. Although the procurement process of organizations differs from each other, the flowchart concept below sums up the important steps in a procurement process.

2.1.1. Steps involved in a Procurement Process

According to Hyatt, (2017), every procurement management process involves several elements, including requirements determination, supplier research, value analysis, raising a purchase request, reviewable phase, conversion to purchase order, contract administration, monitoring/evaluation of received order, three-way matching, payment fulfillment, and record keeping. So these are the important steps in the procurement process.

➤ Needs Recognition

The preliminary step in a procurement process is recognizing the need for a product. Be it a brand new order or a recurring purchase, needs are analyzed and the availability is double-checked before creating a request for purchase.

➤ **Purchase Requisition**

Typically, a procurement process starts with a purchase requisition. The requester sends a request for procurement (paper form, electronic, or phone) to the purchasing department.

➤ **Review of Request**

The purchase request is then reviewed by the procurement/finance team. Approved requests become POs, while rejected requests are sent back to the requester with the reason for rejection. All these can be handled with a simple purchase order approval.

➤ **Budget Approval**

In enterprises, once the procurement team raises a PO, it is forwarded to the accounting department to receive budget approval.

➤ **Quotation Requests**

Once the budget is approved, the procurement team forwards several requests for quotation (RFQ) to vendors with the intention to receive and compare bids to shortlist the perfect vendor.

➤ **Negotiation & Contract**

Once a vendor is selected, the contract negotiation and signing are completed, and the purchase order is then forwarded to the vendor. A legally binding contract activates right after a vendor accepts a PO and acknowledges it.

➤ **Receive Goods/Services**

The vendor delivers the promised goods/services within the stipulated timeline. After receiving them, the purchaser examines the order and notifies the vendor of any issues with the received items.

➤ **Three-Way Matching**

At this step, three documents purchase orders, packaging slips (that arrive with the order), and vendor invoices are lined up and reconciled to pinpoint discrepancies and ensure that the transaction is accurate. Discrepancies should be addressed once they are discovered.

➤ **Invoice Approval Payment**

Once three-way matching is complete, the invoice is approved and forwarded to payment processing depending on organizational norms.

➤ **Record Keeping**

After the payment process, buyers make a record of it for bookkeeping and auditing. All appropriate documents right from purchase requests to approved invoices are stored in a centralized location (Hyatt, 2017).

2.1.2. over View of Public Procurement process

Public Procurement is defined as the process whereby government organizations acquire or purchases goods, services or works from outside sources, it involves both national and international level. The process is normally subjected with specific rules, policies and procedures. In Besides, procurement is the process of acquiring goods works and services, covering both acquisitions from third parties, (Proclamation, 649/2009). The modern concept of procurement is that of an essential support to good public sector performance, and to achievement of the country's economic and social goals, i.e.: an integral part of public expenditure management. Procurement thus means, obtaining goods, works, consultancy or other services through purchasing, hiring or obtaining by any other contractual means using public funds, terms of quality, quantity, time and location(AFDB; 2014).

According to Cane;2004), procurement is central to the government service delivery system, and promotes aims which are, arguably, secondary to the primary aim of procurement such as using procurement to promote social, industrial or environmental policies. Public procurement is alternatively defined as the purchase of commodities and contracting of construction works and

services if such acquisition is affected with resources from state budgets, local authority budgets, states foundation funds, domestic or foreign loans guaranteed by the state, foreign aid as well as revenue received from the economic activity of state, (OECD;2005).

As indicated by Bashekag. B.C (2008),the objective of public procurement is to provide quality goods and services through open and fair competition in the exact quantity and proper quality as specified, and has to be delivered at the time and place where needed, Moreover, in so far as public procurement has important economic and political implications, ensuring that the process is economical and efficient is crucial; and this requires that the whole process is well understood by the government, the procuring entities, the business community/suppliers and the other stakeholders (UNES;2009).

Studies show that public procurement process is most prone to corruption (Soreide;2002) and (Kaufman,2004). It was estimated that systematic corruption can add 20-25 percent to the cost of government (UNDP; 2006). Transparent procurement procedures can help limit bribery and corruption, which are particularly rampant in the procurement field. (OECD, 2003) . Insofar, as public procurement has important economic and political implications, ensuring that the process is economical and efficient is crucial (Odhiang W. and Kaman. 2006). .In relation, a major objective of most –perhaps all procurement system is to successfully acquire the goods, works or services concerned on the best possible terms. This is often referred to as: Value for money or efficiency in the acquisition of required goods, works or services, integrity –avoiding corruption and conflicts of interest, accountability, equal opportunities and equal treatment for providers, fair treatment of providers efficient implementation of industrial, social and environmental objectives in Procurement, opening-up public markets to international trade, Efficiency in the procurement process (Arrow SmithS; 2010).

Procurement budgets in developing countries account for about 20 percent of government expenditure globally, (Mlinga, R; 2009). Efficient public procurement practices also contribute towards the sound management of public expenditures more generally. ((Hunja,; 2003). Marginal improvements in procurement systems therefore can yield enormous benefits. Correspondingly (directive; 2010) public procurement manual specified the main guarantees of effective and efficient public procurement. These are: - value for money (economy, efficiency, and

effectiveness); non-discrimination (fairness); transparency; and accountability and ethical Standards.

According to Arrow Smith, S;(2010),various studies documented that public procurement process has a direct impact on the successful delivery of government projects and public services; sound public financial management by achieving value for money in government expenditure; reducing corruption; more competition; budgetary savings; reduce debt levels; and encouraging private sector. There are three important principles that are found in most regulatory systems on public procurement process; these are the principles of: Transparency, Competition and Equal treatment. Hence Public procurement process is a broad concept, which goes beyond purchasing activity, whose purpose is to give the public body best value for money; value implies right price, right quality, right time, right place, and right quantity .(directive, 2010) In relation, public procurement is perceived to susceptible to corruption from project inception to completion,(Osei-Tutu, et al, (2012).

Many governments have embarked on reforms in their procurement systems to streamline and harmonize legal and institutional framework A potential benefit arising from transparency and accountability provision in public procurement practice is that they may constrain rent-seeking activities. (Hoekman, Bernard; 1998) Similarly, several studies also stated that the main reasons why government focused on public procurements.

- Public procurement is much more than a process or procedure; it is a fundamental and integral part of the government and public financial system. (Knight Louise, 2007).
- Government procurement of goods and services represent an important share of GDP about 10% excluding employees' compensation, (OECD; 2003).
- Public procurement practice focuses on the procurement process which is a means to discourage corrupt practices and safe guard completion. Procurement process cannot

be uniform among countries. It will depend on various things-natures of goods to be procured, why they are being procured and the economic and legal framework of the country(Directive, 2010).

Many of the arguments in favor of general transparency disciplines in the WTO revolve around public governance objectives, in particular reducing the scope for bribery and corruption. The issue of corruption extends beyond procurement, rent seeking in the public purchasing context is particularly prominent because considerable amounts of money involved. In general, emphasizing on public procurement contributes to the procurement efforts made to enhance the modern procurement theory and practice; as well as to proper conduct in public procurement, and fighting corruption. (OECD, 2002).

- To achieve these goals, effective and efficient procurement processes must be established effective functioning of public procurement necessitates a high degree of both transparency and accountability. This includes, incorporating adequate controls to promote competition and minimize the risk of fraud, corruption, waste, and the mismanagement of public funds, and establishing trust in the citizens.

2.1.3. History of Public Procurement process in Ethiopia

According to the Ethiopian Procurement and Property Administration Agency Unpublished Training Manual, public procurement was started in 1940 EC. It was established to procure military equipment and supplies for soldiers. With the responsibility laid on the Ministry of Finance; the procured materials were stored at the Ministry's storeroom. According to the report, the improved procurement services were started in 1942 EC. In addition to military equipment, the Ministry of Finance was given the mandate to procure stationeries and cars for organizations which are financed by the regular budget.

From 1943 to 1958, though all Government institutions' procurements have been carried out through MOF (Ministry of Finance), serious delay and non-continuous services were noted which ultimately bore problems with regard to the performance of the institutions. After the Ministry of Stores and Supplies was established in 1958, government institutions procurements were carried out through this office, Later on, to find solutions for the problems that arose in connection to the problems of Government Procurement Performances, in 1977 the Government Procurement and Material Management Control Department was structured under the Ministry of Finance which carried out its work allowing the institutions delegated to perform procurements up to Birr 150,000.00 by their own until 1981. During the derg regime, the functions of public procurement were handled by the Ministry of Finance. After the coming into effect of the new constitution in 1995, the Federal Government of Ethiopia (FGE) drafted a new

public procurement laws and regulations; namely “The Federal Government of Ethiopia the Financial Administration”.

Proclamation 57/1996” and “the Council of Ministers Financial Regulations 17/1997. According to the World Bank sponsored Country Procurement Assessment Report (CPAR), which was released in August 1998, these rules and regulations were not made on the basis of internationally recognized public procurement legal documents such as the UNCITRAL Model Law on Procurement of Goods, Works and Services. In 2005 Public Procurement Agency was established by Proclamation No. 430/2005 and public procurement was completely given to executive public bodies in a decentralized way. The agency which has already brought solutions partially for the problems that rolled up for many years. Subsequently, the Public Procurement and Property Administration Agency was established by the proclamation 649/2009 and currently Public Procurement is regulated by the Agency. Currently, in Ethiopia significant improvements and progress has been made in establishing a proper institutional framework for supporting public procurement. , Federal oversight functions have been established; the Public Procurement Authority in its effort to make public procurement transparent, efficient, and fair, established five basic pillars of the public procurement- comprehensive transparent legal and institutional framework; clear and standardized procurement procedures and standard tender documents; independent control system; proficient procurement staff; and anti-corruption measures. **Source:** (FPPAA Unpublished Training Manual; November 2008 E.C).

2.1.3.1. Legal Framework of Public Procurement in Ethiopia

Under civil Service Reform Program, the Expenditure Control and Management was launched in 1996 by the government of Ethiopia with the aim of improving the overall public financial management in Ethiopia. Public procurement was one component of the expenditure control and management. In 2009, the government of Ethiopia enacted Procurement and Property Administration Proclamation No 649/2009 and it has established the Public Procurement and Property Administration Agency (PPA) accountable to the Ministry of Finance and Economic Development to manage the public procurement activities.

