

***EFFECTS OF PROCUREMENT PRACTICES ON ORGANIZATIONAL
PERFORMANCESPECIAL EMPHASIS ON JIMMA UNIVERSITY***

**A thesis Submitted to the School Graduate studies of Jimma University Partial
Fulfillment of the Award of the Degree of Masters of Public Management
(MPM)**

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DECLARATION

I hereby declare that this thesis entitled effect of procurement practice on organizational Performance special emphasis on Jimma University has been carried out by me under the guidance and supervision of Dr.Zerihun Ayenew and Gadiese Amensisa

The thesis is original and has not been submitted for the award of degree in any University or Institution

Researcher's Name

Date

Signature

CERTIFICATE

This is to certify that the thesis entitles “Effect of procurement practices on Organizational performance special Emphasis on Jimma University research is carried out under our supervision on the topic effect of procurement practices on organizational performance special emphasis on Jimma University’s submitted to Jimma University for the award of the Degree of Masters of Public Management(MPM)and is arecord of valuable research work carried out by Mr.TamiruShallo ,under our guidance and supervision.

There forwe hereby declare that no part of this thesis has been submitted to any other university or institution for the award of any degree of master’s.

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ABSTRACT

Procurement practices are vital activities in the public sector, since procurement process is generally a critical part of organizations' expenditure. The linkage of procurement to organizational performance in particular, makes the embracing of best practices important to success of organizations. The main aim of this study was to examine the practices in procurement and its effects to organizational performance of Jimma University. The study based on the assumption that proper inventory management; procurement monitoring, procurement controls, procurement planning, and training of workforce can result to better organizational performance of Jimma University. Descriptive research design was followed. The target population of the study was the 250 employees working at the department of procurement and property administrations from which primary data was collected using structured questionnaire from 186 respondents. Data analysis was done using descriptive and regression methods. The study established the Jimma University had adopted procurement practices to a moderate extent. It further found out that procurement planning procurement monitoring and procurement controls are important in influencing the organization's performance. The study concluded that application of the procurement practices in the organization is founded on proper procurement planning, procurement monitoring and procurement controls. Therefore, recommends that the key procurement actors should come up with viable ways of managing procurement process. Revitalization of the entire procurement process should be a requirement as it can help in ensuring that organizations embrace modern technological ways and trends in handling and addressing procurement issues.

Key words: - Procurement practices and organizational performance

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ACRONYMS\ABBREVIATIONS

JU Jimma University

OP Organizational performance

LT Legitimacy theory

PAT Principal Agency Theory

SPSS Statistical package for Social

PC Procurement Controls

PM Procurement Monitoring

TW Training Work force

IM Inventory management

ANOVA Analysis Of Variance

RS Relation Ship

B\N Between

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Procurement practices are vital functions in the public sector, since procurement process is generally a critical part of open spending in organizations(Carr and Smeltzer, 1997) states that procurement practices comprises of the actions taken by the purchasing organization to navigate and integrate its performance in order to increase productivity by reducing cost and time.

Procurement is the practice of selecting vendors, strategic vetting, setting up payment terms, selection, negotiations of contracts and actual purchasing of goods ,Weele,(2010).

Lim, (2014) describes procurement as a process which entails acquiring (procuring) goods, services and work that is vital to an organization.

Worldwide, public procurement has become an issue of concern and debate, and has been subjected to reforms, restructuring, rules and regulations (Kabega, Kule and Mbera, 2016).

The linkage of procurement to organizational performance in particular, makes the embracing of best practices important to present organizational success. Procurement is found to be practiced in many organizations around the world (Husseini and Shale, 2014).

Kabega, et. al. (2016) reiterated that various public institutions both in developing and developed countries have instituted procurement reforms which involve laws and regulations but the main challenge has been inadequate regulatory compliance. Public institutions are found to be big spenders and that they deal with massive budgets (Roodhooft and Abbeele, 2006). In addition, Mahmood, (2010) restates that public procurement was estimated to represent 18.42% of the world Gross Domestic Product (GDP). Public procurement is recognized as essential in service delivery and it accounted for a high proportion of total expenditure (Basheka and Bisangabasaija, 2010).

The theories guiding the research are the principal-agency theory (PAT) and the legitimacy theory (LT). The PAT concerns with the understanding that is put in place for an individual or entity (agent) to act in another's interest (principal). The legitimacy theory asserts that an organization has the mandate to explain its activities to the stakeholders, especially, if it is a public entity and should state how society will benefit from it.

The existence of integration of procurement practices in various organizational operations and support functions, harmonizing production with new orders, purchasing with demand, scheduling and shipping with customer requirements, has contributed significantly to the performance of many public organizations(Baily,2011) Application of appropriate procurement practices strategically, has the potential impact to the performance of organizations and national economies in general (Keith, Vitasek, Manrodt, and Kling, 2016). However, (Singhal,2011) observed that disruptions in procurement practices at any level devastate organizational performance. Poorly coordinated procurement practices do long-lasting damage to organizations' stock prices and profitability and need to be more thoroughly addressed by supply chain continuity planners (Thai, 2010).

For leading public organizations like Jimma University respond to the current dynamic purchasing environment, it is required to embrace procurement. Since the entire procurement processes can work well in the improvement of the responsiveness of the Jimma University procurement systems

1.1.1 Procurement Practices

Procurement practices can be described as activities which involve procurement planning, procurement controls, procurement monitoring and training workforce and this formed the basis of this study with addition of inventory management (Makabira and Waiganjo, 2014). An organization's procurement functions are guided by practices and activities that are entirely different hence divided into strategic and operational processes (Kaufmann, 2009). The importance of procurement in an organization has made some organizations to improve procurement processes of new systems such as, e-procurement that relates well with the varied technologies of electronic commerce such as document imaging, workflow management, bulletin boards and e-mail enabling business process remodeling (Wanyama, 2012).

Buying of goods and services through various channels necessitates organizations procurement. Public or government organization sees procurement as a good opportunity to enhance process of procurement within the public sector bodies (Makabira and Waiganjo, 2014). Kierkegaard (2006) stated that government procurement procedures could be guided by three main principles: all parties interested have an equal opportunity to submit tenders, all enquiries must receive equal treatment in order to eliminate discrimination on the grounds of the nationality of the contractor or the origin of the goods/services, and all tendering and award procedures must involve the application of objective criteria. With these combinations, proper application of procurement practices give rise to a number of benefits to an organization and to the strategic plans of organizations that could lead to acceleration and flow of important information between the buyer and supplier, and also helps to respond quickly to highly competitive new market entrants (Dong, Xu and Zhu, 2009). On the other hand, improving financial control by making it easier to match orders, improving auditing and better security are the operational benefits of procurement practices (Ordanini and Rubera, 2008).

1.1.2 Organizational Performance

Organizational performance is the actual output or outcomes of an institution and its intended outputs or goals and objectives (Upadhaya, Munir and Blount, 2014).

Organizational performance can be measured through reduction in cost, quality of goods/services delivered, productivity, lead time (Mchopa, and Panga, 2014) and (Richard, and Johnson, 2009).

According to, Hamon (2003), states that the most critical factors for effective management were Performance Measurement and that identifying and measuring the influence of Supply Chain Management on it enhances the organizational performance. However, the subject of performance does not receive sufficient motivation in supply chain management research. The indicators of performance of an organization can be financial targets attained and satisfaction of laborforce. On the same note, Ho (2008) observed that organization performance could also be estimated based on institutions effectiveness and efficiency.

According to(Venkatraman and Ramanujam,1986) the indicators of performance should be measured based on financial elements such as growth of sales, profit, return on investment, business performance and organization effectiveness.(Delaney and Huselid,2006) emphasized that performance of an organization could be measured by observing quality of products and service, performance in the market, customers satisfaction, innovations of services, and labor force(Green and Inman,2007) further recognized essential elements which can be used to gauge performance of any given organization include: profit, sales and market growth as well as return on investment. Consequently,(Masiko,2013) observed that organizational performance can be measured by productivity, cost saved, value of services and goods distributed on time, and client contentment.

1.1.3 Jimma University

JU is found inSouth Western part of Ethiopia, Oromya region, Jimma Zone 354km far from Addis Ababa. This University established in 1996E.C by including Jimma Health Science Institute, Jimma Agriculture & Veterinary Colleges and Jimma Hospital.

Now a days this university running different programs by using 7 collages and 2 Institutes having enrolling capacity of more than 5 thousand students per year by making employment opportunity for more than 6500 Administrative staffs and more than 3000 Academic staffs. Based on government higher education policies university education have been developed by introduction of different programs thousands of citizen and even foreigners admitted for different programs.

Procurement and property administration department were one of the fastest ofgrowing department of the university. The departments were headed byprocurement and property

administration managers whose main responsibility are to coordinate procurement and property administration activities as well as offer professional advice to the university the department faces a number of challenges arising from the implementation of the public procurement process which require strict adherence to the long bureaucratic procedures however by and large the university has met the requirements of the public procurement process. As the university moves forward procurement function will continue to become important in the management of public affairs. Furthermore, efficiency in procurement policies of JU is enhanced by government bodies like public procurement and disposal authority and higher university support programs which assist in assuring customers, employee and stake holder's confidence.

The JU procurement and property administration department was found fit for this study as it is one of the main contributors in transforming the university into world class status through use and application of modern procurement principles and practices that will assure continuous flow of materials and services. So that university operations are not interrupted in addition the property administration and procurement department is currently undergoing fundamental restructuring in Job evaluation (JEJ) in order to conform to the tense and spirit of the university, this restructuring process will also enable the departments to effectively and positively contribute to the JU mission, vision and strategic plan 2010-2020.E.C

1.2 Statement of the Problems

Procurement is deemed to be part of principles of management of plans that focus on effective achievement of performance efficient in public institutions as well as growth of the nation. In practice, when procurement process is well planned and implemented, it can act as an economic instrument for guaranteeing national development (Keith et. al, 2016). Many of the third world countries are challenged by dynamic procurement revolution and this gives them difficulty on the functioning of procurement and performance together with the inside and outside dealings (Wambui,2013) The procurement practices are fragile and predisposed to regular discontinuities (Jeppesen, 2010).

According to (Karanja and Kiare,2015) indicates that the vulnerabilities in the public and private sector evidenced in the erratic shedding and re-employment of staff when faced with downstream and upstream linkage discontinuities, affect organizational performance.

According to (Ejura and Augustine2014) noted that the major problem in the current procurement industry is not on the limited regulation models but because of noncompliance and pitiable execution process.

Regardless of the effort by the private and public institutions in Ethiopia to improve performance of the procurement function, poor implementation and non-compliance to procurement regulations still pose as key challenges (Hussein andShale, 2014). They are burdened with delays and occasional inability to deliver the goods to the designated organizations (World Bank, 2010). This problem has precipitated to a decline of procurement/supply performance of enormous public organizations (Schiel Horn and Vos2011) With the present estimated spending of about 70% in purchasing and the importance of functions of procurement in contribution of profitability of a firm by over 25%, it will be essential for institutions to come up with a decision on how practices of procurement could assist in meeting organizations goals (Jibrin, et al, 2014).

There are various studies conducted on the topic of procurement and its relation to organizational performance which have given different findings. For instance,(Nantage 2011) found out that strategic procurement management has a direct impact on the financial performance of Banks in Uganda. It is necessary to carry out similar study in a different setting and find out if the same suggestion holds in the JU procurement and property administration department.(Kabega et al, 2016) study was on effect of procurement practices on performance of public projects in Rwanda. In their study, they did not include procurement practices like inventory management, procurement controls, procurement monitoring and training workforce of which this study intends to examine. It is also essential to test if procurement planning has an influence on the performance of the JU.

A study carried out by(Makabira and Waiganjo,2014) on the practices of procurement and corporate institution performance in Kenya with focus on Kenya national police service, indicated that procurement controls, procurement planning, procurement monitoring and training workforce in procurement practices have a great role in the performance. The study did not

examine how inventory management affects performance which is one of the practices under investigation in this study.

Several researches have been carried out on procurement practices and organizational performance. However, most of them were done in different countries focus on different aspects other than procurement practices and organizational performance. In addition, it was evidenced from this studies that the procurement process still fail in many public entities. Therefore, the aim of this study was to fill this knowledge gap in literature guided by the following research question: What effect does procurement practices have on organizational performance of the JU.