Table 1.1: Legal Framework of Public Procurement in Ethiopia

No	Legal framework	Details
1	Public Procurement proclamation No 649/2009	Provide a comprehensive legal regime to harmonize and safeguard public procurement
2	Public Procurement Manual	Provides practical guidance and step-by-step procedures for Undertaking procurement in accordance with the proclamation.
3	Standard Tender Documents (STD)	They comprise standard invitation and contract documents for procurement of all values. There are separate standard tender documents for goods, works and services
4	Public Procurement Regulations	They contain detailed rules and procedures for all aspects of the procurement system, the operations of Public Procurement Authority (PPA) and procurement entities and the conduct of procurement activities.
5	Guidelines	Issued by the Public Procurement Authority (PPA) which provides supplementary guidance on disposal, single source procurement, margins of preference, framework contract agreements, sustainable public procurement etc.

2.2. Empirical Literature Review

2.2.1. Basic Public Procurement Methods, Principles and Process

2.2.2. Procurement Methods

A procurement method is the technique that public body uses to acquire goods, works and services. Studies suggested that the method selected depends on a number of factors including the type of goods or service being procured, the value of the good or service being procured, the potential interest of foreign bidders and even the cost of the procurement process itself.

The Federal Democratic Republic of Ethiopia, Public Procurement and Property Administration Agency (649/2009,) proclamation lists the following methods of procurement to be used in public procurement:

- a) Open Bidding;
- b) Request for Proposals;
- c) Two stage Tendering;
- d) Restricted Tendering;
- e) Request for Quotation;
- f) Direct Procurement.

Besides as stated in the proclamation “Except as otherwise provided in this proclamation, public bodies shall use open bidding as the preferred procedure of procurement. Public bodies may use a method other than open bidding only where conditions for use of such other method stipulated under this proclamation are satisfied proclamation (649/2009) Moreover, manual stated that, A procurement method is the technique that public body uses to acquire goods, works and services. The procurement methods described in this chapter are applicable to the procurement of goods, works and services consultancy and non-consultancy. The method selected depends on a number of factors including the type of goods or service being procured, the value of the good or service being procured, the potential interest of foreign bidders and even the cost of the procurement process itself.

Moreover, the Proclamation and Directive and the Manual assumes that the public body is able to exactly spell out the object of procurement and can specify it in detail in the Bidding Documents and the technical specifications. Otherwise, procurement proceedings shall not begin until such time as the public body has been assisted to prepare a satisfactory technical specification against which bids shall be invited. The following sections describe the choice of procurement method. (directive;2010).

2.2.3. Procurement Principles

As illustrated by Mal Grierson and Robert Need ham (2006),In order to ensure the practicability of Transparency and Accountability in public procurement there are serious principles and steps which procurement officers needs to follow in their procurement exercise or processes. All public sector officers have a public duty to put the public interest above their own personal or private interests when carrying out their official duties. This principle applies to anyone engaged to deliver government programs and services, whether as a full- or part-time employee, casual or

contract staff member, board member, and consultant or volunteer .(Mal Grierson and Robert Need ham 2006) .

Evidently, the overall aims of all procurement principles are to guide the implementing agency and develop integrity throughout the entire public procurement cycle. For instance, the Malaysian Government Procurement Principles, in general, provide support for the full achievement of the objectives and aspirations of the National Development Policy and Vision 2020 that is towards a developed nation status. Accordingly, the Malaysian government procurement process is essentially based on the following principles:

i. Accountability:–

Procurement should obviously reflect public accountability entrusted with the Government.

ii. Transparency:–

All procurement regulations, conditions, procedures and processes need to be clear and transparent to facilitate better understanding among suppliers and contractors.

iii. Value for Money:–

Government procurement should yield the best returns for every Malaysian Ringgit spent in terms of quality, quantity, timeliness, price and source.

iv. Pen and Fair Competition:–

Processes involving Government procurement should offer fair and equitable opportunities to all those participating or competing in any procurement.

V. Fair Dealing: -

All acceptable bids will be processed fairly based on current rules, policies and procedures, (POM; 2013).

Increasing the effectiveness, efficiency and transparency of procurement systems is an on-going concern of all governments and the international development community. The legal framework for public procurement in Ethiopia is based on certain basic procurement principles. According to proclamation (649/2009) and authority, execution of procurement must comply with the following principles:-

A) Achieve maximum value for money in procurement;

B) No candidates shall be discriminated or excluded from participation in public procurement on The ground of nationality or other reasons which are not related to the evaluation criteria except in accordance with the rule of preference provided in the proclamation;

C) Support the country's economic development by ensuring economy, efficiency, and

Effectiveness of public procurement;

D) Any criteria applied in making procurement decision and decision taken on each procurement must be made transparent to all concerned parties;

E) Ensure accountability for decision made and measures taken the execution of public Procurement;

F) Encourage local producers, companies, small and micro enterprises which support the national economy through the application of preferential treatment granted by the proclamation and directive; Furthermore, regarding principles of integrity in procurement stated the following four inter-linked principles of integrity in procurement: fairness and impartiality; accountability and transparency of process; confidentiality and security of information and materials; and effective management of conflicts of interest. Generally, the overall aims of the principles are to guide the implementing agency and develop integrity throughout the entire public procurement process. (Grierson & Needham 2006)

2.2.4. Procurement Process

According to Grierson & Needham; 2006),a key element in best practice procurement is to clearly define who is responsible for the different decisions needed at various stages in the process, Studies classify procurement processes to be followed by each public body in to three phases in the execution of public. Procurement process:- Pre-tendering phase, Tendering phase and Post tendering phase also classified the agency's procurement system process or the tender phases in the same way. Accordingly, (MoFE; 2010)

2.2.5. Factor affecting procurement process

These are procurement encompasses the whole process of acquiring property and/or services. It begins when an agency has identified a need and decided on its procurement requirement. Procurement continues through the processes of risk assessment, seeking and evaluating alternative solutions, contract award, delivery of and payment for the property and/or services and, where relevant, the ongoing management of a contract and consideration of options related to the contract. Procurement also extends to the ultimate disposal of property at the end of its useful life (Waters 2004). Sound public procurement policies and practices are among the essential elements of good governance (KIPPRA, 2006). Otieno (2004) notes the irregular procurement activities in public institutions provide the biggest loophole through which public

resources are misappropriated. According to Thai (2001), the basic principles of good procurement practice include accountability, where effective mechanisms must be in place in order to enable procuring entities spend the limited resources carefully, knowing clearly that they are accountable to members of the public; competitive supply, which requires the procurement be carried out by competition convincing reasons for single sourcing; and consistency, which n unless there are emphasizes the equal treatment of all bidders irrespective of race, nationality or political affiliation. The process should also uphold integrity by ensuring that there are no malpractices; informed decision-making, which requires public bodies to base decisions on accurate information and ensure that requirements are being met. More still, the Procurement practice should be responsive to aspirations, expectations and needs of the target society. Finally, there is need for transparency to enhance openness and clarity on procurement policy and its delivery (World Bank, 2003).The following are major factors affecting procurement process. These are:

2.2.5.1. Procurement process planning

Procurement planning is the purchasing function through which organizations obtain products and services from external suppliers (Burt et al, 2004). A procurement plan defines and documents the details of purchases from suppliers needed for a particular department. According to Basheka (2008), procurement planning is the major function that sets the stage for successive procurement activities. Likewise, James (2004) describes that the principles of planning can be implemented in an atmosphere of complete harmony. He further states that, as a function, procurement planning endeavors to answer the questions as to what one wants to procure; when to procure it; where to procure them from; when the resources be available; the methods of procurement to be used; how timely procurement or failure will affect the user of the items; the procuring and disposing entity; efficiency in the procurement process; and the people to be involved in the procurement. Peter (2012) states that good procurement plan should describe the process in detail to appoint pertinent suppliers contractually. At the beginning, the items needed to procure are defined, and then the process for acquiring those items is expounded in detail. Finally the timeframe for delivery is scheduled. Moreover based on Quentin (2003), procurement planning is important due to the following reasons: it helps to decide what to buy, when and from what sources; it allows planners to determine if expectations are realistic; particularly the

expectations of the requesting entities, which usually expect their requirements met on short notice and over a shorter period than the application of the corresponding procurement method allows; it is an opportunity for all stakeholders involved in the processes to meet in order to discuss particular procurement requirements.

2.2.5.2. Preparation of Procurement process Plan

As it is clearly stated in the federal public procurement directive 2010, any Public Body and other entities accountable to such Public Body shall be required to prepare a procurement plan supported by action plan enabling them to execute in due time, the procurement necessary to implement their work program.

The procurement plan shall be prepared in such a way as to enable the attainment of the following objectives:

To ensure compliance with principles of public procurement stated in article 5 of the Proclamation.

- A. To achieve the work program of the Public Body.
- B. To ensure economy and efficiency in the operation of the Public Body by discouraging piecemeal purchase.

2.2.5.3. Quality Suitability and Best Buy

A. Quality

- B. The dictionary defines quality as “fitness: merit; excellence.” This is the definition most people have in mind when they think of quality. However, in industrial and institutional purchasing, quality has an entirely deferent meaning. Here quality is related to suitability and cost (not price), rather than to intrinsic excellence. The best quality is that which can be purchased at the lowest cost to fulfill the need or satisfy the intended function for which the material is being purchased (Dobler, 2004).

Practitioners often use the term quality to describe the notions function, suitability, reliability and conformance with specification, satisfy actual performance, and the best buy (Leenders, 2006).

i. Suitability

Suitability refers to the ability of material, good, or service to meet the intended functional use. In a pure sense, suitability ignores the commercial consideration and refers to fitness for use. In reality, that is hardly practiced. Gold may be a better electrical conductor than silver or copper

but is far too expensive to use in all but special applications. That is why chips are wired with gold and house with cooper. The notion “best buy” puts quality, reliability, and suitability into sound procurement perspective.

ii. “Best buy”

The decision best buy involves more than balancing varicose technical considerations. The use most desirable technical feature or suitability for a given use, once determined is not necessarily the desirable buy. The distinction is between technical considerations that are matters of dimension, design, chemical physical properties, and the like, and the more inclusive concept of “the best buy”. Assumes, of necessity, a certain minimum measure of suitability but considers ultimate customer needs, cost and procured, transportation and disposal as well.