1.3 .Objectives

1.3.1. General Objectives

The main objective of this study was to investigate the effect of procurement practices on organization performance of the JU.

1.3.2 The Specific Objectives Were:

- i. To assess the extent in which JUhas adopted procurement practices.
- ii. To analyze the relationship between procurement practices and organizational performance in the JU
- iii. To investigate the challenges faced in the adoption of procurement practices at the JU.

1.4 Research Questions

The research questions are as stipulated below

- i. To what extent does JU has adopted procurement practices?
- ii. What is the relationship between procurement practices and organizational performance in the JU?
- iii. What challenges JU faced in the adoption of procurement practices?

1.5. Purpose of the Study

The purpose of this study was to investigate the effect of procurement practice on organization performance in Jimma University

1.6. Significance of the Study

The findings from the study are expected to empower in theJUprocurement and property administrations department staffs and it provides for management of the JU the research examined the effect of procurement practice on organizational performance and how management formulated strategies that enhanced efficient procurement practices and to enable the leader of the institutions to effectively monitor and appraise procurement performance and to evaluate some of the policies governing the effect of the procurement practices on organization performance whether they are generating the intended results. This in the long term will provide such users a base on which to modify these policies to suit the demands of the different stakeholders, hence improving the performance of JU. The study intends to aid the Government to body out the different avenues it can take up as a measure to enhance and increase procurement performancelevels in all statutory entities. The research findings and analysis are of great significance to those who purpose to do further research on this topic. This research is also expected to add to the current literature.

1.7Scope of the Study

1.7.1. Time Scope

The period between 2010 - 2019 was considered, when performance of university were put on the spot due to up and down performance during 2010-2015 the universities performance compared to other senior government universities relatively better status but from 2016-2019 its performance declines and its status goes down due to different reasons that is reported from different responsible Authorities like internal and external audit reports, government parliament higher education committee report and JU board reports .

1.7.2. Context Scope

This research focused on the Jimma University procurement and property administration departments to examine the effect of procurement practice on organizational performance.

1.7.3 Conceptual Delimitations of the Study

Ideally one to have picture of procurement practice on organization performance practically impossible to encompass all. it is considered that it may not be manageable due to time and Cost to cover all procurement practices. this study was to specifically examine the effect of procurement practices like; procurement Planning monitoring controls training work force and inventory management on organizational performance special emphasis on JU.

It would be necessary to assess the issues broadly across the all departments of JU in general however, the researcher is not able to do .thus the scope of the research was limited to the procurement and property administration department staffs activity only.

1.8. Operational Definitions

✓ Contract Management

Administrative activities associated with handling of contracts, such as invitation to bid, bid evaluation, award of contract, contract implementation, measurement of work completed and computation of payments. It also includes monitoring contract relationship, addressing related problems, incorporating necessary changes or modifications in the contract, ensuring both parties meet or exceed each other's expectations and actively interacting with the contractor to achieve the contract's objective (Kibogo. A. D & M Wangangi M, 2014).

✓ Organizational performance

Organizational performance is the actual output or outcomes of an institutions and its intended output or goals and objectives it can be measured by productivity costs saved, value of services and goods distributed on time and client contentment (Upadhaya Munir and Blount, (2014).

✓ **Effectiveness**

This is the degree to which something is successful in producing desired result, Hamon, T,T,(2003).

✓ **Efficiency**

The quality of being efficient, or able to accomplish something with the least waste of time, effort and resources.(Shiundu.P.RotichR,2014)

✓ **Procurement**

This is the act of obtaining or buying goods and services. The process includes preparation and processing of a demand as well as the end receipt and approval of payment. It often involves purchase planning, standards determination, specifications development, supplier research and selection, value analysis, financing, price negotiation, making the purchase, supply contract administration, inventory control and stores and disposals and other related functions Lim,M (2004)

✓ **Procurement monitoring**

It includes direct observation that means personal, physical observation that delegates the responsible staff member is physically present at the work site during its performance to see how it is progressing whereas indirect observation describes testing progress reports from many observers ,technical reviews ,performance indicators and audits.it shows the work performed are unlikely, to reveal whether the work is ahead of schedule ,on schedule or behind schedule(Brown and Hyer,2010).

Procurement controls

It covers monitoring the vendors performance and ensuring that all contract requirements are being met.

it includes the action of monitor the progress ,execute plans, approving the scope by accepting the results, track cost and ensure payments ,measure output ,approve change, take corrective actions and harmonizing contractual deliverable with the schedule.,(Waters,D2004)

✓ **Procurement Planning**

Procurement planning is the process of deciding what to buy, when and from what source. During the procurement planning process, the procurement method is assigned and the expectations for fulfillment of procurement requirements determined, (Chandra,P,2006).

✓ **Professional Ethics**

These are professionally accepted standards of personal and business behavior, values and guiding principles,(Charles,VandMartin,S,2003).

✓ **Public Procurement**

This is the buying of goods and services by government organizations. It involves the acquisition of goods, services and works by government entities using tax payer's money.(Arrow, S.S and try bus, M.2008)

✓ **Purposive Sampling**

Purposive sampling, also known as judgmental, selective or subjective sampling is a non-Probability sampling techniques. It focuses on sampling techniques where the units that are investigated are based on the judgment of the researcher,(Glass,G.V and Hopkins, K.D1984)

✓ **Training of work force**

For the purpose of this studytraining of workforce is used to describe the applied knowledge and skillsperformance deliveryand the behavior required to get things done very well(Armstrongand Baron,(1995

✓ **Supply Chain Management**

This is the management of material and information flow in a supply chain to provide the highest degree of customer satisfaction at the lowest possible cost. It requires the commitment of supply chain partners to work closely to coordinate order generation, order taking, and order fulfillment.

They thereby create an extended enterprise spreading far beyond the producer.(Chopra, S and Meindl P,2001)

1.9. Organization of the Study

This study has been organized in five chapters. Chapter one entails introduction, background of the study, statement of the problem, objective of the study, research questions, significance and scope of study. Chapter two covers literature review, Chapter three covers research methodology, meanwhile Chapter four is envisaged to covers data analysis, findings and discussion finally Chapter five covers summary, conclusions and recommendation.

CHAPTER TWO

LITERATURE REVIEW

2.1. Introduction

This chapter presents the existing literature review on procurement practices and organizational performance. Specifically, this chapter covers the theoretical review, procurement practices and the challenges that affect these practices in the performance of organizations.

The purpose of the literature review was to create a deeper understanding of the issues under research. It documents related works done by other researchers in reports, textbooks, online publications and journals, among others, in the order of theoretical review and conceptual review/conceptual framework will be covered in his section. The actual literature is preceded by a review of the theoretical issues.

2.2. Foundation of Models

This research is theoretically embedded on the Principal-Agency Theory and Theory of Legitimacy.

2.2.1. Principal-Agency Theory

This theory is the foundation model employed to ascertain the formation of this study. The economists founded this model to confront the issue related to principal and agents, where agents are persuaded to carry out some task on behalf of the principal (Health and Norman, 2004). The Principal-Agency Theory (PAT) concerns with the understanding that is put in place for an individual or entity (agent) to act in another's interest (principal). The postulations and proposition of PAT fit obviously with the issues concerning procurement and performance. For instance, the government which is in this case the principal/shareholder of the Jimma University chooses management (agents) to act on its behalf. For that reason, the procurement management is given power to make decisions on behalf of the government.

In the process of managing supplier quality, buyers in agency relations are likely to be faced by possible risks. By nature, it is the expectation of buyers to get good and improved quality goods. Findings of this study are as well of great value to researchers and academicians as this research added to other scholars' literature and knowledge gap in procurement practices and filled the existing gaps as far as organizational performance is concerned and therefore, avail them with option for further research in relation to performance based on procurement practices.

And services from suppliers, however, suppliers might be hesitant to spend considerably in quality. (Zu and Kaynak, 2012) observed that the difference between buyers and suppliers always result in the two parties concerning themselves only with their self-interests. PAT establishes the way procurement managers carry out the procurement practices on behalf of public universities. If there is existence of poor relationship between the principle and agent, then this could affect the relationship between the suppliers and the institutions. This study therefore, used this model to determine the procurement practices' role and the performance of organizations with focus on Jimma University.

2.2.2. Theory of Legitimacy

This theory affirms that institutions have the command to explain their operations to their respective key actors, especially if it is a public entity should state its benefits to the society (Wilmshurst and Frost, 2000). (Suchman, 1995), stated that Theory of Legitimacy (LT) is a generalized assumption or perception that the activities of any organization which are workable, appropriate and viable in system which are based on social beliefs, values, definitions and norms.

The notion of LT sturdily proposes that the social agreement which is between the government and the public universities is in position of being eliminated. Based on the context of procurement in public universities like the Jimma University, there is likelihood of existence of issues like cronyism, corruption, as well as nepotism which can affect the practice of legitimacy theory. The study therefore employed legitimacy theory to be able to examine whether the procurement officers make disclosure of practice of procurement in order to build a better status with the respective government, key players together with the entire society. University managers may choose to legitimize and implement procurement practices on the understanding of their states or involved sections. Nevertheless, different public managers seem to differ ideally

on the public expectation and their respective local authorities or agencies and even departments as the society views them to comply with their expectations.

2.3 Procurement Practices

2.3.1 Procurement Planning

Basis of work organization is provided through proper planning of projects as well as allocation of individuals' responsibilities. According to Brown and Hyer (2010) planning is comprised of the identification of the main purpose, scope definition, requirements of customers, and identification of activities of procurement, time estimation which can be based on delivery of goods and services as per cost quoted and scheduled, responsibilities assignment among other many involvements. The element of planning could be used to answer the following questions: What organizational result is expected? And what does the organization hope to accomplish by successfully completing this project? For one to understand the essential planning role which is played in successful implementation of projects, planning preparations is therefore required to be excellent, and these could involve well elaborated process scheduling of implementation phases and task timeliness, milestones, re-planning as well as fallback positions (Frese et al 2003). An implication that planning in conception is not enough as Saunders (1997), observed that planning can also consist of forecasting which assist in the cost prediction process and financial statement. Eventually, the principle function of planning in procurement is to secure any delays in public projects implementation and avoidance of budgetary related situations which might be stumbling blocks to project success.

2.3.2. Procurement Controls

Observation are made in order to collect information related to those aspect of performance that when measured will describe the progress of the work .the reason for observing ,collecting information and measuring progress is to have a basis for comparing actual achievement with planned in order to exert control .each department must direct its attention internally to ensure that it is fulfilling its own obligation and externally to ensure that the other department is fulfilling its obligation .

Observing and collecting information directed by control points like cost control, schedule control, compliance with specification terms of references, statement of work, compliance with terms and conditions paper work requirement and administrative aspect of the performance. Procurement controls manage procurement relationship while monitoring the performance of contract, taking corrective action if required, and control of change, it ensures that the work result much the contracts.

Control procurement process actions includes monitor progress, execute plans, verifying the scope by accepting the results, track costs and ensures payment are made against in work that has been both verified and accepted, measure output, harmonizing contractual deliverable with the schedule, approve change, take corrective action, and report on status, Orpheus and Blog, (2014).

2.3.3. Procurement Monitoring

Procurement monitoring it comprises each and any systematic observation of the procurement system conducted in a coherent way in order to assess how this system functions and develops over time and to establish whether the desired state defined by policy makers has been the method and proceeding applied in order to detect and remedy infringement of procurement rules (auditing, inspections, checking of compliance), although detecting and combating infringement of public procurement rules (by means of compliance assessment) is instrumental in achieving set for public procurement.

Activities involved in procurement monitoring includes collection, analysis, dissemination of data concerning various aspect of public procurement (its transparency, openness, competitiveness and efficiency) information collected through monitoring is useful for the purposes developing policy, determining value for money and drawing conclusion with regard to compliance with fundamental principle of public procurement and fulfillment of predefined objectives and targets.

The result of monitoring provides a basis for the preparation of regular reports on the functioning of the procurement system and in particular for the elaboration of recommendation and proposes for the future development of the procurement system.