The decision on what constitutes the best buy for any particular need is as much conditioned by marketing as buy procurement and technical consideration it should be clear that reach a sound decision on the best buy requires all relevant parties- marketing engineering, operations, and supply to work close together. The ability willingness all patties concerned to view the trade off in perspective will significantly influence the final decisions reached.

2.2.5.4. Employ competency in procurement process

Armstrong and Baron (1995) explain that competency is the application of knowledge and skills, performance delivery, and the behavior required to get things done very well. Besides competency indicates adequacy of knowledge and skills that enable someone to act in various situations (Aketch and Karanja, 2013). According to Russell (2004), absence of adequate knowledge in procurement matters, may end up with serious consequences including breaches of codes of conduct. According to Banda (2009), many organizations do not have staff with the right competence critical to good procurement process management. As a result© 2016 Global Journals Inc (US)

According to Oporo, (2014), public procurement approaches and processes have been under review over many years with the aim of improving efficiency and cost savings. With the development of information and communication technology, institutions have been forced to move their operations from traditional systems to e-procurement in order to sustain themselves. An increasing number of government agencies are embracing e-procurement solutions in order to reap the benefits that firms in the private sector have already achieved (Panayiotou, Gayialis &Tatsiopoulos, 2014). Therefore, e-procurement is no longer an afterthought but a necessity for

any institution due to the dynamic and competitive business environment (Wangui, 2013). The concept of e-procurement in Africa is just gaining popularity in the public sector. Government initiatives in Sub-Saharan African countries seem to be far from reaching realization and attaining the purpose for which they are undertaken due to several factors and stumbling blocks (Mutula, 2008). The implementation of e-government initiatives in Sub-Saharan African countries have in most cases been failures. Heeks(2006) observed that 35% of e-government projects in developing countries are total failures, 50% are partial failures, while the remaining 15% are successes.

As stated by Gunasekaran & Ngai, (2010), in Kenya, the government made it compulsory for procurement of all public goods, works and services to be done through online platforms. Furthermore, a directive was issued to county governments to conduct all procurement and finance operations online (National Treasury, 2016). Integrated financial management information system (IFMIS) was introduced by the government and rolled out in all the 47 counties. The system was intended to enhance governance by offering real time financial information thus improving accountability and transparency (United States Agency of International Development, 2008). Despite the benefits of e-procurement such as quicker transaction times, lower costs and better supplier integration (Kheng& Al-Hawamdeh, 2006), its implementation in Kenya is still very low.

2.2.5.5. Employee Competence

Employee Competence and Boyatzis (2008), define competency as a capability, ability or an underlying characteristic of an individual which is casually related to effective or superior performance. It is a set of related but a different set of behavior organized around an underlying construct, which we call the “intent”. The behaviors are alternate manifestations of the intent, as appropriate in various situations or times. Competence is a cluster of related abilities, commitments, knowledge, and skills that enable a person (or an organization) to act efficiently in a job or situation. Competencies indicate sufficiency of knowledge and skills that enable someone to act in a wide variety of situations (Aketch and Karanja, 2013). According to Russell (2004), professionalism in public procurement relates not only to the levels of education and qualifications of the workforce but also to the professional approach in the conduct of business

activities. If the workforce is not adequately educated in procurement matters, serious consequences including; breaches of codes of conduct may occur. Shick (2013) says “all levels of employees should be involved including the subordinates should be involved in preparation of budget so that they too can feel appreciated and acknowledged. If involved in the right way motivation for employees will be increased.” employees should be involved in the happenings of the organization so that they can be up to date with the daily operation of the organization. Past records used in the past will assist in consultation as they can be referred to if a similar situation arises as had in the past. Fine (2014) say that, past records should not be entirely discarded as history repeats itself and organization might need proof of how it tackled a certain situation in the past.

Mose, (2012) said that the implementation of e-procurement comes with a number of challenges which can be categorized into institutional and economic-legal challenges (United Nations, 2011). One of the institutional factors that affect the implementation of e-procurement is employee competence and capacity. End-user training and uptake is positively associated with successful implementation of an e-procurement initiative. As e-procurement entails new technologies, it is necessary for changes in how tasks are done in an institution from the traditional approaches to new procurement approaches. Staff should therefore be trained on the use of e-procurement tools and practices in order to implement e-procurement successfully. The users can achieve immediate benefits of e-procurement once they comprehend the operational functionalities (Hardy & Williams, 2011). The staffs of an organization need to acquire the necessary skills that can enable them to operate effectively and efficiently while using the new e-procurement system. Inadequately trained staff may not own the e-procurement system and thus contribute to failure. The success of e-procurement initiative depends on users making use of the new process and system.

2.2.5.5.1. Implementation of Electronic Procurement System

Successful implementation of e-procurement system enables an institution to enjoy the benefits the system can offer. Despite the great benefits of e-procurement technologies, their implementation is still at early stages in many government institutions (Aboelmaged, 2010). Information systems literature defines implementation as an effort beginning with the first

thought of developing a system and not ending until the project is completed or abandoned (Vaidya et al., 2009). However, Chan and Ngai (2007) stated that information systems implementation is best described as a process of organizational change that extends over a considerable period of time. Implementation of e-procurement is an elaborate process and requires transformation and restructuring of government procurement structures (Australia, 2005). The process requires electronic systems for demand estimation, budgets, sourcing, ordering and supply monitoring. Introduction of e-procurement in an organization is associated with increased efficiency, lower transactional costs, reduced corruption and enhanced control and monitoring of public procurement process (Hunja 2011).

2.2.5.5.2 Employee Competence and Implementation of E-procurement

Implementation of e-procurement in public procurement requires resources and specialized skills. In addition, the process requires a well-coordinated change management systems and training program. It is also important to put into place practices, processes and systems for the implementation of e-procurement (Vaidya et al., 2009). The development and implementation of electronic commerce models such as e-procurement portal in an institution is a challenge that goes beyond a mere technological functionality (Turban et al., 2006). Implementing of a new technology needs skill and knowledge to operate. Organization whose employees have the necessary skills and technical knowledge are more likely to implement e-government applications (Lin, Lee & Lee, 2005). Unfortunately, many technology based products and services never reach their full potential, and some are simply rejected (Burton-Jones & Hubona, 2006). Failed investments in technology may not only cause financial losses, but also lead to dissatisfaction among employees (Venkatesh, 2000).

2.2.4.5.3. E-procurement in County Governments

The public sector organizations use e-procurement to achieve benefits that include efficiency, cost savings, improved transparency and reduce unethical practices like corruption in procurement services by eliminating interaction with suppliers (Archer, 2005). The public financial reform management strategy paper recommended automation as well as integration of key government functions in Kenya such as the human resources payroll, accounting,

procurement and budgeting citing transparency, better financial management and easier reporting as some of the benefits (National Treasury, 2016). In Kenya, integrated financial management information system (IFMIS) department within the national treasury is mandated to designing, spearheading and managing the integrated financial management information system all government agencies (National Treasury, 2016). IFMIS was developed in 1998 and its deployment to the counties began in 2012. The system is used for budgeting, accounting, auditing and reporting. The system also has e-procurement module that fully automates the procurement and payment process (National Treasury, 2016).

Despite the deployment of the system to the counties, its full potential implementation has not been realized.

2.2.6. Organizational Procurement Structure in the Procurement Process

Cowley (2014) is of the opinion that procurement functions can be classified in to either centralized or decentralized models.

2.2.6.1. Centralized procurement structure

Centralized procurement involves having a central location within an organization in order to carry out the buying of goods and services on behalf of the organization, by procurement or supply chain management department rather than various functions under taking procurement activity across the organization. This particular procurement department is generally located in the organization`s headquarters` (Charles, 2015).

Centralized procurement structure is attributed to the lower cost, better prices simplicity expertise utilization administrative and standardized attributes (Moreau, 2013) is of the opinion that competent staff and key stakeholders support are critical success factors of any centralized procurement system. Conversely specialization can be achieved through experience over time in decision making when carrying out category procurement.

Charles (2015), puts forward the clam that if an organization faces challenges of managing its purchases, a centralizing purchasing structure is recommended. There is greater visibility within an organization as there is a centralized location for all purchasing decision made. Filing and retrieval of document related to procurement activities is faster and orderly. I am in agreement

with this view as procurement process measurement is enhanced through assessment of procurement process at a central point to complement continuous improvement within organizations processes.

Employee expertise is leverage as they can practice category procurement instead of each employee focusing in low risk and low value items. Knowledge management and the application of technology enhance the overall skill set of employee within an organization. I agree with this as increased specializations as the procurement process professionals have the authority within an organization to carry out all procurement process activities (Brito, 2016).

2.2.6.2. Decentralized Procurement structure

According to soft (2016), decentralized procurement referee to the acquisitions of goods, services or works by all organizational departments and branches independently in order to fulfill their needs. The main characteristics of a decentralized procurement process structure are that there is no individual purchasing manager who has the authority to purchase materials for the organization as a whole.

Stock outs and product shortages are un anticipated events that are controlled through prompt response the shorter the chain of command, the shorter the lines of communication and the more relevant decisions made reflect the current market situation, as referrals are not made to top executive management up the hierarchy. Employee motivation is also enhanced through job enlargements as they acquire self-actualization through status and accomplishments as employees are involved in decision making in day to day operations (Karlsen and Tollefsen, 2010).

Communication is the means by which information's is transferred from one recipient to another. Poor information transition results in poor coordination of activities in a top-bottom approach to management. Information can be easily misrepresented and distorted through transmission hence lacking authenticities. Organizations-wide activities are better coordinated and integrated through effective communication. Information is not shared on best practices which can improve the organization performance (Porteous, 2016).

Information sharing and co-ordination between divisions is challenging as investments in information technology are required to facilitate communication from the organizational headquarters, through personal computers mobile phone technology. Information sharing between divisions is highly limited and suffers from transmission errors. Multiple functions organizations which operate as independent entities with a high degree of autonomy (Enporion, 2009).

According to Karani (2011) in his research on centralization versus decentralization in procurement process, a case study of the coca cola company in Africa duplication of work efforts by employees and poor housekeeping are as a result of decentralized procurement which also increases administrative costs. Standardization of procedures and purchases is problematic when procurement process is decentralized as it results in wastes in supply chain management that increase aggregate procurement process costs.

2.2.6.3. Factors influencing Procurement Structure

According to Karlsen and Tollefsen (2010) the availability of competent managers influences the capability of an organization to decentralize its operations. A decentralized purchasing structure renders it impossible to have the required knowledge and expertise within one department. Centralization is preferred in procurement departments which undertake highly technical operations in order to achieve business continuity through the management of challenges and problems that may arise. The size of an organization affects an organization as it is easier to manage fewer employees through a centralized procurement structure. It may be difficult to coordinate functions of different departments, as the result is inefficiency and delayed decision making which can be reduced in a large organization if authority is decentralized (Baidoo, 2014).

For business survival in a highly competitive environment, available opportunities require to be capitalized on (Montana &Charnov, 2013). Where an organization is centralized, it will be challenging for quick decision making by a procurement department head due to bureaucracy; however, in a decentralized organization decision making is faster and more responsive to the current situation through the appropriate head of department or manager of a particular department through speedy communication. The location of an organization affects its procurement structure especially if it has several branches globally. With advancements in technology businesses are able to run effectively despite differences in geographical location.

This influences the procurement structure as a procurement department needs to consider which procurement structure is more convenient and cost effective to the business (Karlsen&Tollefsen, 2010).

According to Marume and Jubenkanda (2016), centralization is more appropriate for an organization that requires greater control in the implementation of decisions made by top management. Operations performed by a procurement specialist that are technical in nature require uniformity in decision making for transparency and accountability. Decentralization is more appropriate in scenarios where an organization carries out category procurement, which requires technical competence. Need for uniformity in procurement activities is vital in communication and planning which all favor centralization. An organization that exists in a location which is accident prone, such as flood prone areas, emergency decisions are required to be taken instantaneously in order to ensure business continuity. A task with a lower uncertainty is more efficient when performed in a centralized structure, since this allows for better planning and coordination. On the

contrary, a task with very high uncertainty, a decentralized structure is preferred as adhoc solutions are relied upon (Odhiambo &Odari, 2016).

Centralization of a procurement department will ensure that timely and accurate decisions are made within a timely manner. Disasters and crises are majorly as a result of environmental and technological change. The future is uncertain as it cannot be predicted accurately, innovation and adaptability is therefore required in order for an organizations survival. Risk management is proactively reduced through the continuous scanning of the environment. Decisions that involve high risk, have high impact not only on costs but also on the organization as a whole, are made by top management, while decisions that involve low risk and are routine in nature are delegated to subordinates (Glock &Hochrein, 2011).Decentralization of a procurement function is enabled through the need for a local understanding of customer needs and wants work against centralization.

Summary of literature review

To centralize or decentralize operations is a question that many procuring organizations contemplate upon. Each structure has its own advantages and disadvantages; however, this does not imply that one structure is better than the other as each organization utilizes the

structure that it finds as most appropriate. Soft (2016) is of the opinion that a better understanding of an organization's business needs enables the determination of the most suitable procurement structure to be chosen. Procurement structure has been attributed to be influenced by factors such as the size of an organization, the availability of competent managers, the need for quick decision making during disaster management. A centralized procurement structure is advantageous as it enables control over contracts an organization enters into, its ability to aggregate expenditures and develop competencies easily (Busch, 2014). A decentralized procurement structure is advantageous as it reduces the burden of decision making on top level executives, facilitates succession planning and results in faster decision making (Sharma, 2017).

2.2.7. Resource Allocation

According to PPRA (2007), the budget is submitted to the responsible financial organization for review and the final budget is scheduled to the Parliament for approval. The Public Financial Management Reform Programmed of Tanzania focuses on improving the financial management in the government including resource mobilization, budgeting and accounting. According to Burke and Modarresi (2000) as sighted in (Thogori and Mwangi, 2015), resource allocation occupies a leading place among the special tools of management employed to direct and control the affairs of large and multifarious organizations. A budget is a basic tool in public procurement performance. In this regard it serves as a tool future procurement process and controlling the use of scarce financial resources in the accomplishment of organizational goals. Interventions have made in Tanzania it possible for the government to eliminate budget deficit and to ensure fiscal stability resulting in higher economic growth and lower inflation. The integrated financial management system (IFMS) supported with information technology has helped to ensure that there is no commitment before budgetary approval (PPRA, 2007).

According to Premchand, (2014), the financial and economic tasks are concentrated operational through the administrative process that comprises four major interrelated phases of work). First an allocation system under which expenditure is controlled by release of funds is put in place. Secondly there is supervision of the acquisition of goods and services to ensure value for the money spent. Thirdly an accounting system that records organizations' transactions and provides a framework for an analysis of their implications is

implemented. The final phase involves a reporting system that permits a periodic appraisal of the factual implementation of policies. Budget implementation is public expenditure policy and therefore the manner in which public expenditure is managed will definitely effect on the implementation of the budget (Premchand, 2005). Effective Public Financial Management (PFM) systems are required to maximize the efficient use of resources, create the highest level of transparency and accountability in government finances and to ensure long-term economic success. Recent literature emphasized the importance of sound PFM systems to service delivery, poverty

15 reduction and the achievement of the millennium development goals (MDGs) (Pretorius & Pretorius, 2008). Various reasons such as delay in release of funds, stringent donor conditions and lengthy procurement procedures have been used to explain the variances (Glennard and Maina, 2007), in their study concluded that the gap between allocated funds and actual expenditures in the context of donor funds is largely due to a slow release of funds and poor procurement system, which causes delays in spending.

Financial management in service organizations has been a constraint and an obstacle to other functions that contribute to service delivery (Adams and Colebourne, 2014:80). The KPMG International report (2006) reported that there was a major challenge in respect to public accountability and transparency when public resources are used to acquire goods and services by public entities worldwide. Most of the public entities lacked clear accountability on how the resources provided impact on their performance, and hence went against the fundamental principles of public procurement (value for money spent, accountability, transparency and equity) Onyango (2012:90) asserts that an efficient public procurement process system is vital to the advancement of African countries and is a concrete expression of the national commitment to making the best possible use of public resources. He adds that funding for procurement is unlikely to be sufficient to meet all requirements, but emphasizes that the scarce financial resources must be allocated appropriately to meet the priority public services before less essential needs.

Analyze in his views. Agreeably, Mamiro (2010:47) in his findings underscores these facts and concludes that one of the major setbacks in public procurement is poor procurement planning and management of the procurement process which include needs that are not well identified and estimated, unrealistic budgets and inadequacy of skills of procurement staff responsible for procurement. In many developing countries, governments do not have the financial and technical capacity to effectively exercise such oversight and control functions, track and report on allocation, disbursement and use of financial resources (Smee, 2002:38). Political and bureaucratic leakage, fraud, abuse and corrupt practices are likely to occur at every stage of the process as a result of poorly managed expenditure systems, lack of effective auditing and supervision, organizational deficiencies and lax fiscal controls over the flow of public funds (Peters, Elmendorf, Kandola and Chellaraj, 2000:89).

In Ethiopian Universities as stated (2013) maintains that purchases must be economical and efficient. This means that they should be based on market prices and should be able to generate saving. It also means that bad practices that have been reported in a number of government institutions such as irresponsible procurement leading to wastage, wear and tear of stocks, over-invoicing, unplanned expenditure, shortage of goods when needed, poor quality products and similar factors must be avoided to enhance process of the procurement entity, yet the effect of the planning of allocation of resources has not been established in public sector procurement process. Considering that most of the wastage of public resources and graft in public service has to do with one kind of procurement or the other, it is important that practical initiatives with the required political goodwill from government are conceptualized.

Resource allocation is the process of determining the best way to use available assets or resources in the execution of a given project. Companies attempt to allocate resources by minimizing costs and maximizing profits using strategic planning methods, operational guidelines and implement policies and procedures that move the business toward the achievement of its goals (Shantanu et al, 2012). Resource allocation begins at strategic planning when a company formulates its vision and goals for the future. Most of the public entities lack clear accountability on how the resources provided impact on their performance therefore going against the fundamental principles of public procurement, OumaDanis et al, (2014).Tangible

resources are assets that can be seen and quantified such as production equipment, manufacturing plants, and formal reporting structures. Intangible resources include assets that typically are rooted deeply in the firm’s history and have accumulated over time (Michael and Hoskisson, 2007).

2.3. Conceptual framework

The study attempts to establish factors that influence procurement process in the case of Jimma University. The aspects of Employee competence, procurement planning, organizational structure and resource allocations are the independent variables while procurement process is the dependent variable.