The role of monitoring includes identifying need for any change in the system, assess the way in which the procurement system develop as a whole and the direction in which it is moving

,setting short and long term priorities and evaluating whether they have been achieved ,analyzing the potential effect of alternative solutions ,providing guidance for procurement policy and implementation decision making ,providing information of relevance to decision made by other policy makerstypes of monitoring includes audit of compliance ,performance evaluation and policy compliances .Therefore, project of procurement monitoring contract system tend to have an important impact on individual's ability to make decision to de-escalate or escalate their Commitments, Hellawell,J,M, (1991).

2.3.4. Inventory Management

Warehousing and storage records need to be utilized for accepting issuing merchandise on client offices. The vast majority about these documents need to be responsible and ought to be secured against unapproved right of use. Warehousing and storage records ought, further to be figured out how inside the acquisition cycle and their overseeing of economy to a chance to be coordinated for those records that relate to economic project of a procuring processes. The records acquisition management officers need supervisory to facilitate any obligations for the administration of storage records. It may be crucial that store records need to be appropriately kept in a systematic manner. It will be especially paramount to have end to end coordination of efforts within the officers that are answerable for the overseeing the economy for procurement accounts and records. The records administration branches clinched alongside procurement must give acceptable course and authority in the management about storage records close by different records in different entities (PPOA, 2008).

2.3.5. Training of Workforce

Through training participants acquire new skills in view of implementing effectively all the duties. Procurements trainings such as sensitization workshops and forums for Public procurements are necessary for enabling employees to be more effectively in responding to procurements decisions during discharging of day to day activities.

Without proper training procurement staffs will be out-dated in facing new challenges and practices such as technological changes and new legislative in the industry whereby in the past

thirty years we have witnessed various changes and reforms in the industry. Proper trained staffs apart from enhance efficiency in procurements related duties can work under minimum supervisor due to possession of appropriate needed skills for duties and functions related to procurement obligations.

Dalton (2005), elaborates that training is the process of acquiring specific skills to perform a job better and helps people to become qualified and proficient in doing some jobs. Usually organizations facilitate the employees' learning through training so that their modified behavior contributes to the attainment of the organization's goals and objectives.

According to,(Schermerhorn, John and Osborn,2003), through training participants acquire new sets of values and attitudes. The appreciation of their inherent but untapped potential and reinforce their self-confidence and sense of autonomy as opposed to dependency on limited knowledge.

2.4. Organizational Performance

A system of procurement is termed to as an essential element of supply chain system in any given institution. Usually, procurement process of an organization includes operational and strategic processes as priorities in operations of the two entities which tend to differ (Turban, Lee, King and Chung2000).

Products of procurement, management of supplier, requisitions of purchase orders as well as growth are among the key activities which are linked in procurement strategies. Most organizations decentralize their procurement tasks through procurement processes which work hand in hand with strategies that are in the center of the processes of procurement. For a company to group together practices of purchasing, procurement will help to consolidate what will lead to greater discounts and better service from suppliers, the information acceleration found among the suppliers and buyers, reduction in hours administration, leaving them with more time to carry out duties, quickly respond to stiff competition in the entrants of new markets therefore improving the possibilities of championing new enterprises (Eng, 2004). Managing function of procurement effectively pioneers system performance in attaining its presumed goals of private, public and sector. Operationally, good procurement systems help in improving bettering precautions and auditing by making it possible for auditors and staff to countercheck

and trail order transaction via the system, delivery time shorten by in terms of time cutting on delays mail documents, elimination of obstacles on time zone, since the procurement usage can be applied regularly, and therefore reducing levels of inventory, thus inventory costs.

According to (Chong and Ooi,2008) assert that a procurement process which is termed to be well prepared and implemented increase the possibilities to organizations' inventories reduction, encompass good services to customers, cost reduction as well as aid fast turns of inventory. Among the major procurement benefits are through the condition of shortrange goals leading to productivity increase and inventory decline as well as less lead time. In relation to durable goals, the significance of these factors is responsible in expansion of market share plus integration of outside procurement activities (Li, RaguNathan, Ragu-Nathan and Rao, 2006).

In addition, procurement helps to labor expansion through employee empowerment and improvement of quality of goods to come up with business rights to workplace (Johnson and Klassen, 2005). Performance of organization is measured through products and services quality, customer satisfaction, performance in market, innovation services, and relationships of employee (Delaney et al, 2006). On the other hand, (Hoque and James,2000) research on performance of organization related to balanced scorecard, explained that assessment of performance of organizations is done based on investment returns, sales margin, utilization capacity, product quality and customer satisfaction. In addition,

Greene et. Al. (2007) specified investment returns, market growth and sales, as well as revenue can be major elements in the measurement of performance of organizations. In all the performance measures, procurement practices have a positive relationship or generally affect the level of organizational performance.

2.5. Hurdles Experienced in Procurement

According to (Tukuta and Saruchera,2015), the major hurdles which are faced by professionals of procurement in the upcoming country include: lack of sound and effective regulatory framework, poor corporate governance, procurement costs, technological developments, reduced quality and damaged goods.

2.5.1. Poor Corporate Governance

The satisfaction of the efforts needs depend on the perception of individuals of which his/her outcome should come along with results desired (Van Eerde and Thierry, 1996). Lack of proper corporate leadership can lead to high turnover of labor normally extended in all economic sector, and therefore, affecting the stability and organization's development negatively (Chiboiwa, Samuel and Chipunza, 2010). Employees' prospects to payments of their salaries as well as motivations might not be realized, this is an indication given through performing poorly and labor turnover being high. (Howard and Miller,1993), pointed out that the comparison of employees' ratio of input-output should be across other region that approves inequity. Limited equity and justice, indicates that poor corporate governance, leads to employees resignation from their workplace.

2.5.2. Lack of Sound and Effective Framework of Regulation

The procurement is distinguished through policies of non-supportive which become stumbling blocks on the acquiring of goods and services (Tukutaand Saruchera, 2015). A legal and policy frameworks that are complicated can pose risks to procurement effectiveness (Bolton, 2006). According to (Schapper, Malta and Gilbert,2006) said that aftermath is that government and private investors will not trust each other such as private procuring firms.

2.5.3. Development in Technology

Technological process is vibrant and therefore technological change can be linked to high costs of set-up. Constraints to finance are key hindrance to capital projects, specifically in third world countries. (Savage, Fransman and Jenkins2013) observed that most activities of procurement in the modern world are done online. (Schapperet al2006) argued that organizations within the third world countries are still left behind. Weak strategic alliances, poor infrastructure as well as change reluctance led to non-adoption and poor technological interchange in the third world countries.

2.5.4. Cost of Procurement

The placement of stock orders on costs differences come about in the order handling and processing. Therefore, cost of procurement come along with processing cost in different departments, transmission of supplier orders, transportation of the order are left out in the goods and material processing, purchased and the handling of order on the point of receivership (KapoorandKansal, 2003). However, Hunja (2003) observed that the failure decision demand targets of goods and services in the receiving point of organization.

2.5.5. Reduced Quality

Poor quality costs and Cost of poor quality may vanish in presence of perfect systems, products and processes. IBM quality expert popularized in the year 1987 book of James H. Harrington of Poor Quality Costs (William, 2010). IBM embarked on the process of studying their costs of quality and come up with this idea in 1960s (Zu and Kaynak, 2012). On other hand, Feigenbaum's referred "cost of quality" to accurate of technicality easy for the inexperienced to conclude that production is based on better quality. The name of "poor quality costs" was adopted by Harrington who emphasized that the notion that organizations invest in discovery and avoidance of failure of products is beyond savings offset which reduce failures of product (Watson &Howarth, 2012).

2.5.6. Damaged Goods

Decisions made based on emotions, prompt buying, suppliers' preferences and making orders on phone are the main general causes which lead to errors in procurement, specifically, in the case where organizations are growing rapidly. In the inception of any given organization, policy-makers make sure that orders of everything are made at simultaneously. Ground hitting and running usually translates to pay no heed to the warning stages in the process of procurement which could lead to overruns of inventory cost prior to compensation of purchases on revenue streams. A better and broad system of procurement necessitates the more thoughtful decision-making on the prompt orders

2.6. Summary of Literature Review and Knowledge Gap

Scholars	Study	Major Findings	Knowledge Gap
Walker and Brammer (2007)	Sustainable procurement among the United Kingdom (UK) public sector.	Nature of procurement practices was found to have significant variations in public sector agencies	The study focused policies familiarization, inefficiencies/costs perceived by policies, incentives/pressures of organizations, and availability/resistance of suppliers.
Kabega, Kule and Mbera (2016)	Effect of procurement practices on performance of public projects in Rwanda	There was significant relationship between public procurement planning and performance and that the positive organizational performance in Rwanda was attributed by proper public procurement planning.	This study investigated practices such as procurement planning, tendering system, and contract administration. Their study did not outline how the government should monitor, control, and train their employees
Makabira and Waiganjo (2014)	The role of procurement practices on performance of Kenya National Police Service in Makueni County.	Procurement practices such as development, controlling, monitoring and training workforce played a great responsibility in the performance within the Kenya National Police Service.	The existing procurement practices in this study did not include inventory management of which if applied well, can improve organizational performance.

2.7. Empirical Studies

2.7.1. Globally Perspective

Worldwide, governments are the biggest spenders and the figure varies from country to country (Csaba, 2006:5). There is increasing recognition that improving economic governance and fostering fiscal responsibility in emerging economies requires strengthening transparency and accountability in the management of public finances (Santiso, 2006:23). (Thai2011:25) in his study on showed how public procurement is a complicated function of government. He said public procurement requires interdisciplinary skills and knowledge (or multiple disciplines), including economics, political science, public administration, accounting, marketing, law, operations research, engineering, and architecture, among others. He showed how impossible it is to integrate these disciplines into the public procurement knowledge (e.g., students/practitioners are not expected to become experts in engineering, architecture, law, budgeting and accounting, operations research, and economics through their public procurement training and education programs).

According to (Thai2011) a very important task of public procurement professionals is to communicate effectively with those professionals who are involved in procurement projects. But Ostrom (1999), argued it out that it is extremely difficult to achieve meaningful communication across these disciplines.

Based on, (Brammer and Walker,2007:56) researched on the sustainable procurement practice in the public sector in the UK. Financial constraints, the perception that sustainable products are expensive, lack of senior management support and the non-availability of sustainable products were some of the limitations to sustainable procurement which were identified by the researcher.(Brammer and Walker2007:45) concurred with (Mensah and Ameyaw2005:13) on the high costs associated with sustainable products as one of the barriers.

In their conclusion,(Brammer and Walker2007:45) noted that both the cross-country variation in the sustainable procurement activities of organizations and the observation that legislative support for sustainable procurement is among the most frequently cited facilitators of sustainable procurement suggest that national and international policy environments regarding sustainable

procurement are a primary determinant of the extent to which organizations engage in sustainable procurement.

According to (Brammer and Walker, 2007:47) recommended that the government needs to provide clear legislative and regulatory support for SP, and also to provide sufficient budgetary flexibility for organizations to make investments in SP that may be financially efficient only when viewed from a long-run perspective.

According to Ayaa, (2011:33) explaining non-compliance in public procurement in Uganda focused her study on the Central Government Entities and left out the Local Government entities. In Uganda, public and disposing entities are classified into two groups, the Central Government Entities and the Local Government Entities. The findings of her study cannot be generalized to the LGEs, implying that there is need for a study examining compliance with procurement regulations in LGEs given that they operate in environments that are different from those of CGEs. Secondly, we note that compliance is a behavior that is acquired over time and in order to examine its true nature, a longitudinal study is necessary. We therefore recommend a longitudinal study to examine compliance with public procurement regulations in the public entities. Public procurement is a function of government that is most prone to corruption, particularly in developing countries, where there is insufficient transparency and competition (Thai, 2008:66) and the findings of the study point to weaknesses that can lead to this phenomenon. (Hellman and Kaufmann 2004:67) estimated that more than US\$1,000 billion is paid annually in bribes, and the volume of bribes exchanging hands for public sector procurement alone to roughly 200 billion dollars per year. This has made it a key area of public administration that demands attention by policy makers as well as academic researchers in all countries. Public procurement is a business process within a political system and it is inherently a politically sensitive activity, not least because it involves significant amounts of money (Schapper et al., 2006:78). Effective and efficient public procurement systems are essential for the realization of the millennium development goals (MDGs) and the promotion of sustainable development, although the procurement systems in many developing countries have been weak and have served to squander scarce domestic and foreign resources (Development Assistance Committee, 2005)

2.7.2. African Perspective

In trying to implement far-reaching procurement reforms, developing countries face particularly daunting challenges (Hunja, 2000:14). Effective and efficient procurement policies were regarded as essential for attaining government programs and at a broader level they became an important dimension for assessing the performance of governments (Evernet and Hoekman, 2005:40). While the encouraging developments in the enforcement of public procurement rules were welcomed, the fact that serious problems still exist in this area could not be neglected (Tian, 2003:88). The perceived benefits of an effective procurement management regime cannot be overemphasized as it contributes to social-economic goals of a country (Thai, 2004:33). It results in more goods and services meeting the needs of the end users since they are obtained for less money and with speedier delivery (Arrowsmith and Trybus, 2003:12).

According to Boomsma,(2009:35) researched on sustainable procurement in developing countries. The countries under study were Sierra Leone, Mali and South Africa. The research found that lack of technical and management capacity, cultural integration, funding for investment startups, early inclusion of small producers, transparency and equal distribution of power were some of the aspects cited as hindering sustainable procurement by the author. Based on Boomsma (2009:35) concluded that sustainable sourcing needs multi stakeholder process, as well as the primary value chain actors, stakeholder researchers, government, support agencies, in order to be successfully implemented. The author further highlighted the need to create synergy among these stakeholders to manage conflicts and interests as to ensure that all actors gain. According to Boomsma (2009:35) recommended that the three aspects of sustainability (efficiency, high quality and social responsibility) need to be considered in the structure of an organization and its supply chain in order to add the highest possible value to the chain. The public sector, support agencies and donors should actively and responsibly support this process. In poorly integrated chains, a facilitator may be needed to coordinate and mediate the process towards a fair chain partnership.

2.7.3. Procurement in Ethiopia

During the 1960s, a number of developing countries including Ethiopia embarked on procurement reforms with an objective of creating efficient and effective procurement systems. Procurement remained a big part of the developing countries' economy, accounting for an estimated 9%–13% of the developing nations GDP and it was therefore an area that needed attention since resources were not being used properly (Wittig, 1999:2).

In a comparative analysis of the economic and political determinants of procurement corruption in Ethiopia, found that economic factors explained procurement corruption more than the political factors. One explanation of this was argued to be the traditional domination of corruption studies by economists whose economic measures of corruption have been tested over time. In some Government departments, failure to absorb Government funds and provision of the much needed social services has been blamed on the 'cumbersome' public procurement rules (Sabiiti and Muhumuza, 2012:36). In general, tactical procurement entails specification of goods, works and services, selecting and contracting of suppliers (Obanda, 2010:11). From a clerical function, it is now considered a strategic core function of government with potential to contribute to the social and economic development outcomes. The area of public procurement needs its rightful place in facilitating the downstream and upstream activities. While each country has its own economic, social, cultural and political environment, public procurement professionals almost face the same challenges (Thai, 2004

2.8 Conceptual Framework

Organizational performance is the abilities to fulfill an obligation to attain the set objective fulfill requirement and accomplish something as promised or expected .performance is the organization's abilities to attain its goal by using resource in an ideal manner ,(Daft,2004).

Procurement practices can be described as activities which involves procurement planning monitoring controls training workforce and inventory management (Makabira and Waiganjo2014).

The model of concept can be described as a group of variety of principles and ideas retrieved from fields that are relevant to enquiry and structure usage to a presentation of subsequent. Conceptual framework is used to show the relationship between the independent variables and dependent variable. Figure 2.1 illustrates that the independent variables of this study are inventory management, procurement monitoring, procurement controls, procurement planning and training workforce. Literature tells as that proper inventory management, procurement monitoring, procurement controls, procurement planning, as well as training of workforce can result to better organizational performance. Organizational performance is the dependent variable which can be measured through, quality of goods delivered, and quality of service delivered lead time.

Independent Variables

Dependent Variable

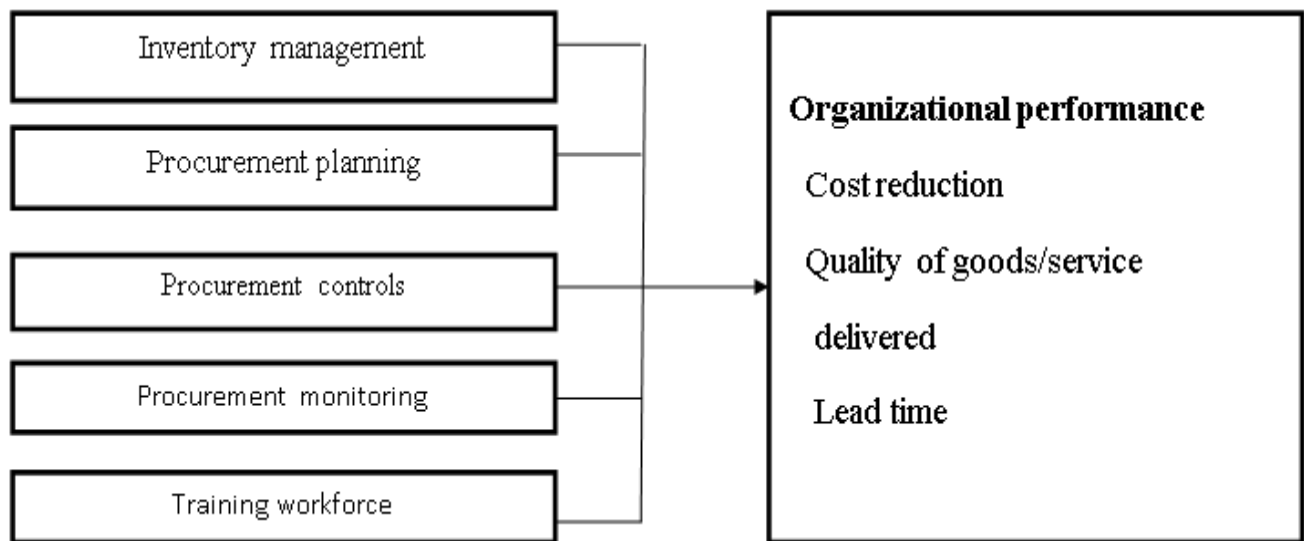


Figure 1 Conceptual Model

(Source:- adapted fromKaplan2005 and as moderated by the researcher)

2.9. Synthesis and Gap analysis

A substantial amount of surveyed literature above, both in theoretical and conceptual contexts emphasizes procurement planning, procurement control, procurement monitoring, training workforce and inventory management as critical determinants for procurement performance. Despite the importance of public sector procurement, the number of studies that have investigated the role of public authorities in effective supply is still small. Studies by Thomson and Jackson (2007:56), DEFRA (2006:34) and Brulhart (2009:50) draw much emphasis on effective procurement in developed nations but fail to address the factors affecting the adoption of effective procurement practices in developing nations. Studies by Patrick (2008:78) and Edward (2009:7) attempted to explain the status of effective procurement practices in Kenya but do not offer practical solution on how government training institutions should embrace effective procurement practices. A study by Talluri (2008:19) found that many government organizations in United India and Malaysia lack effective procurement policies for supporting effective implementation of procurement practices. A study by Moses (2009:45) found that application of poor sourcing strategies is a key impediment to implementation of effective procurement practices in many government institutions in Kenya. A study by Simpson and Power (2007:56) found that in many African government institutions, many procurement managers are not trained on implementation of effective procurement practices since most African institutions have not embraced effective procurement practices in public procurement training institutions. This study aims to fill the missing gaps by determining the major effect of procurement practice on organizational performance especial emphasis on JU.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1. Introduction

This chapter presents a description of research design, study population, determination of the sample size, sampling techniques and procedure, data collection methods, data collection instruments, pretesting, procedure of data collection and measurement of variables. It gives the roadmap to solving the stated research problem.

3.2. Research Design

The research design constitutes the blue print for the collection, measurement and analysis of data, Kothari, (2005:25). Across-sectional survey was used to identify the opinions of the sampled staff of JUprocurement and property administration employees about the effect of procurement practice on organizational performance. The choice of this design was appropriate for this study because it utilized a questionnaire as a tool for data collection and helped to establish the behavior of employees towards embracing performance. The descriptive design was used since the study gathered quantitative data that described the effect of procurement practice on organizational performance in JU.

According to Sekaran (2003:26), descriptive research design is a type of design used to obtain information concerning the current status of the phenomena to describe, what exists with respect to variables or conditions in a situation. Kothari (2003:26) describes descriptive research as including surveys and fact-finding enquiries adding that the major purpose of descriptive research is description of the state of affairs as it exists. Correlation research design was used to determine the extent to which two variables are related. This design uses a statistic known as correlation coefficient to measure the strength and direction of the linear relationship between the involved variables. The two study designs facilitated towards gathering of reliable data describing the effect of procurement practice on organizational performance in JU.

3.3. Study population

According to Sekaran (2009:16), population is the universe of units from which the sample is to be selected or it is an entire group of persons, or elements that have at least one thing in common. The study population for this research under investigation was the procurement and property administration department employees of the JU. Therefore the target population of this research was the 250 employees working at the departments of procurement and property administration in JU. The employees targeted in this department included low level employees middle level employees and top level employees the .research took purposive sampling.

Table 1 Study Population

Category	Target population	Percentage
Top level employees	31	12%
Middle level employees	108	43%
Low level employees	111	45%
Total	250	100%

Source survey data (2020)

3.4. Sample size determination

To determine the sample size, the researcher was used Yemane’s statistical instrument formula. a research with high population size needs to use the formula the conventional confidence level of 95% will be used to ensure more accurate results and margin of error is 5%.

$$n = \frac{N}{1+N(e)^2}$$

Where: N=population size

$$\frac{667}{1+667(0.05)^2}$$

n= Sample size

$$n=250$$

e= level of Precession

$$n=250$$

$$N=667$$

3.5. Determination of the sample size ratio

A sample is a set of observations drawn from a population by a defined procedure. The sample represents a subset of manageable size. Samples are collected and statistics are calculated from the samples so that one can make inferences or extrapolations from the sample to the population. From the total 250 sample size 186 respondents (74%) were agreed to participate by filling their opinion in the questionnaires

Table 2 Sample Size Determination

Category of respondents	Target population	ratio	Sample size
Top level employees	31	74%	23
Middle level employees	108	74%	80
Low level employees	111	74%	83
Total	250	74%	186

Source survey data (2020)

3.6. Sampling Techniques and Procedure

To determine the number of respondents, the researcher used the Purposive Sampling technique where respondents were selected from the procurement and property administration department of JU. Purposive sampling is a type of non-probability sampling that involves the sample being drawn from the part of the population that is close to hand also, this method is useful to expedited data collection, ease of research readily available to collect, cost effectiveness and respondents are conveniently available to participate.

In business studies this method can be applied in order to gain initial primary data regarding specific issues. A total of 186 respondents were chosen to give their opinions by filling the questionnaires.

3.7. Data Collection

The primary data was collected by use of a structured questionnaire which included both closed and open ended questions. The questionnaire consisted of five sections. Section A included demographic data, section B had questions relating to first objective of investigate the extent of adoption of procurement practices in JU. Section C had data on second objective of determining the connection between procurement practices and performance of JU. Section D comprised questions which were used to ascertain the challenges that faced procurement process at the JU. While section E had questions dealing with the aspect of organizational performance

3.8 Data collection Instruments

Primary data was obtained from respondents by the researcher through observation checklist as an instrument and the questionnaire was designed using the variables identified as important for meeting the study objectives.

3.9. Pre-Testing (Validity and Reliability)

3.9.1. Validity

Validity refers to the truthfulness of findings or the extent to which the instrument is relevant in measuring what it is supposed to measure (Sekaran, 2009:20). The content of validity of the data collection instrument was determined through discussing the research instrument with the research advisers in the university. The valuable comments corrections, suggestions given by the research advisers in the validation of the instrument. The procurement and property administration department staff were expected to tick the items in the questionnaires to help to determine the effect of procurement practice on organization performance of JU. The content of the responses given by the respondents were checked against the study objectives. Evidence of content relevance, representativeness and relevance to the research variables indicates that the research instruments are valid (Joppe, 2000:35).