The concerned conceptual frame can be summarized in the following figure

Independent Variables

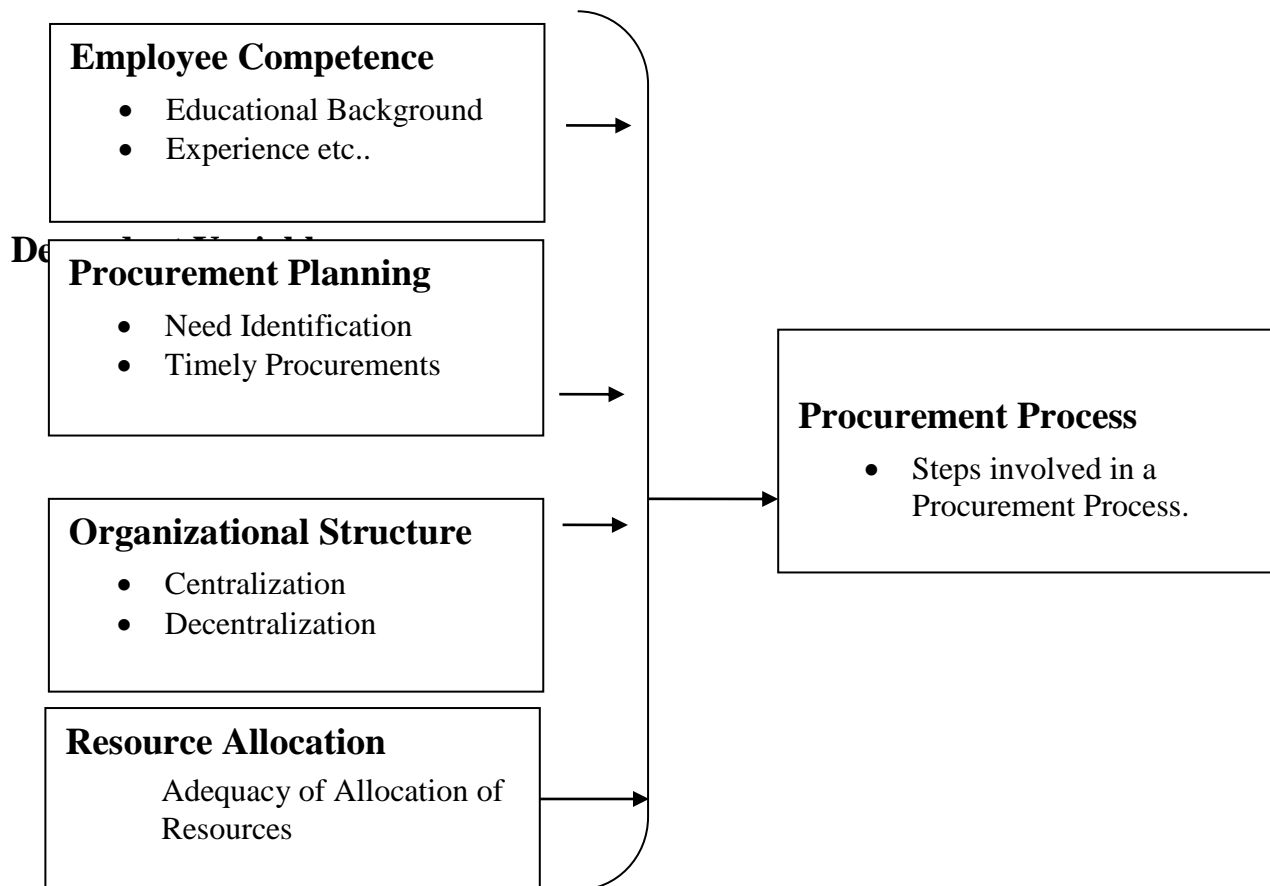


Figure 1: Self Conceptual Framework.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Overview

Research methodology is systematic approach through which research is undertaken. The research methodology include research design description of the case study, location of the study, nature of data required, measurement of variables from conceptual framework, quality of data measurement, data collection methods and instruments, sampling procedures, data processing and analysis, as well as the expected result.

3.2 Location of the Study

The study was carried out at the Jimma University in Jimma Town. It was chosen because it enabled the researcher to obtain information needed for the study; it also helped the researcher to focus on a single unit of study due to limited time and fund and also intensive investigation for the study. The Jimma University was selected as a case study due to the following reasons: It is flexible in respect to data collection methods, it permit the use of different data on methods like observation, interview and Questionnaires. It is the place where a researcher is working, thus somehow somewhere it was increased the accessibility of data during the process of data collection.

Jimma University is located along Jimma Town. It is one of the main Universities in Ethiopia which was established before 1954 as Ethiopian calendar. Jimma University has all the responsibility of planning, coordinating, supervising, and implementing all Development projects in the University as well as out of the university if it is necessary.

3.3 Research Approaches

A research approach is a systematic way of dealing with a research problem. Solution for the research problem was found through methodology, methods and techniques which were helped the researcher to answer the research questions which address the research problem. Primary data from the field and secondary data from various documents was collected and analyzed in order to identify the assessment of factors affecting procurement process in the case of Jimma University.

According to Kothari (2004) mixed research method is defined as the class of research welfare the researcher mixes or combines quantitative and qualitative research techniques, methods, approaches, concepts or language in to a single study. The quantitative approach involves the generation of data in quantitative form which can be subjected to rigorous quantitative analysis

in a formal and rigid fashion. Qualitative approach to research is concerned with subjective assessment of attitudes, opinions (interview) and behavior Kothari, (2004).

3.4. Research Design

This is a plan that specifies how data were collected and analyzed from the study. In case of this study, the research design used was a case study. A cases study is in-depth study of limited number of events/conditions and their interrelations. It deals with the process that takes place and their interrelationships. It is a behavior –patterns of the given unit as an integrated totality. The case study was chosen because it will enable the researcher to obtain information needed for the study, also it specifically helped the researcher to focus on a single unit of study due to limited time and fund and also intensive investigation for the study.

Kothari (2004) stated that the research design is the conceptual arrangement within which the research conducted; it constitutes the blueprint for the collection, measurement and analysis of data. Therefore the research is made based on descriptive. According to Kothari (2004), descriptive research includes different kinds of surveys and fact-finding enquiries. The major purpose of descriptive research is description of the state of affairs as it exists at present. The design is used to describe the characteristics of the independent variables (procurement plans and staff competency, organizational structure and research allocation. This helps to obtain information concerning the current status of the phenomenon to describe what the current situation is with respect to the variable of the study, the procurement performance. The same author asserts that in descriptive design the problem is structured and well understood and gives a report on things as they actually are

3.5 Nature of the Data Required

The researcher used different types of data for the study. The researcher collected both primary and secondary data. Primary data were obtained from respondents who are knowledgeable with procurement activities at the University. These data were obtained as first-hand information. The **primary** data were obtained from respondents by interview, questionnaires and observation. **Secondary** data were collected from the related research works, Journals, books, Periodicals, magazines, newspapers, and different reports.

3.6. Sampling Technique.

In regarding to selection of respondents, the researcher used both probability and non-probability sampling Saunders et.al, (2007). According to Walliman (2005), Saunders et al. (2007) purposive sampling is a useful sampling method which allows a researcher to get information from a sample of the population that one thinks knows most about the subject matter. With this regard the non- probabilistic sampling techniques was adopted, that enabled the researcher to select respondents with necessary and relevant information. The technique was less costly and it was quick to select a sample. The decision as to what sampling method to be used depends on the aim of study, the expected degree of accuracy of the study results and the sampling cost. In this non-probabilistic sampling, the purposive sampling was applied because it helped to access respondents who are knowledgeable about procurement activities as they are undertaken at the Jimma University managerial heading sections.

3.6.1. Target population of the study and sample size determination

Since this study is limited on the assessment of factors affecting procurement process in the case of Jimma University, the population of the study is focused on staffs that directly or indirectly have relationship with the procurement process like: Requesting/end user, managers, and Procurement Core processes (Procurement Manager, Procurement expert, staffs from Planning and Budgeting department under Finance and Economic Development). Because of the specificity nature of the study that needs knowledgeable persons in the procurement and related area of practices, purposive sampling, sometimes referred as judgmental, which is a non-probability sampling method, was implemented to select the respondents for this research purpose. Moreover, interview was used to get additional information from procurement team leaders. Therefore, from the internal users 52 respondents were selected for the questionnaire and 4 head managerial were selected for the interview totally 56 respondents by using purposive sampling technique due to the nature of the study. Also, the researcher believed from the specified district to make generalization made by sample size determination.

3.6.2. Types and source of Data

The researcher was used both primary and secondary source of data in order to complete the study efficient and effectively. Primary data were collected through structured and self-administered questionnaire as well as unstructured and interviewer administered questionnaire

with top and middle level managers. The institutes' procurement procedure, manuals and guidelines were used as Secondary data.

3.6.3. Data Collection Procedures

Structured and semi- structured interview questionnaires and interview questions are designed in English. In this research used both questionnaires and Interviews. The researcher was recruit two data collectors to effectively collect data from the potential respondents through questionnaires and appropriate training was given for the enumerators. The following procedure was followed to administer questionnaire to respondents. First, the researcher and data collectors approached potential respondents to ask their cooperation in filing the questionnaire and explained the purpose of collecting data, how the questionnaires were filed and the confidentiality of to be obtained information.

Then, the questionnaires were distributed and respondents were kindly asked to furnish information honestly and return the filed-up questionnaire. The semi structured questionnaire has two parts. The first part of the questionnaire is about demographic characteristics of respondents such as sex, age, educational status, occupational position, years of enrollment or experience, Part two of the questionnaire which assesses the factors affecting procurement process. Here some question was in statements form and Jimma University procurement staffs were asked to express their agreement/disagreement in the five-point likert scale, where 1=strongly disagree, 2=disagree, 3=indifferent, 4=agree, 5=strongly agree.

3.7. Methods of Data Analysis, Presentation and Interpretation

According to Kombo and Tromp, (2011), the data analysis procedure includes the process of packaging the collected information putting in order and structuring its main components in a way that the findings can be communicated easily and effectively. The collected data were checked its completeness, cleaned and then, will be entered into Data version. Data were checked for consistency and completeness by descriptive data analysis before running the actual statistical analysis. Frequencies were used to see the overall distribution of the study subjects with regard to the variables under the study. Descriptive data analysis was done with qualitative (interview)and quantitative findings. The findings of the study were presented using percentages, tables.

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION AND INTERPRETATION

4.1 Introduction

The purpose of this study was to identify the assessment of factors affecting procurement process in the case of Jimma University. To achieve this purpose, data were collected from 52 knowledgeable concerned respondents for questionnaires, 4 respondents of managerial for interview and the response rate is 100%. This commendable response rate was attributed to the data collection procedure, where the researcher personally administered questionnaires and waited for respondents to fill in, and picked the questionnaires once after had been fully filled. The response rate demonstrates a willingness of the respondents to participate in the study.

Moreover this Chapter presents the data analysis procedure and the findings based on the data obtained from the surveys questionnaire and from interview. First, the overall demographic characteristics of the respondents are illustrated in detail. Then, the analysis is described using descriptive system by tabulations to address the research questions and meet its objectives. On the other hand the descriptive statistics were including frequencies and measures of central tendencies were employed. It was found that descriptive statistics are the most appropriate statistics, since the nature of the study objectives and questions is to identify the assessment of factors affecting the performance of procurement rather than testing particular hypotheses.

Demographic information and Employ expectance

4.2.1. Gender

Gender of the respondents: Regarding gender, 65.4% of the respondents were males while 34.6% of the respondents were females.

Table 4:1 Frequency of Gender of respondents

Gender	Frequency	Percent	Valid Percent	Cumulative Percent
Male	34	65.4	65.4	65.4
Female	18	34.6	34.6	100
Total	52	100	100	

Source 2019 collected data

The data showed related variety among respondents in terms of gender. Table3:4 illustrated that 34(65.4%) of the respondents were categorized as male while the rest 18(34.6%) respondents were female.