3.9.2. Reliability

Reliability measures the consistency of research instruments to come out with the same result each time it is used under the same condition (Sekaran, 2009). The reliability of the research

instruments was ascertained by carrying out a Cronbach's alpha test on the responses from the pre-testing to make sure that the questions and answers obtained are consistent and accurate. Kothari (2004) asserts that one of the major requirements of any research process is the consistence of the data and the result of the research findings. A measuring instrument is reliable if it provides consistent result. Creswell (2014) .cronbach's alpha test was employed to assess the reliability of this study.

Saadetal (1999) cited in Habtamu, Gebeyehu (2017) proposes the following interpretations. 0.90 or higher is excellent, 0.80 to 0.89 is good, 0.7 to 0.79 is adequate and 0.69 and below may have limited applicability. In this research the reliability test of the variables interpreted following Saadetal (1999). The overall Cronbach's alpha value of the study is 0.885 (about 0.9) as shown in table 3.3, which indicates that there was excellent internal consistency based on Saadetal (1999).

Table 3 Reliability of Statistics

Variable	No. of items	Cronbach's Alpha
Procurement planning	8	.707
Procurement Monitoring	7	.789
Procurement controls	6	.729
Training workforce	3	.732
Inventory Management	4	.731
Over all	28	.885

Sources: Survey data, SPSS output

3.10. Procedure of Data collection

The study used primary data. The data was collected by use of structured questionnaires. The questionnaire had close-ended and open ended questions, in order to allow only relevant and precise responses.

3.11. Data Analysis and Data processing

3.11.1 Data processing

Data was edited, coded and tabulated, to reveal the percentage scores of the different study attributes. The researcher edited the data collected for accuracy and completeness. Through coding, all answers obtained from different respondents were classified into meaningful categories and this was then tabulated into tables and pie charts to represent findings from the study.

3.11.2. Data Analysis

The Pearson's correlation coefficient in SPSS programs was used to establish the relationship between the two variables. In presenting the findings, tables and figures were used. The frequency distribution tables were used to tabulate data to show percentages calculated.

Quantitative data collected using questionnaires was summarized using descriptive statistics and regression analysis model in the data analysis. This kind of analysis allows measurement and description of the relationship between two variables Sekeran, (2009:24). The main data collection instruments used to collect data included questionnaires containing open-ended and closed-ended questions with the quantitative section of the instrument utilizing an ordinal scale format. The ordinal format was selected because according to (Kiess and Bloomquist, 2009:9), this format yields equal-interval data, a fact that allows for the use of more powerful statistical tools to test research variables. Questionnaires are preferred because according to Dempsey (2003:22) they are effective data collection instruments that allow respondents to give much of their opinions pertaining to the researched problem. According to Kothari (2003:15), the information obtained from questionnaires is free from bias and researcher's influence and thus accurate and valid data were gathered. Interview schedules were also used to compliment questionnaires data. The questions addressed by the questionnaires and interview guide sought the effect of procurement practice on organizational performance.

The questionnaires completed underwent editing to check for completeness and consistency. This research used descriptive statistics and regression analysis model in the data analysis. The demographic data was distributed in frequency tables, graphs and pie charts. Descriptive analysis was used to analyze objective one and was presented in form of mean and standard deviation. Objective two was analyzed through inferential analysis which was done through regression analysis. Objective three was analyzed by use of descriptive analysis.

The analysis of objective two was guided by the following regression analysis equation:

$$OP = \alpha + \beta_1IM1 + \beta_2PP2 + \beta_3PC3 + \beta_4PM4 + \beta_5TW5 + \varepsilon$$

Where:

OP = Organizational Performance (Productivity, cost saved, quality of goods and services
Delivered& timely deliveries)

α = Constant

IM1 = Inventory management

PP2 = Procurement Planning

PC3 = Procurement controls

PM4 = Procurement monitoring

TW5 = Training workforce

β_1 β_5 are regression coefficients of the variables.

ε = Error term.

3.11.3 Correlation Analysis

Correlation analysis was used to measure the direction, strength and significance of the relationship between the effects of procurement practice on organizational performance in JU. Correlation research design was used to determine the extent to which two variables are related. This design uses a statistic known as correlation coefficient to measure the strength and direction of the linear relationship between the involved variables. The two study designs facilitated towards gathering of reliable data describing the true characteristics of the effect of procurement practice on organizational performance in JU. Primary data were gathered through the use of questioning method in form of structured questionnaire (open and closed-ended questions). The questionnaires were self-administered to a total of 186 respondents and later picked for analysis. Secondary data was collected through the empirical and review of both theory PAT and LT sourced from books, journals and internet on effect of procurement practice on organization performance. Regression model was then fitted to determine the combined effect that the independent variables had on the dependent variable when acting jointly.

3.12. Measurement of Variables (Quantitative Studies)

In this section the researcher sought to assign codes to empirical properties of the variables that determined the type of statistical analysis that was conducted and the type of conclusions that are drawn from the research. Respondents were expected to answer questions very high extent, high extent, moderate extent, less extent and no extent for the questions. Multiple correlation design was used to explain the effect of procurement practices on organization performance in JU. This is in accordance with Amin (2005), who states that multiple correlation study can be used to determine the relationship between two variables. The independent variables included parameters such as procurement planning, procurement controls, procurement monitoring, training workforce and inventory management. The dependent variable was performance which included variables such as productivity, quality of goods delivered, quality of services delivered, and timely deliveries of procurement outputs such as award of contracts and relevance of procured assets, among others. The data collated was entered into a computer and analyzed using

Statistical Package for Social Sciences (SPSS Version 20). The software packages enabled the researcher to analyze the data into percentages, means and standard deviations

3.13. Ethical considerations

To meet minimum ethical standards, the researcher used an introductory letter from JU College of Business and Economics, introducing the research study and stating confidentiality, specific usage aspects. While conducting the survey, care was taken to respect human dignity and secure informed consent from the respondents. Also, the information acquired will be kept confidential and will be used for the research only. The principle of academic integrity which involved acknowledgement of sources of both primary and secondary information used in the survey was adhered to. Ethical aspects of research gathering idea was sought from the JU Business and Economics College, research and publication offices before the study was conducted.

CHAPTER FOUR

MAJOUR FINDINGS ANRD DISCUSSIONS

4.1. Introduction

The primary data collected from the Jimma University department of procurement and property administration data was analyzed using the methods stated in chapter three. The chapter presents the results of data analysis that include subsections of response rate, extent of adoption, challenges incurred in procurement process and regression analysis.

4.2. Response Rate

The study targeted to gather information from the 250 employees working at the procurement and property administration department of the Jimma University. However, out of the targeted number of respondents only 186 of them responded to the questionnaires translating to a response rate of 74%. This response rate concurs with Mugenda and Mugenda (2003) who stated that a rate of response of above 60% is good for analysis. The non-response could be due to their busy schedules at their place of work

4.3. Demographic Information

This section consists of distribution on gender, age, education level and work experience

4.3.1. Distribution of Respondents by Gender

The study established the distribution of gender and the results are as given in Table 4

The results indicate that 55 percent of the respondents were male. On the other hand, 45 percent of the employees were female.

Table 4 Distribution of Respondent by Gender

Gender	Frequency	Percent
Male	102	55
Female	84	45
Total	186	100

Source own survey (2020)

4.3.2. Distribution of Respondents by Age

The research determined to know the age of the respondents and the outcomes are as distributed in the Table 5. The respondents' age was put into different reasonable categories which ranged from 18 – above 55 year

Table 5 Distribution of Respondents by Age

Age Bracket	Frequency	Percent
18-25 Years	8	4
26-35 Years	54	29
36-45 Years	63	34
46-55 Years	46	25
Above 55 years	15	8
Total	186	100

Source own survey (2020)

The results provided that 34% of the respondents were within the age bracket of 36 – 45 years. On the other hand about 29% of the respondents were within the age bracket of 26-35years in addition to the result of 25% of the respondents were within in the age bracket of 46-55 years the other results of respondents shows 8% of them were aged above 55 years. Lastly only 4% of respondents were aged 18-25 years. This indicates that the employees from procurement and property administration department of Jimma University who participated in this research were adults.

4.3.3. Distribution of Respondents by Education Level

The results of education level showed in figure 4.1 indicate that 66 percent of the respondents in the procurement and property administration department at Jimma University had undergraduate degrees. Those respondents about 31 percent of the employees had attained post graduate degree. Lastly about 3 percent of the employees owned their diploma as highest education level. Nevertheless there was no one with certificate as their highest level of education. This findings show that the employees who work at the procurement and property administration department of the JU had prerequisite education level which enabled them to fit well at their respective positions and that they were able to understand the concepts being studied.

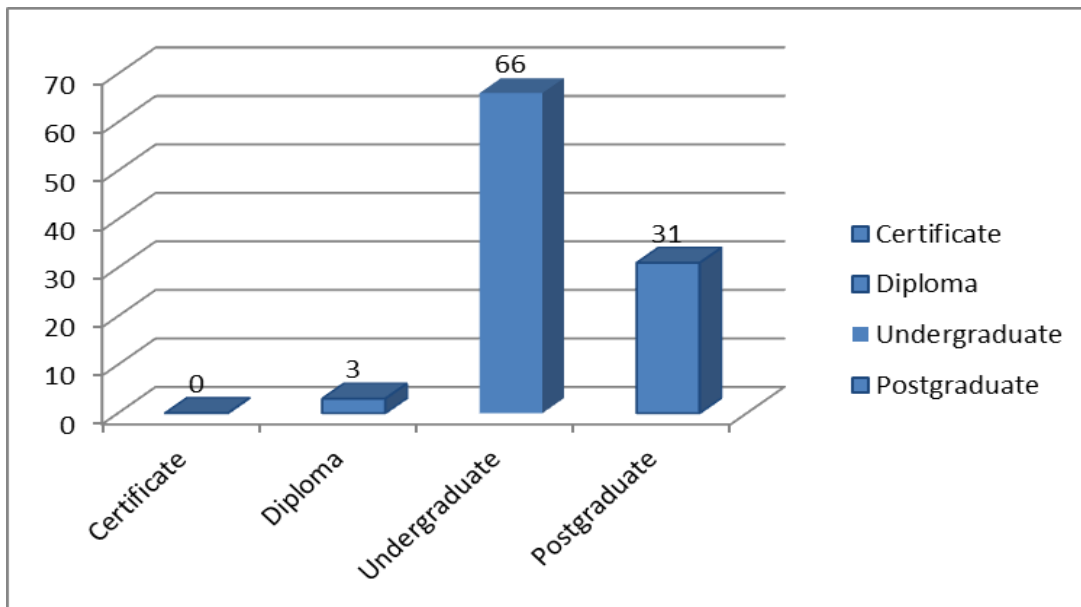


Figure 2 Distribution of Respondents' Level of Education

Source own survey (2020)

4.3.4. Distribution of Respondents by Work Experience

Table 6 gives the distribution on duration of work. The findings indicate that 36% of the respondents had worked at JU procurement and property Administration department for period of between 5-6 years 33 percent had served at their respective work place for a period of between

3-4 years. Those 23 percent of respondents who had worked at the procurement and property administration department of JU for duration of above 6 years. Lastly 8% of the respondents had worked at the procurement and property administration procurement department of JU for a period of 1-2 years. These findings indicate that the employees under investigation have worked at the at the procurement and property administration department of JU long enough to comprehend the operations of the university purchasing process. Findings of this study are as well of great value to researchers and academicians as this research added to other scholars' literature and knowledge gap in procurement practices and filled the existing gaps as far as organizational performance is concerned and therefore, avail them with option for further research in relation to performance based on procurement practices

Table 6 Distribution of Respondents' Work Experience

Duration of work	Frequency	Percent
Less than 1 year	-	-
1-2 years	14	8
3-4 years	61	33
5-6 years	68	36
Above 6 years	43	23
Total	186	100

Source Survey data SPSS output (2020)

4.4. Adoption of Procurement Practices

This section sought to investigate the extent at which JU procurement and property administration department has adopted procurement practices. The practices under study were procurement planning, procurement controls, procurement monitoring, training workforce in procurement practices and inventory management. The analysis of this section was done based on Rensis likert scale, (1932) the mean score value of 1 – 5 where; Mean = 1 represented no extent, Mean = 2 is for less extent, Mean = 3 represented moderately extent, Mean = 4 represented high extent and Mean = 5 represented very high extent. Rensis suggest that the determination of the overall mean score value less than (2.5) considered as low extent While, overall mean score value between (2.5-3.5) considered as moderate extent and the overall mean score value greater than (3.5) considered as high extent.