4.3.2. Academic qualification

The level of the respondent's education was also part of the questions in the questionnaires. From

Table 4:2 Education levels of respondents

Level of education	Frequency	Percent	Valid Percent	Cumulative Percent
1 st degree	40	77	77	77
2 nd degree	12	23	23	100
3 rd degree and above	0	0	0	100
Total	52	100	100	

Source 2019 collected data

Only 4% of the staffs are at 3rd degree education level. The remaining 77% are of 1st degree and have university graduate background the other 19% are 2nd degree level. Therefore Jimma University. Employees were educated and well enough to understand the questions and thus have given believable results.

4.3.3. Status of respondents in Jimma University

Table 4:3 Job status of respondents

Job status	Frequency	Percent	Valid Percent	Cumulative Percent
1. Top level manager	6	11.5	11.5	11.5
2 Middle level manager	26	50	50	61.5
3. Procurement staff	20	38.5	38.5	100
Total	52	100	100	

Source 2019 collected data

The study requested the respondent to indicate whether they are from management level or from procurement staff in the organization. From the study findings majority of the respondents (50%) are middle level managers. The other (11.5%) were from top level manager and procurement staffs comprise 38.5%. These findings described that the knowledgeable about procurement process study management levels and procurement staffs in Jimma University were represented in this Research.

4.3.4. Service year of respondents

Table 4:4. Service year of respondents in the Jimma University

Service year	Frequency	Percent	Valid Percent	Cumulative Percent
1.0 to 5 year	5	9.6	9.6	9.6
2. 6 to 10 year	7	13.5	13.5	23.1
3. 11 to 15 year	20	38	38	61.1
4.16 to 20 year	6	11.6	11.6	72.7
5. 21 year and above	14	27	27	100
Total	52	100	100	

Source 2019 collected data

The study requested the respondent to indicate the number of years they had served in the organization of Jimma University. From the research findings 20(38%) of the staffs involved in the study served in the Jimma University 11-to 15 years and the ones who served 14(27%) were 21 years and above, up to 5 years were only 7.5 years. Majority of the staffs served for quite a number of years (21 years and above). The ones who served for 6 to 10 years comprise 7 (13.5%) and the ones who served 16 to 20 years comprise 6(11.6%). Those who served for 0 to 5 years comprise 5(9.6%). This implies that majority of the respondents in Jimma University, had worked for a considerable period of time and therefore they were in a position to give credible information relating to this study. The performance of the procurement function in any organization requires that the individuals handling the procurement activity should have the necessary professional qualifications and employee level of skill influences the procurement performance (Samuel & Njeru, 2014).

4.4. Procurement planning scale rate

Table 4:5. The Scale rate on procurement plan

Statement	Agreement	Frequency	Percent	Valid Percent	Cumulative Percent
1. your institution considers potential procurement	Strongly Disagree	23	44.3	44.3	44.3
	Disagree				
	Neutral	5	9.6	9.6	55.7
	Agree	24	46.2	46.2	46.2
	Strongly agree				
	Total	52	100	100	100
2. You prepare and submit procurement plan to Procurements in your institution	Strongly Disagree	14	26.9	26.9	26.9
	Disagree				
	Neutral	4	7.6	7.6	34.5
	Agree	34	65.5	65.5	65.5
	Strongly agree				
	Total	52	100	100	100
3. You believe in providing specific mechanisms can monitor and detect misconduct behaviors in your organization	Strongly Disagree				
	Disagree	34	65.5	65.5	65.5
	Neutral	2	3.7	3.7	69.2
	Agree	16	30.8	30.8	30.8
	Strongly agree				
	Total	52	100	100	100
4. increasing managerial control and collaboration improves accountability and transparency in your organization	Strongly Disagree				
	Disagree	19	36.6	36.6	36.6
	Neutral	5	9.6	9.6	46.2
	Agree	28	53.8	53.8	53.8
	Strongly agree				
	Total	52	100	100	100

Source 2019 collected data

The study was to establish the effects of procurement planning on procurement performance, so this statement is in agreement with Matuga, (2016), Hence Respondents were required to respond to set questions related to procurement planning and give their opinions. Statement number 1, in the above table 7:4 the scale rate on procurement plan comprised 23 (44.3%) were strongly disagreed, disagreed, 5(9.6) was neutral, 24(46.2%) were agreed, and strongly agreed. This shows that Jimma University considered potential procurement plan.

Similarly statement number 2, table 7:4 the scale rate on procurement plan comprised 14(26.9%) were strongly disagreed, and disagreed, 4(7.6%) were neutral, 34(65.5%)were agreed, and strongly agreed. This illustrated that Jimma University can prepare and submitted procurement plan to procurements.

Likewise statement question number 3, table 7:4 the scale rate on procurement plan comprised 34(65%) were strongly disagreed, and disagreed, 2(3.7%) was neutral, 16(30.8%) were agreed, and strongly agreed. Here on the contrary this statement stated that specific mechanisms cannot monitor and detect misconduct behaviors in this organization.

Likewise statement question number 4, table 7:4 the scale rate on procurement plan comprised 19(26.5%) were strongly disagreed, and disagreed, 5(9.6%) were neutral, 28(53.8%)were agreed, and strongly disagreed. The above statement indicated that increasing managerial control and collaboration could improve accountability and transparency in the case of Jimma University.

4.5. Rate of Organizational Structure

Table 4:6.The scale rate of organizational structure

Statement	Agreement	Frequency	Percent	Valid Percent	Cumulative Percent
1.Regarding centralize and decentralizing: your organization has hierarchy levels.	Strongly Disagree	16	30.8	30.8	30.8
	Disagree				
	Neutral	6	11.5	11.5	42.3
	Agree	30	57.7	57.7	57.7
	Strongly agree				
	Total	52	100	100	100
2. Regarding centralize and decentralizing: The communication work in this hierarchy can be explained as a centralize.	Strongly Disagree	13	25	25	25
	Disagree				
	Neutral	4	7.7	7.7	32.7
	Agree	35	67.3	67.3	67.3
	Strongly agree				

	Total	52	100	100	100
3. your organizational structure can be differentiated.	Strongly Disagree				
	Disagree	15	28.8	28.8	28.8
	Neutral	3	5.8	5.8	34.6
	Agree	34	65.4	65.4	65.4
	Strongly agree				
	Total	52	100	100	100
4. Your organization uses planned job rotation results	Strongly Disagree				
	Disagree	36	69.3	69.3	69.3
	Neutral	5	9.6	9.6	78.9
	Agree				
	Strongly agree	11	21.1	21.1	21.1
	Total	52	100	100	100

Source 2019 collected data

Statement question number 1, in the above table 8:4, The scale rate of organizational structure on procurement processing comprised 16(30.8%) were strongly disagreed, and disagreed, 6(11.5%) were neutral, 30(57.7%) were agreed, and strongly agreed. Based on this statement Jimma University has centralized and decentralizing organizational hierarchy levels.

Moreover statement question number 2, in the above table 8:4, The scale rate of organizational structure on procurement processing comprised 13(25%) were strongly disagreed, and disagreed, 35(67.3%) were agreed, and strongly agreed. Whereas 4(7.7%) were neutral. Based on this statement regarding centralize and decentralizing: The communication work in Jimma University is centralized.

Likewise statement question number 3, in the above table 8:4, The scale rate of organizational structure on procurement processing comprised 15(28.8%) were strongly disagreed, and disagreed; 3(5.8%) were neutral, 34(65.4%) were agreed and strongly agreed. According to the above statement The Jimma University organizational structure can be differentiated.

similarly statement question number 4, in the above table 8:4, The scale rate of organizational structure on procurement processing comprised 36(69.3%) were strongly disagreed, and disagreed and 5 (9.6%) were neutral, 11(21.1%) were agreed and strongly agreed. According to

the above statement in most case the Jimma University organizational structure do not use planned job rotation results. In general organizational structure is one of the core aspects that contribute to organizational performance. It can thus be said that it is the single most critical part of ensuring that the organization achieves its organizational objectives (Pillay, 2019).

4.6. Resource Allocation Rate

Table 4:7. The scale Rate of Resource Allocation

Statements	Agreement	Frequency	Percent	Valid Percent	Cumulative Percent
1. The resource allocation of your institutions is based on real evidence and data.	Strongly Disagree	38	73.1	73.1	73.1
	Disagree				
	Neutral	3	5.8	5.8	78.9
	Agree	11	21.1	21.1	21.1
	Strongly agree				
	Total	52	100	100	100
2. The quality purchased goods by procurement office is satisfied	Strongly Disagree	36	69.3	69.3	69.3
	Disagree				
	Neutral	2	3.8	3.8	73.1
	Agree	14	26.9	26.9	26.9
	Strongly agree				
	Total	52	100	100	100
3. When items are requested for purchases, the request is done in careful manner	Strongly Disagree	21	40.4	40.4	40.4
	Disagree				
	Neutral	3	5.8	5.8	46.2
	Agree	28	53.8	53.8	53.8
	Strongly agree				
	Total	52	100	100	100
4. Purchasing is assisted by technology like computerized system	Strongly Disagree	32	61.6	61.6	61.6
	Disagree				
	Neutral	7	13.5	13.5	75.1
	Agree				

	Strongly agree	13	24.9	24.9	24.9
	Total	52	100	100	100

Source 2019 collected data

Regarding Statement question number 1, in the above table 9:4, The scale rating of resource allocation on the procurement processing comprised 38(73.1%) were strongly disagreed, and disagreed, 3(5.8%) were neutral; whereas 11(21.1%)were agreed, and strongly agreed. Based on this statement the resource allocation of The Jimma University is not based on the real evidence and data.

Moreover statement question number 2, in the above table 9:4, The scale rate of resource allocation on the procurement processing comprised 36(69.3%) were strongly disagreed, and disagreed, 2(3.8%) were neutral, 14(26.9%)were agreed, and strongly agreed. According to this statement the resource allocation in the procurement process in the case of Jimma University the quality purchased goods by procurement office is not satisfied.

Likewise statement question number 3, in the above table 9:4, The scale rating of resource allocation on the procurement processing comprised 21(40.4%) were strongly disagreed, and disagreed, 3(5.8%) were neutral, 28(53.8%)were agreed, and strongly agreed. According to question number 3 in the above table in the case of Jimma University when items are requested for purchases, the request is done in careful manner.

According to statement question number 4, in the above table 9:4, The scale rate of resource allocation on the procurement processing encompassed 32(61.6%) were strongly disagreed, disagreed, 7(13.5%) were neutral, 13(24.9%)were agreed, and strongly agreed. With this understanding this statement illustrated that in the case of Jimma University purchasing is not assisted by technology like computerized system Kwasira,(2016)in his research said that, majority of respondents disagreed that resources were allocated on time thereby enhancing procurement performance (process).

4.7. Procurement Process Rate

Table 4:8. The Scale Rate of Procurement Process

Statements	Scale	Frequency	Percent	Valid Percent	Cumulative Percent
1.We have adopts the procurement cycle in public procurement Authority in all our activities.	Strongly Disagree				
	Disagree	16	30.8	30.8	30.8
	Neutral	6	11.5	11.5	42.3
	Agree				
	Strongly agree	30	57.7	57.7	57.7
	Total	52	100	100	100
2.Lower prices are always obtain by going through the procurement Authority process	Strongly Disagree				
	Disagree	13	25	25	25
	Neutral	4	7.7	7.7	32.7
	Agree				
	Strongly agree	35	67.3	67.3	67.3
	Total	52	100	100	100
3.Quality is always achieved	Strongly Disagree				
	Disagree	32	61.5	61.5	61.5
	Neutral	3	5.8	5.8	67.3
	Agree				
	Strongly agree	17	32.7	32.7	32.7
	Total	52	100	100	
4.Early delivery of materials is very important to procurement successful	Strongly Disagree				
	Disagree	36	69.3	69.3	69.3
	Neutral	5	9.6	9.6	78.9
	Agree				
	Strongly agree	11	21.1	21.1	21.1
	Total	52	100	100	100

Source 2019 collected data

According to the statement question number 1, in the above table 10:4, The scale rate of procurement process on the procurement processing encompassed 16(23.8%) were strongly disagreed, and disagreed, 6(11.5%) were neutral, 30(57.7%)were agreed, and strongly agreed. Based on this statement in the case of Jimma University all activities of the procurement cycle have been adopted by the University authorities.

Regarding the statement question number 2, in the above table 10:4, The scale rating of procurement process on the procurement processing encompassed 13(25%) were strongly disagreed, disagreed, 4(7.7%) were neutral, 35(67.3%)were agreed, and strongly agreed. With this understanding this statement illustrated that in the case of Jimma University Lower prices are always obtained by going through the procurement Authority process.

Concerning the statement question number 3, in the above table 10:4, The scale rate of procurement process on the procurement processing encompassed 32(61.5%) were strongly disagreed, and disagreed, 3(5.8%) were neutral, 17(33.7%)were agreed, and strongly agreed. With this understanding the above statement illustrated that in the case of Jimma University procurement process quality is not always achieved. Concerning the statement question number 4, in the above table 10:4, The scale rate of procurement process on the procurement processing encompassed 36(69.3%) were strongly disagreed, and disagreed, 5(9.6%) were neutral, 11(21.1%)were agreed, and strongly agreed. With this understanding the above statement illustrated that in the case of Jimma University Early delivery of materials is not very important to procurement Successful. As Abadalla (2014) explained in his thesis finding that, It is better to have a good procurement process simple because the process makes the sense of accountability by increasing efficiencies within the organization in terms of getting high qualities production on the right time and in cost minimization that will result to better production within the organization.

4.8. Semi-structured interview questions Interpretation and Discussion

According to Aaker et al (2002), it is a form of interaction between interviewee and interviewer in the manner of collecting data from targeted sample. This helped the researcher to receive high response rate, flexibility in answering questions due to better clarification which resulted in faster and economic data collection. Regarding with the above concept the interviewer questions which was answered by 4 managerial head officers for this research study were described as below:

As many of the interviewee answered for question number one most of them said that purchasing procedure is properly applied in their working practice. Following the above question the interviewee gave an answer for question number two by saying that there are not this much existing procurement practices main problems in the case of Jimma University. As the interviewee said it for number question 3, in most case purchasing performs in planned manner in their department. For question number four the interviewee said that in general the government least cost purchasing principle is not satisfies the quality needs of goods for their department. Regarding question number five the rate interdepartmental coordination and relationships procurement department with another department is in good manner. And finally according to the interviewees' response for question number six In general user purchase request is made in planned manner in the case of Jimma University.

4.9. Correlation in independent variables

In the below table 8 shows that there was a Substantial positive correlation between Procurement plan and resource allocation with $r = 0.768$, p (two tailed) $< .01$ level. There was a positive moderate correlation between procurement plan and information technology with approximated $r = 0.0.572$; ethics with $r = 0.540$, p (two tailed) $< .01$. Procurement plan was significantly correlated ethics, $r = 0.673$, p (two tailed) $< .01$ level. Resource allocation has a fair or a moderate correlation with information technology with $r = 0.455$ and ethics with $r = 0.420$, p (two tailed) $< .01$ level. Finally there was a fair or moderate positive correlation between information technology and ethics with $r = 0.427$, p (two tailed) $< .01$

4.9.1. Spearman's Rank Correlation Coefficient

Spearman's Rank Correlation Coefficient To quantify the strength of the relationship between the variables, the researcher used spearman's coefficient of correlation. The researcher used the spearman's coefficient of correlation (p) to study the correlation between the study variables and the findings were as in the table below.

Table 4:9 Correlation Coefficient Models

Models	Procurement Process	Procurement planning	Resource allocation	Employ competence	Organizational structure
Procurement Resource	1	.268	.195	.130	.230
Sig. (2-tailed)		.060	.174	.927	.108
Planning		1	.183	.478	.259
Sig. (2-tailed)			.205	.020	.069
Resource Allocation			1	.272	.439
Sig. (2-tailed)				.056	.001
Staff competency				1	.239
Sig. (2-tailed)					.094
Organizational					1
Sig. (2-tailed)					

Source 2019 collected data

There was a positive correlation between procurement process and planning with a correlation figure of 0.268, there is a positive correlation between the procurement process and resource allocation as shown by a correlation figure of 0.195, there is a positive correlation between the procurement process and staff competency with a correlation figure of 0.130, there is also a positive correlation between procurement process and organizational structure with a value of 0.230. This shows that there was positive correlation between procurement process and planning, resource allocation, staff competency and organizational structure (Kiage 2013).

4.9.2. Coefficient of Determination

According to (Kiage, 2013).The coefficient of determination explains the extent to which changes in the dependent variable can be explained by the change in the independent variables or the percentage of variation in the dependent variable (process) that is explained by all the four independent variables (Planning, resource allocation, staff competency and organizational structure).

Model Summaries

Multiple R	R Square	Adjusted R Square	Apparent Prediction Error
999	999	993	001

Source 2019 collected data

Table 12: 4 shows the regression model summary indicating that the adapted procurement cycle predictors. In this way the variables having creativity and flexibility ability satisfying with team work and in relationship building the ability of critical/Analytical problem solving manner self and time management ability regarding centralized and decentralized, the Jimma University organization have hierarchy levels. The communication work in this hierarchy can be explained as the organization uses planned job rotation and these results the Jima University considers potential procurement. Increasing managerial control and collaboration improves accountability and transparency in this organization. The resource allocation of the Jimma University is based on real evidence and data. The quality purchased goods by procurement office is satisfied. When items are requested for purchase, the request is done in careful manner and purchasing is assisted by technology.

ANOVA

	Sum of squares	DF	Mean square	F	Sin
Regression	51.931	41	1.267	183.184	000
Residual	069	10	007		
Total	52.000	51			

Source 2019 collected data

Generally the ANOVA Interpretation for the questionnaires were as followings

ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
Having Creativity and Flexibility ability	Between Groups	.266	1	.266	.095	.759
	Within Groups	139.503	50	2.790		
	Total	139.769	51			
satisfying with Teamwork and Relationship Building ability	Between Groups	1.064	1	1.064	.425	.517
	Within Groups	125.013	50	2.500		
	Total	126.077	51			
The ability of	Between Groups	.211	1	.211	.115	.736

Critical/Analytical problem solving manner	Within Groups	91.846	50	1.837		
	Total	92.058	51			
Self and Time Management ability	Between Groups	.015	1	.015	.007	.933
	Within Groups	106.042	50	2.121		
	Total	106.058	51			
Regarding centralize and decentralizing your organization have hierarchy levels.	Between Groups	.018	1	.018	.011	.919
	Within Groups	86.059	50	1.721		
	Total	86.077	51			
The communication work in this hierarchy can be explained	Between Groups	.013	1	.013	.007	.936
	Within Groups	96.680	50	1.934		
	Total	96.692	51			
your institution considers potential procurement	Between Groups	.314	1	.314	.153	.698
	Within Groups	102.993	50	2.060		
	Total	103.308	51			
You prepare and submit procurement plan to	Between Groups	.085	1	.085	.042	.838
	Within Groups	100.915	50	2.018		
	Total	101.000	51			
You believe in providing specific mechanisms can monitor and detect misconduct behaviors in your organization	Between Groups	.784	1	.784	.377	.542
	Within Groups	104.042	50	2.081		
	Total	104.827	51			
increasing managerial control and collaboration improves accountability and transparency in your organization	Between Groups	1.633	1	1.633	.816	.371
	Within Groups	100.059	50	2.001		
	Total	101.692	51			
The communication work in this hierarchy can be explained	Between Groups	.726	1	.726	.456	.503
	Within Groups	79.582	50	1.592		
	Total	80.308	51			
Your organization uses planned job rotation results	Between Groups	.866	1	.866	.700	.407
	Within Groups	61.807	50	1.236		
	Total	62.673	51			
The resource allocation of your institutions is based on real evidence and data	Between Groups	2.606	1	2.606	1.661	.203
	Within Groups	78.471	50	1.569		
	Total	81.077	51			
The quality purchased goods by procurement office Is	Between Groups	.314	1	.314	.164	.688
	Within Groups	95.993	50	1.920		

satisfied	Total	96.308	51			
When items are requested for purchases, the request is done in careful manner	Between Groups	.163	1	.163	.087	.769
	Within Groups	93.529	50	1.871		
	Total	93.692	51			
Purchasing is assisted by technology like	Between Groups	1.577	1	1.577	1.075	.305
	Within Groups	73.346	50	1.467		
	Total	74.923	51			
We have adopts the procurement cycle in	Between Groups	.018	1	.018	.011	.919
	Within Groups	86.059	50	1.721		
	Total	86.077	51			
Lower prices are always obtain by going through the procurement Authority process	Between Groups	.013	1	.013	.007	.936
	Within Groups	96.680	50	1.934		
	Total	96.692	51			
Quality is always achieved	Between Groups	.191	1	.191	.127	.724
	Within Groups	75.559	50	1.511		
	Total	75.750	51			
Early delivery of materials is very important to	Between Groups	.688	1	.688	.542	.465
	Within Groups	63.542	50	1.271		
	Total	64.231	51			

Short discussion of ANOVA

Whereas when we compare the above model summary with that of ANOVA results the following were seen: According to the respondents response the study forwarded the assessment factors that which were poor deals or findings in the procurement process like: Quality is not always achieved, the quality purchased goods by procurement office were not satisfied, Purchasing is not assisted by technology like computerized system, the organization not used planned job rotation results, the respondents do not believe in providing specific mechanisms can monitor and detect misconduct behaviors in their organization were found by this research study in the case of Jimma University

And which were hampered greatly on the procurement process service delivery.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Summary

Procurement function plays a key support role in the operations of any organization.. The process must be well thought through action plans which are not static. With proper monitoring of planning is assured of efficient and effective service delivery. The main purpose of the study was to establish factors affecting Procurement process in the case of Jimma University. The study was conducted through descriptive design with a target population of 52 respondents at the Jimma University. Data was collected using a structured questionnaire. The four independent variables only contribute about 52.4% to the procurement performance regarding the Jimma University, while other factors not studied in this research contribute 47.6% of the procurement performance at Jimma University.