4.4.1 Adoption of Procurement Planning

The study established the extent in which JU procurement and property administration department had adopted procurement planning and Table 7 shows the distribution on the findings. The results in this Table indicate that needs assessment was undertaken by respective heads of department for services required to a moderate extent (Mean = 3.3). Budget approval was being obtained for the required items before purchase orders are placed to high extent (Mean 3.66) Needs assessment was undertaken by respective heads of department for goods required to high extent (Mean = 3.58). Funds being availed based on the budget reported a (Mean 3.33), the procurement needs were clearly defined by the heads of department to moderate extent (Mean 3.33), Whether top management was involved in the procurement planning provided a (Mean of 3.32) the movement of the entire procurement process is determined by procurement planning in the procurement and property administration department at JU but to a moderate extent (Mean= 3.25). While schedules of delivery fitting in the requirements of organization were drawn with the suppliers to a moderate (Mean= 3.01). Therefore, from the findings it can be assumed that the main activities being undertaken under procurement planning are assessment of needs being under taken by respective heads of department for service required, Funds being availed based on the budget and schedule of delivery fitting in the requirement organization were drawn with the suppliers the findings provided an overall (mean of 3.40) with the highest being 3.73 and the lowest being 3.01 this is an indication that the procurement plans to moderate extent.

Table 7 Adoption of Procurement Planning

No	Aspects	Distribution of Number of Responses							
		No Extent	Less Extent	Moderate Extent	Great Extent	Very Great Extent	N	Mean	Std. Deviation
1	Needs assessment is undertaken by respective heads of department for services required.	4	13	43	96	30	186	3.73	.891
2	Budget approval is obtained for the required items before purchase orders are placed.	1	13	55	97	20	186	3.66	.785
3	Needs assessment is undertaken by respective heads of department for goods required.	3	14	49	119	7	186	3.58	.755
4	Funds are availed based on the budget	7	34	48	85	12	186	3.33	.973
5	The procurement needs are clearly defined by the heads of department	10	31	43	91	11	186	3.33	1.001
6	Top management is involved in the procurement planning	6	18	86	62	14	186	3.32	.872
7	Procurement planning sets in motion the entire procurement process in the university	3	16	112	42	13	186	3.25	.773
8	Delivery schedules that fit in the organization requirements are drawn with the suppliers	9	33	99	37	8	186	3.01	.864
Over all mean								3.4012	

4.4.2 Adoption of Procurement Controls

The research asked the respondents to give their opinions on how they agreed with the statement under procurement controls and the outcomes are as distributed in table 8. The findings indicate that majority of the respondents agreed to a moderate extent except the University periodically reviews the existing procurement policies to a less extent (Mean = 2.46) the result shows that the procurement bids are evaluated by an independent committee (Mean=3.64) procurement bids are opened by an independent committee (Mean = 3.51), received goods are checked against the local purchase order (Mean = 3.23), the technical abilities of the suppliers are evaluated before contract is awarded (Mean=3.16), losses are prevented through continuously checking the purchase processes (Mean=3.06), invoices are checked against the local purchase order and delivery note before payment (Mean = 3.03), the University periodically reviews the existing procurement policies (Mean=2.46).

An indication that the procurement and property administration department of JU ensures that controls of procurement activities done through procurement bides are evaluated by an independent committee. It also evaluate received goods are checked against the local purchase order and the University periodically reviews the existing procurement policies the overall mean for adoption of procurement control(mean= 3.16) the highest(mean= 3.64) while the lowest (mean= 2.46). This could imply that the adoption of procurement controls at the University is practiced to a moderate extent.

Table 8 Adoption of Procurement Controls

No	Aspects	Distribution of Number of Responses							Mean	Std. Deviation
		No Extent	Less Extent	Moderate Extent	Great Extent	Very Great Extent	N			
1	Procurement bids are evaluated by an independent committee	1	28	40	85	32	186	3.64	.955	
2	Procurement bids are opened by an independent committee	1	35	40	88	22	186	3.51	.949	
3	Received goods are checked against the local purchase order	12	24	68	73	9	186	3.23	.962	
4	The technical abilities of the suppliers are evaluated before contract awarding	7	19	110	38	12	186	3.16	.833	
5	Losses are prevented through continuously checking the purchase processes	7	49	60	65	5	186	3.06	.934	
6	Invoices are checked against the local purchase order and delivery note before payment	12	28	100	34	12	186	3.03	.924	
7	The University periodically reviews the existing procurement policies	46	37	81	16	6	186	2.46	1.056	
Over all mean								3.1557		

Source Survey data SPSS output (2020)

4.4.3. Adoption of Procurement Monitoring

The study sought the opinion of the respondents on how procurement was being monitored at the JU department of procurement and property administration the output of the results is as distributed in Table 9.

The findings indicate that procurement is monitored to a moderate extent through corrective actions being taken once discrepancy is identified in the procurement processes (Mean = 3.30), obstacles in the procurement process being mitigated in a timely manner (Mean=3.11), through close supervision of purchases being done as a way of controlling costs (Mean=3.03), supplies evaluation being undertaken periodically to ensure quality of services (Mean = 3.02), suppliers evaluation being undertaken periodically to ensure quality of goods (Mean=3.00), however they disagreed reviews of the procurement system being done at regular interval (Mean=2.92). The findings of study on procurement monitoring reported the highest (mean= 3.30) and the lowest (Mean= 2.92) with an overall (mean= 3.07).

Table 9 Adoption of Procurement Monitoring

No	Aspects	Distribution of Number of Responses							
		No Extent	Less Extent	Moderate Extent	Great Extent	Very Great Extent	N	Mean	Std. Deviation
1	Corrective actions are taken once discrepancy is identified in the procurement processes	6	34	56	82	9	186	3.30	.916
2	Obstacles in the procurement process are mitigated in a timely manner	7	46	60	65	8	186	3.11	.955
3	Close supervision of purchases is done as a way of controlling costs	14	47	54	62	9	186	3.03	1.042
4	Supplier evaluation is periodically undertaken to ensure quality of the services.	6	40	92	41	7	186	3.02	.848
5	Supplier evaluation is periodically undertaken to ensure quality of the goods.	5	38	101	36	6	186	3.00	.799
6	Reviews of the procurement system are done at regular intervals	11	30	112	28	5	186	2.92	.809
Over all mean								3.0663	

Source Survey data SPSS output (2020)

4.4.4. Adoption of Training of Workforce

The study further sought the responses of the employees of procurement and property administration department at JU on the issue of training workforce adoption. From the findings given in Table 10 it can be seen that employees admitted but to high extent (Mean = 3.70) that training on practices of procurement had improved their performance. In addition they highly agreed with (Mean = 3.55) that training in practices of procurement had improved staff knowledge and skills.

Lastly they moderately agreed with (Mean = 3.03) that the department had put procurement training programs in place to enhance their skills. This could imply that the JU property administration and procurement department is not keen on equipping its employees with necessary knowledge on practices of procurement. The highest mean as given in the Table 4.7 (mean = 3.70) and lowest being (mean = 3.03). The overall mean provided by the study findings (mean = 3.43) which imply that the JU had adopted in training of its employees on procurement practices to a moderate extent.

Table 10 Adoption of Training of Employees Workforce

No	Aspects	Distribution of Number of Responses							
		No Extent	Less Extent	Moderate Extent	Great Extent	Very Great Extent	N	Mean	Std. Deviation
1	Training in procurement practices has improved performance of procurement staff in Jimma university.	3	18	37	102	26	186	3.70	.886
2	Training in procurement practices has improved staff knowledge and skills	6	20	42	102	16	186	3.55	.913
3	The department has procurement training programs in place to enhance employees' skills.	11	31	92	45	7	186	3.03	.894
	Over all mean							3.4266	

Source Survey data SPSS output (2020)

4.4.5. Adoption of Inventory Management

The results provided in Table 11 are on the extent of adoption of inventory management. From the results shown in the Table, majority of the respondents moderately agreed (Mean = 3.08) that the procurement and property administration department had put in place systems and processes that identify inventory requirements.

On other hand, the department always set inventory target and that the department observed replenishment techniques as indicated by (mean= 3.06) and (mean= 3.02) respectively the department handled all functions related to the tracking and management of materials (Mean=2.95). The results imply that the purchasing and procurement department of the JU had put in place proper systems and processes that identify inventory management requirements. Therefore, the highest (mean = 3.08) with the lowest being (mean= 2.95). The study reported an average (mean = 3.03). This means that the adoption of inventory management was done at a moderate extent.

Table 11 Adoption of Inventory Management

No	Aspects	Distribution of Number of Responses							
		No Extent	Less Extent	Moderate Extent	Great Extent	Very Great Extent	N	Mean	Std. Deviation
1	The department has put in place systems and processes that identify inventory requirements	8	15	130	21	12	186	3.08	.788
2	The department always set inventory targets	5	25	118	30	8	186	3.06	.758
3	The department observes replenishment techniques.	6	35	101	38	6	186	3.02	.809
4	The department handles all functions related to the tracking and management of material	10	38	93	41	4	186	2.95	.853
	Over all mean							3.0275	

Source Survey data SPSS output (2020)

4.5. Challenges of Procurement Process at theJUProcurement and Property Administration Department

The respondents were asked to give their opinions on the extent of the procurement challenges given inTable 12. To high extent the respondents acknowledged that they experience delays in procurement of urgently required services due to restrictions by public procurement and disposal regulations (Mean = 3.96), also they experience delays in procurement of urgently required goods due to restrictions by public procurement and disposal regulations (Mean = 3.89), there exists inadequate planning by user departments (Mean = 3.86), there are complex regulations effected by the public procurement act (Mean = 3.74),they experience delays in the supply of services by some suppliers (Mean 3.6), in addition to these they experience delays in the supply of goods by some suppliers (Mean 3.56), moreover, procurement costs being high (Mean = 3.10).Nevertheless, the department facing problem of interference by university management in the procurement processes (Mean = 2.91). However, the respondents agreed to a moderate extension-adherence to goods specification and non-adherence to services specification respectively reported as (Mean = 2.81 and 2.75), Restriction on the procurement account (Mean 2.64), lack of qualified suppliers forsome specialized goods and services (Mean 2.55 and 2.59)respectively, the results implies that the procurement process at JU procurement and property administration department to some extent is faced with the challenge of experiencing delays in procurement of urgently required goods and services due to restrictions by public procurement and disposal regulations, inadequate planning by user departments, complex regulations effected by the public procurement act, delays in the supply of goods and services by some suppliers high procurement costs, as well as the problem of interference by university management.

The overall mean of the challenges was (Mean=3.22), which could imply that these challenges could only affect the procurement process at the JU to moderate extent. The highest one having a (Mean =3.96) and the lowest has a (Mean = 2.55).