5.2. Conclusion of the Findings.

5.2.1. Impact of Planning on Procurement Performance

The first objective was to establish the impact of Procurement planning on procurement performance. The results revealed that 61% of the respondents indicated that procurement plans in the department impacted positively on procurement performance while the rest (39%) of them indicated that the procurement plans did not affect procurement performance. This is also confirmed by Rotich (2011). Results indicated that procurement plans are formulated and reviewed bi-annually. From the regression model, a unit increase in planning will lead to a 0.269 increases in procurement performance in the case of the study.

Basheka, (2008) in his findings concludes that planning is a process that consists of many steps and the bottom line is that planning is not concerned with future decisions but rather with the future impact of decisions made today.

The results further revealed that the departments prepared annual procurement plans and that the procurement plans were prepared and the goals set participatory. Procurement plans therefore influence procurement performance in the sense that they provide focused and efficient utilization of available resources, help in budgeting and planning and therefore with adequate provision of funds due to procurement plans, performance is assured.

5.2.2. Effect of Resource Allocations and Procurement Performance

From the findings, 87% of the respondents indicated that the funds allocated to the departments for procurement were largely inadequate with the rest 13% indicating that they were not adequate. The respondents further indicated that funds allocation for procurement influence procurement performance to a large extent. Even though there was inadequacy of funds allocated to the departments for procurement, resource confirmation and resource allocation helps make procurement effective when carried out appropriately. From the regression model, a unit increase in Resource allocation will lead to a 0.195 increases in procurement performance as the study concerned, which implies that resource allocations accounts for 19.5 % of variations in procurement performance.

5.2.3. Staff Competency and Procurement Process

From the findings, all in all (100%) of the respondents in cumulative percent indicated that the procurement staff had the necessary skills and experience to carry out procurements effectively and that the staff competencies influence procurement process to a large extent.

Procurement staff competencies affect procurement process both for procurement unit and to the whole University in the sense that experienced staff carry out duties in a professional manner and reduce wastage of resources.

The respondents indicated that effective and efficient procurement process can only be achieved by proper planning by competent staff else there would be flaws in the process. Competent staff would ensure that items services are procured as and when the need is expected. Lyons and Gillingham, (2003) confirms this indicating that procurement personnel should be knowledgeable about specifications so as to be able to secure value for money for their employers and play their role of intermediaries between the user and the supplier.

5.2.4. Organizational Structure and Procurement Process

Finally, the study found out that the established budget allocations for lower prices are always obtain by going through the procurement authority process activity timelines are respected as indicated by all the respondents. 67.3% of the respondents in the cumulative percent indicated that organizational structure influences procurement process to a great extent and that procurement process entails planning, organizing, control and directing payments. 32.7 % of the

respondents indicated that there were delays in higher price payments to suppliers and that this affected greatly on their service delivery.

The study further reveals that organizational structure entails planning, organizing, employee expectance and resource allocation which affects procurement process. The study concludes that Planning, resource allocation, staff competency and organizational structure positively affected procurement process in the case of Jimma University. The purpose of planning is to be able to utilize the available resources to achieve the overall objective.

Planning explains about 27% of the variations in procurement performance while resource allocation, staff competency and organizational structure explain 17%, 20% and 23% respectively variations in Published by Asian Society of Business and Commerce Research procurement process. The study further concludes that preparation of annual procurement plans, frequency of formulation of procurement plans and the evaluation of the same contributes to the Jimma University procurement process. The most important factor was found to be procurement planning followed by employee competence as pointed out by most of the respondents. This was because good plans result to effectiveness and efficiency in attaining organizational results. Mamiro (2010) agrees with these findings and concludes that one of the major setbacks in public procurement is poor planning and management of the procurement process which include needs that are not well identified and estimated, unrealistic budgets and inadequacy of the skills of staff responsible for procurement.

According to the respondents response the study forwarded that there are poor deals like, Quality is not always achieved, the quality purchased goods by procurement office is not satisfied, Purchasing is not assisted by technology like computerized system, the organization not used planned job rotation results, the respondents do not believe in providing specific mechanisms can monitor and detect misconduct behaviors in their organization were found by this research study in the case of Jimma University and which are hampered greatly on the procurement process service delivery.

5.3. Recommendation

This research study assessed and established that planning positively affects procurement process to a large extent. The study recommends that plans are not static and that preparation of annual procurement plans should be participatory, frequently reviewed so as to improve on the organization of procurement process. Equally, the organizational structure of the procurement

process should be administered by qualified, competent and experienced procurement professionals. This will not only help maintain good procurement standards but also will help achieve high levels of efficiency and effectiveness. In addition, to avoid delays in supply and provision of services, timelines have to be respected since most organizations would have overruns. For the success of the structured management in the case of Jimma University should ensure that proper mechanisms for organization monitoring and evaluation are put in place with the input of procurement personnel and the user department with progress reports thereon move up for necessary action.

5.3.1 Recommendations for Further Research

This study looked at four independent variables (planning, resource allocation, staff competency and organizational structures) which according the study contributes to 52.4% of the variations in procurement process in the case of Jimma University. The researcher recommends further research to investigate the other (47.6%) factors that affect procurement performance. Equally, further research should be carried out in other procurement process to ascertain whether these findings are universal and research on procurement process measurement should be carried out as this was not the objective of this study.

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APPENDIX A

Questionnaires

Jimma University School Graduate Studies

Masters of Art in Public Management

Dear Respondents,

This questioner is prepared for the successful completion of “Masters of Art in Public Management

under the thesis title “Assessment of Affecting Procurement Process (Case Of Jimma

UniversityMain Campus)The purpose of this study is to analyze the current trends of affecting Procurement Process and identify the problems in it, then finally to provide possible solutions to the problems raised with respect to the practical approaches. Therefore, your honest response to this questionnaire will greatly help to identify the current Assessment of Affecting Procurement Process and to conclude and give recommendations following the research findings and the results are intended to serve for academic purposes only.

Finally, you are asked for your kind cooperation and willingness in answering the questions as truthfully as possible until the questionnaire is successfully completed and your response will be highly confidential.

Notice

- No need of writing your name
- Please put tick (✓)mark in the boxes

Thank you

You can write the desired answer for open ended questions

Ser. No	Service Years	Educational Status	Sex		Age	Total
			Male	Female		
1	0-5	1 st degree				
		2nd degree				
2	6-10	1 st degree				
		2nd degree				
		PhD and above				
3	11-20	1 st degree				
		2nd degree				
		PhD and above				
4	Above 21	1st degree				
		2nd degree				
		PhD and above				
5	Total 1-4	Educational status total				
		1st degree				
		2nd degree				
		PhD and above				
		Total				

No	EMPLOYEE COMPETENCIES	Scale				
		Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
Q1	Having Creativity and Flexibility ability					
Q2	satisfying with Teamwork and Relationship Building ability					
Q3	The ability of Critical/Analytical problem solving manner					
Q4	Self and Time Management ability					

No	ORGANIZATIONAL STRUCTURE	Scale				
		Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
Q1	Regarding centralize and decentralizing your organization have hierarchy levels.					
Q2	The communication work in this hierarchy can be explained					
Q3	your organizational structure can be differentiated					
Q4	Your organization uses planned job rotation results					

No	PROCUREMENT PLANNING	Scale				
		Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
Q1	your institution considers potential procurement methods: such as types of supply					
Q2	You prepare and submit procurement plan to Procurements in your institution.					
Q3	You believe in providing specific mechanisms can monitor and detect misconduct behaviors in your organization					
Q4	increasing managerial control and collaboration improves accountability and transparency in your organization					

No	RESOURCE ALLOCATION	Scale				
		Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
Q1	The resource allocation of your institutions is based on real evidence and data					
Q2	The quality purchased goods by procurement office Is satisfied					
Q3	When items are requested for purchases, the request is done in careful manner					
Q4	.Purchasing is assisted by technology like computerized system					

No	PROCUREMENT PROCESS	Scale				
		Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
Q1	We have adopts the procurement cycle in public					
Q2	Lower prices are always obtain by going through the procurement Authority process					
Q3	Quality is always achieved					
Q4	Early delivery of materials is very important to procurement successful					

Appendix B

Semi-Structured Interview

Jimma University School Graduate Studies

Masters of Art in Public Management

- I. Semi-structured Interview question to procurement team leader, procurement head and expert. It includes Jimma University procurement team leader From the Procurement Support department and Supply Chain manager and experts from procurement Core processes.
 1. Do you believe the purchasing procedure properly applied in your working practices?
 2. What are the main problems on the existing procurement practices in your organization?
 3. Do you think in your department purchasing performs in planned manner?
 4. Does it government least cost purchasing principle satisfies the quality needs of good?
 5. How do you think the rate interdepartmental coordination and relationships procurement department with another department?
6. Do you think user purchase request is made in planned manner? If no what are the challenges to request in planned manner?