Table 12 Procurement Challenges

No	Aspects	Distribution of Number of Responses							Mean	Std. Deviation
		No Extent	Less Extent	Moderate Extent	Great Extent	Very Great Extent	N			
1	Delays in procurement of urgently required services due to restrictions by public procurement and disposal regulations	8	15	33	50	80	186	3.96	1.150	
2	Delays in procurement of urgently required goods due to restrictions by public procurement and disposal regulations	11	14	30	61	70	186	3.89	1.169	
3	Inadequate planning by user departments	9	22	34	42	79	186	3.86	1.227	
4	Complex regulations effected by the public procurement Act	8	19	39	68	52	186	3.74	1.105	
5	Delays in the supply of services by some suppliers	2	22	65	56	41	186	3.60	.993	
6	Delays in the supply of goods by some suppliers	4	19	71	53	39	186	3.56	1.002	
7	High procurement costs	12	34	78	48	14	186	3.10	.998	
8	Interference by university management in the procurement processes	14	62	48	50	12	186	2.91	1.077	
9	Non-adherence to goods specifications	28	45	60	40	13	186	2.81	1.145	
10	Non-adherence to services specifications	31	43	62	42	8	186	2.75	1.113	
11	Restriction on the procurement accounts	43	47	45	36	15	186	2.64	1.254	
12	Lack of qualified suppliers for some specialized services	14	86	58	19	9	186	2.59	.945	
13	Lack of qualified suppliers for some specialized goods.	21	64	86	8	7	186	2.55	.889	
	Over all mean								3.2276	

Source survey data(2020)

4.6 Procurement Practices and Performance of JU

The study further sought to determine whether procurement practices had contributed in the performance of the JU in table13. Where practices of procurement adopted by the university have resulted in timely delivery of goods (Mean=3.12), practices of procurement adopted by the university have contributed users department satisfaction (Mean =3.08), practices of procurement adopted by the university have resulted in timely delivery of services (Mean= 3.07), practices of procurement adopted by the university have resulted in quality services (Mean = 3.05),practices of procurement adopted by the university have resulted in quality goods (Mean = 3.01),practices of procurement adopted by the university had impacted positively on university's performance (Mean = 2.88),practices of procurement adopted in the university had resulted in procurement cost reduction (Mean = 2.73),

This indicates that the major factor which contributed to the performance of the JU was that the practices of procurement adopted by the university have resulted in timely delivery of goods. The overall mean on organizational performance to themoderate extent (Mean =2.99). The lowest (Mean= 2.73) and the highest (Mean= 3.12) as shown in Table 4.10.

Table 13 Organizational Performance

No	Aspects	Distribution of Number of Responses							Mean	Std. Deviation
		No Extent	Less Extent	Moderate Extent	Great Extent	Very Great Extent	N			
1	Practices of procurement adopted by the University have resulted in timely delivery of goods.	6	57	43	69	11	186	3.12	1.017	
2	Practices of procurement adopted by the university have contributed users' department satisfaction	6	56	41	75	6	186	3.08	1.002	
3	Practices of procurement adopted by the University have resulted in timely delivery of services.	10	41	68	60	7	186	3.07	.963	
4	Practices of procurement adopted by the university have resulted in quality services.	8	39	82	49	8	186	3.05	.905	
5	Practices of procurement adopted by the university have resulted in quality goods.	4	42	93	42	5	186	3.01	.805	
6	Practices of procurement adopted by the university have impacted positively on university's performance	12	39	102	26	7	186	2.88	.864	
7	Practices of procurement adopted in the university have resulted in procurement cost reduction	16	51	96	14	9	186	2.73	.903	
Over all mean									2.9914	

Source Survey data SPSS output (2020)

4.7 Relationship between Procurement Practices and Performance of Organization

The study estimated the connection between inventory management, procurement monitoring, procurement controls, procurement planning, and training workforce while the dependent variable was organizational performance which was measured by cost saved, quality of goods and services delivered, & timely deliveries. The regression model of the study was as follows:

$$OP = \alpha + \beta_1IM1 + \beta_2PP2 + \beta_3PC3 + \beta_4PM4 + \beta_5TW5 + \varepsilon$$

Where, OP represented organizational performance,

α is the constant,

IM1 is inventory management,

PP2 is procurement planning,

PC3 is procurement controls,

PM4 is procurement monitoring and

TW5 represented training workforce.

β_1 , β_2 , β_3 , β_4 and β_5 are coefficients of regression of the variables while

ε is the error term.

4.7.1 Model Determination

The goodness of fit results is as displayed in Table 14. The regression model provided an R² value of 0.49. This implies that the predictors used in this model can explain 49% in variation of dependent variable. The remaining percentage can be accounted by other variables other than those used in this study.

Table 14 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.701 ^a	.492	.478	2.80453

Source Survey data SPSS output (2020)

a. Predictors: (Constant), inventory management, procurement monitoring, procurement controls, procurement planning, and training workforce

4.7.2 Test of Significance

The test of significance was estimated by use of ANOVA as indicated in Table 15. The model gave ANOVA regression sum squares of 120.001 and residual sum square of 125.773. The mean square for regression is 114.002 and a residual mean of 7.865. The output provided an F-statistics value of 34.836 with a p-value of .000^a.table4.12 analysis of Variances(ANOVA).

Table 15 Test of Significance

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	120.001	5	114.002.	34.836	.000 ^a
Residual	125.773	180	7.865		
Total	245.774	185			

Source survey data SPSS output (2020)

a. Dependent Variable: Organizational Performance b. Predictors: (Constant), inventory management, procurement monitoring, procurement controls, procurement planning, and training workforce

From the ANOVA result in table 15 the processed data had a significance level of .000^a which shows that the data is ideal for making a conclusion. This is an implication that all the variables used in the model namely, inventory management, procurement monitoring, procurement controls, procurement planning, and training workforce are significant in predicting performance of the University. Therefore, from the results on the overall p – value of F – statistics given, it can be assumed that the model used in the study is significant since the confidence interval used was 95% leaving an allowance of 5%.

4.7.3 Normality, linearity and outliers testing (test for existence of outliers)

Figure 3 indicates scores on each variable were normally distributed and linearity test shows the relationship between the two variables were linear. This can be checked by inspecting the histogram of scores on each variable to describe a symmetrical bell-shaped curve which has the greatest frequency of scores in the middle, with smaller frequency towards the extreme

According to field(2005), existence of outliers can influence the value of the estimated regression coefficient and it should be removed before running the regression analysis while multivariate outliers can be detected by using cooks distance ,in order to check normality whether the residual or error terms were normally distributed or not and linearity ,a graph is plotted using SPSS regression graph and the assumption of linearity and normality is shown by below graphs and both linearity and normality testing are accepted and no outlier were detected in the study

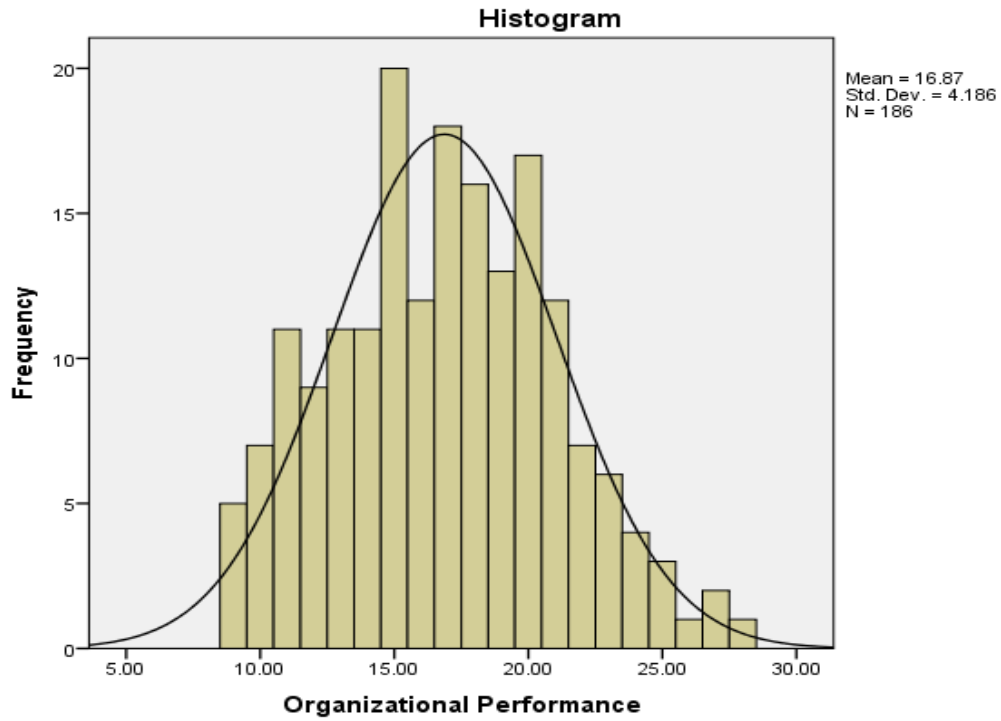


Figure 3 Outcome Variable fulfilling the normality assumptions

4.7.5 Homoscedasticity test

Figure 4 Shows the variability in scores for independent variables would be similar at all values of dependent variable it can be checked by using scatter plot it shows a fairly even cigar shape along its length.

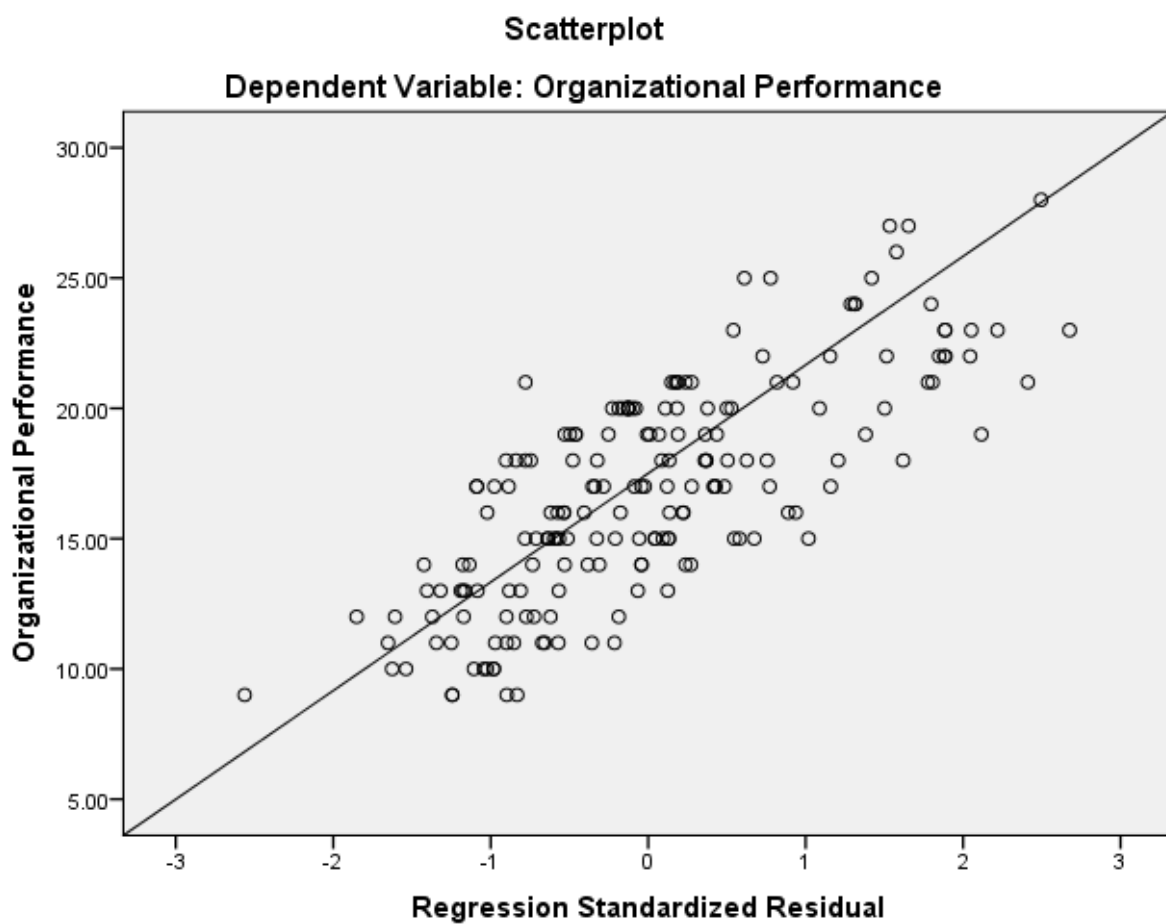


Figure 4 Assumption of homoscedasticity

4.7.6 Multi-co-linearity Test

The presence of multi-co-linearity test for more than two or more independent variables can be checked from the coefficient of the variables table 16 multi-co-linearity statistics indicates that variance inflation factor (VIF) < 5 or the tolerance > 0.2. According to Hairetal,(2006)the importance of test existence of multi-co linearity is to check whether the independent variable are correlated each other to check the tolerance and variance inflation factor (VIF)value and when there is high multi-co linearity and instability of the B and beta coefficient VIF is higher than 5orthe tolerance less than 0.2 hence there is no multi-co-linearityamong independent variable. Therefore, it is possible to use correlation and multiple regression analysis

Table 16 Multi-co-linearity Statistics Test

Model	Multi- co-linearity Statistics Tests	
	Tolerance	VIF
(Constant)		
Inventory management	0.73	1.36
Procurement planning	0.55	1.84
Procurement controls	0.49	2.05
Procurement monitoring	0.81	1.23
Training workforce	0.89	1.11

4.7.7 Assumption for linear regression and coefficients of the Variables

Before linear regression analysis, assumptions for linear regression: linearity, normality, multi-collinearity, and homoscedasticity were checked. From table 17 the coefficient findings provided, it is clear that proper procurement planning has a major effect on the organizations' performance as it gave a coefficient value of 0.304 ($t = 4.225$) and a significance level of .000. Similarly, procurement controls has significant impact on the performance of the organizations with a coefficient value of .315 ($t = 4.149$) and significance level of .000, in addition to this procurement monitoring has a significant impact on the performance of the organization with coefficient values of .222 ($t = 3.764$) and a significant level of .000, however inventory management and training workforce seem not to have significance in predicting of performance of organization as they provided coefficient value of .042 ($t = .683$) and significance level of .495 and coefficient value of -.133 ($t = -2.363$) significant level of .019 respectively. Therefore, from the findings it can be concluded that organizational performance can be improved through proper procurement planning, procurement controls, procurement monitoring, training work force and inventory management on the best practices of procurement. The results on the regression coefficients of the variables are as indicated in Table 17.

The predictive model provide by the research findings is as expressed below:

$$OP = 0.304PP + 0.315PC + 0.222PM + 0.042IM - 0.133TW.$$

Coefficients of the Variable

Table 17 Coefficients of the Variables

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	5.153	1.653		3.117	.002
Inventory management	.082	.120	.042	.683	.495
Procurement planning	.227	.054	.304	4.225	.000
Procurement controls	.226	.054	.315	4.149	.000
Procurement monitoring	.234	.062	.222	3.764	.000
Training workforce	-.277	.117	-.133	-2.363	.019

Source survey data SPSS out put

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter provides the summary of the study findings and conclusion is made in relation to the findings. The chapter as well provides the recommendations of the study and suggestions for further study.

5.2 Summary of the Findings

The summary of the findings were presented based on the main objectives of the study was to investigate the effect of procurement practices on organization performances of JU. The main findings of the study summarized as follows;- the procurement practices adopted by university the finding shows procurement planning, procurement controls, procurement monitoring, inventory management and training workforces had strong significant effect on performance. The theories used principal agency theory and legitimacy theory. Hurdles experienced in procurement process includes lack of sound and effective regulatory frame work, poor corporate governance, high procurement cost reduced quality and damaged goods. Quantitative data collected using questionnaire was summarized by using descriptive statistics and regression analysis from 250 sample size 186 respondents give their opinion by filling the questionnaires.

This can be checked from regression model under table 17. Coefficient of variables beta shows if all the other variables are kept constant a unit increase in adopted procurement practices will lead to increase in organization performance. Therefore from the findings it can be concluded that organization performance can be improved through proper procurement practices.

In addition to this the researcher sought to estimate the relation or connection between procurement practices and organization performance by using regression models. The results of the predictor model on the relationship between the independent variables and dependent variables indicates all the factors used in this study put together have an influence on the performance of the

JU. Analysis of Variance { ANOVA } result indicates the processed data had a significance level of 0,000^a which shows the data ideal for making conclusions. This is an implication that all the variables used in the model independent variables are significant in predicting performance of the JU. Findings of this study are as well of great value to researchers and academicians as this research added to other scholars' literature and knowledge gap in procurement practices and filled the existing gaps as far as organizational performance is concerned and therefore, avail them with option for further research in relation to performance based on procurement practices.

5.3 Conclusion

Based on the findings the study concludes that the JU has adopted the procurement practices to a moderate extent and that there is a relationship between the practices of procurement and organizational performance. A procurement process which is termed to be well prepared and implemented increase the possibilities to organizations inventories reduction cost reduction encompasses good services to customers as well as aid fast turns of inventory

Suppliers as an external stakeholder that the organization must communicate which is very important to maintain with suppliers as they provide the goods and services that are necessary for organization to operate. They do not have direct tie to the organization but they have an interest in how the organization affects the success of procurement practices like government entities whereas internal stake holders generally have financial stake and a direct relationship with the organization includes employees of the JU students and community. Practices of procurement which are followed by JU procurement and property administration departments include inventory management, procurement monitoring, procurement controls, procurement planning, and training workforce.

However, only procurement planning, procurement controls and procurement monitoring was found to influence the performance of the university. The application of the practices of procurement in the organization is founded on proper planning. Through proper procurement planning university can be sure of increasing its performance level in form of quality of goods and services delivered as well as deliveries being made on time. Also the practices of procurement in the university the procurement monitoring and procurement controls should be properly evaluated to boost its performances level. Findings of this study are as well of great

value to researchers and academicians as this research added to other scholars' literature and knowledge gap in procurement practices and filled the existing gaps as far as organizational performance is concerned and therefore, avail them with option for further research in relation to performance based on procurement practices. For an organization to realize an increase in procurement performance, should also put in place ways to tackle potential threats that might hinder its competitive advantage. This study realized that delays in procurement of urgently required goods and services due to restrictions by public procurement and disposal regulations, existence of inadequate planning by user departments, complex regulations being affected by the public procurement act, procurement costs being high as well as high department facing problem of interference by university management in the procurement processes were among the challenges that face organizations in their effort to improve their institutions' performance. Organizations should therefore create solutions of tackling any threats posed by this hurdles. This can be done through introduction of new trends in handling procurement activities like modern electronic systems

Use of e-procurement technology with in public organization the set up includes spend data Software market analysis software e-tendering-auction, (and the more recent advanced sourcing technology) online contracts and purchase-to-pay system.

5.4 Recommendations

This study therefore recommends that the key procurement actors should come up with viable ways of managing procurement process. To ensure better performance, organizations should not only focus on procurement planning, procurement monitoring and procurement controls but also on the procurement inventory, training workforces. Critical revitalization of procurement process is a requirement as it can assist in ensuring that organizations embrace modern technological ways and trends in handling and addressing procurement issues. The organization's management in conjunction with other stakeholders should embrace modern ways in procurement planning, procurement monitoring and procurement controls on practices of procurement, and as well come up with well-tailored training programs and proper procurement inventory management.

5.5 Suggestion for Further studies

This study examined practices of procurement and organizational performance. It is therefore suggested that further researches should be carried out on this subject but in different areas to build and add more knowledge in the area of procurement to determine the perception on practices of procurement and organizational performance.

This research only focused on Jimma University procurement and property administration department, it could be appropriate to carry out more studies on other institutions of higher learning to establish more insights on the subject matter.

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INTRODUCTORY LETTER

Dear Respondent,

I am a student at JimmaUniversity, College of Business and Economics, Department of management in the School of public management undertaking Masters' Degree in public management. I request you to spare your time to fill this questionnaire that is intended to find out effect of Procurement Practices on Organizational Performance special emphasis on Jimma University.

Kindly spare some time to fill the attached questionnaire to enable me complete the study for which I will be very grateful. You are kindly requested to fill in the blank spaces at the end of each question or statement or simply put a tick where appropriate. This information will be used purely for academic purposes and will be treated in strict confidence. You need not include your name. Any additional information that you might feel is necessary for this study is welcome.

Your participation in this study will be valuable as it will contribute to the achievement of the study objectives. Please respond as honestly and truthfully as possible. Put a tick (√) on the appropriate answer on the statements below.

Acceptance to be a respondent in this study

I _____ have agreed to participate in the study

Signature (Do not indicate your name)

Thanks in advance for your support.

APPENDICES

Please tick (✓) the box that matches your answer to the questions and give the answers in the spaces provided as appropriate.

SECTION A: BACKGROUND INFORMATION

1. Gender of respondent

Male [] Female []

2. Age of respondent

18 - 25 [] 26 - 35 years [] 36 - 45 years [] 46 - 55 years [] Above 55 years []

3. What is your highest level of education?

Certificate [] Diploma Level [] Undergraduate [] Postgraduate []

Any other, please specify _____

4. What is your designation in the procurement department?

5. How long have you worked in the procurement department

Less than 1 year [] 1 – 2 years [] 3 – 4 years [] 5 – 6 years [] Above 6 years []

SECTION B: PROCUREMENT PRACTICES

6. Indicate the extent to which your department has adopted the following procurement practices.

A. Procurement planning	No extent	Less extent	Moderate extent	Great extent	Very great extent
Top management is involved in the procurement planning					
Needs assessment is undertaken by respective heads of department for goods required					
Needs assessment is undertaken by respective heads of department for services required					
Budget approval is obtained for the required items before purchase orders are placed.					
Procurement planning sets in motion the entire procurement process in the university					
The procurement needs are clearly defined by the heads of department					
Delivery schedules that fit in the organization requirements are drawn with the suppliers					
Funds are availed based on the budget					

B. Procurement controls	No extent	Less extent	Moderate extent	Great extent	Very great extent
The University periodically reviews the existing procurement policies					
Procurement bids are opened by an independent committee					
Procurement bids are evaluated by an independent committee					
The technical abilities of the suppliers are evaluated before contract awarding					
Received goods and services are checked against the local purchase order					
Invoices are checked against the local purchase order and delivery note before payment					
Losses are prevented through continuously checking the purchase processes					

C. Procurement Monitoring	No extent	Less extent	Moderate extent	Great extent	Very great extent
Reviews of the procurement system are done at regular intervals					
Supplier evaluation is periodically undertaken to ensure quality of the goods					
Supplier evaluation is periodically undertaken to ensure quality of the services.					
Corrective actions are taken once discrepancy is identified in the procurement processes					
Obstacles in the procurement process are mitigated in a timely manner					
Close supervision of purchases is done as a way of controlling costs					

D. Training workforce in procurement practices	No extent	Less extent	Moderate extent	Great extent	Very great extent
The department has procurement training programs in place to enhance employees' skills					
Training in procurement practices has improved staff knowledge and skills.					
Training in procurement practices has improved performance of procurement staff in Jimma University.					

E. Inventory Management	No extent	Less extent	Moderate extent	Great extent	Very great extent
The department has put in place systems and processes that identify inventory requirements					
The department always set inventory targets					
The department observes replenishment techniques					
The department handles all functions related to the tracking and management of material					

SECTION C: CHALLENGES OF PROCUMENT

Indicate the extent to which the following are a challenge to the procurement process at the Jimma University.

Challenges	No extent	Less extent	Moderate extent	Great extent	Very great extent
Interference by university management in the procurement processes					
Inadequate planning by user departments					
Delays in the supply of goods by some suppliers					
Delays in the supply of services by some suppliers					
Non-adherence to product specifications					
Non-adherence to services specifications					
Delays in procurement of urgently required goods due to restrictions by public procurement and disposal regulations					
Delays in procurement of urgently required services due to restrictions by public procurement and disposal regulations					
Complex regulations effected by the public procurement Act					
High procurement costs					
Restriction on the procurement accounts					

SECTION D: ORGANIZATION PERFORMANCE

1. What is the extent to which the Jimma University has achieved organization performance based on the following measurements?

Measurements	No extent	Less extent	Moderate extent	Great extent	Very great extent
Procurement practices adopted by the university have impacted positively on university's performance					
Procurement practices adopted by the university have contributed users' department satisfaction					
Procurement practices adopted in the university have resulted in procurement cost reduction					
Procurement practices adopted by the university have resulted in quality goods					
Procurement practices adopted by the university have resulted in quality services.					
Procurement practices adopted by the University have resulted in timely delivery of goods					
Procurement practices adopted by the University have resulted in timely delivery of services					

THANK YOU FOR KIND CO-OPERATION