

***ASSESSMENT OF THE FACTORS THAT AFFECT PROCUREMENT PERFORMANCE: The Case of Shenen Gibe Hospital in Jimma Town, Oromia Regional state, Ethiopia***

*A Thesis Submitted to Jimma University College of Business and Economics  
Department of Management in Partial Fulfillment of the Requirements for the  
Award of the Degree of Master of Business Administration (MBA)*

BY:

**BICHAKA TEFASE**



**JIMMA UNIVERSITY  
COLLEGE OF BUSINESS AND ECONOMICS  
MBA PROGRAM**

FEB, 2021  
JIMMA, ETHIOPIA

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## DECLARATION

I hereby declare that this thesis entitled “*Assessing Factors Affecting Procurement Performance: in Case of Shenen Gibe Hospital in Jimma Town, Oromia Regional State, Ethiopia*”, has been carried out by me under the guidance and supervision of Chalchissa Amentie (PHD) and Tigist Waktola

The thesis is original and has not been submitted for the award of any degree or diploma to any university or institutions.

Researcher’s Name

Date

Signature

BICHAKA TEFASE

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## CERTIFICATE

This is to certify that the thesis entitles “*Assessing Factors Affecting Procurement Performance: in Case of Shenen Gibe Hospital in Jimma Town, Oromia Regional State, Ethiopia*”, Submitted to Jimma University for the Award of the Degree of Master of Business Administration (MBA) and is a record of Valuable research work carried out by Bichaka Tafese under our guidance and supervision.

*Therefore, we hereby declare that no part of this thesis has been submitted to any other university or institutions for the award of any degree or diploma.*

*Main Adviser’s Name*

*Date*

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*Date*

*Signature*

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God Bless you all.

## LIST OF ACRONYMS/ABBREVIATIONS

<b>AAU</b>	-----	Addis Ababa University
<b>ANOVA</b>	-----	Analysis of Variation
<b>CEO</b>	-----	Chief Executive Organization
<b>ILO</b>	-----	-International Labor Organization
<b>JIT</b>	-----	just-in-time
<b>KPI</b>	-----	Key Performance Indicators
<b>PFSA</b>	-----	Pharmaceuticals Fund and Supply Agency
<b>PSM</b>	-----	Purchasing and Supply Management
<b>SCM</b>	-----	Supply Chain Management
<b>SPSS</b>	-----	Statistical Package for Social Science
<b>STD</b>	-----	Standard Deviation

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## **ABSTRACT**

*The objective of this study was to assess factors affecting procurement performance: in case of Shanen gibe Hospital in Jimma town, Oromia regional state, Ethiopia. The study deployed both descriptive and inferential types of design. In addition, quantitative and qualitative type of data was used for the purpose of the study. The Data was collected from two sources; these are primary and secondary sources. The primary data was collected through structured and semi- structured questionnaires. The secondary data was from published as well as unpublished sources. Census method was used instead of sampling techniques. Total of 174 questionnaires were distributed and among these 158 responses are collected. The collected questionnaires from the respondents were 158(90.8%) and the data collected through questionnaire was analyzed by using Statistical Package for Social Science (SPSS) Version 22 software. Regarding statistical tools, descriptive statistics and inferential statistics were used. Finding from this study reveals that emphasis of management is the most significantly affecting factor on procurement performance. Next to this, skilled man power (experts) affected procurement performance to high significant level. Frequent price fluctuation and availability of reliable suppliers are the third and fourth significantly affecting factors of procurement performance. On the other hand, the study concludes that availability of standardized criteria is the fifth significantly affecting factor of procurement performance whereas users' purchasing requisition is the least/ negatively affects the procurement performance at Sheneng-gibe hospital. It is concluding that procurement performance affecting factors are positively correlated and they have a strong correlation with that of procurement performance. The study therefore recommends that adequate integration of all managers and staff members should be well performed for effective and efficient procurement performance. Further research is recommended on evaluation criteria affecting procurement process in the private sector.*

**Keywords/phrases:** *Emphasis of management, skilled man power, Standardized criteria, Price fluctuation, Purchasing requisition and Reliable suppliers*

# CHAPTER ONE

## INTRODUCTION

### 1.1 Background of the Study

The procurement and supply management function plays an important role in healthcare delivery. Failure by the function to safeguard the availability of supplies can sabotage the very interests of the organization which the function is supposed to support (Kumar and Zhang, 2008). Purchasing is a process of identifying and obtaining goods and services. It includes sourcing, purchasing and covers all activities from identifying potential suppliers to delivery of resources to the users or beneficiary. It is favorable that the goods or services are appropriate and that they are procured at the best possible cost to meet the needs of the purchaser in terms of quality and quantity, time, and location, (Soreide, 2008). Purchasing is one of the basic functions common to all types of organizations'' Despite the inclusion of strategic purchasing in many countries health care reforms, at present, there is no comprehensive consensus on which health care purchasing function has been developed, let alone evidence on their impacts. So, managers need to understand the general concepts and problems in purchasing and managing materials (Josep et al, 2005).

According to Kumar and Zhang (2008), drug costs make up an increasing percentage of healthcare expenses. Thus, proper management of drug procurement is essential for addressing cost and promoting patient safety and quality care. To ensure procurement activities are operating appropriately in hospitals, management should develop formal procurement procedures to be followed throughout the organization. These procedures should be reviewed regularly and updated as necessary to reflect changes in regulations and operations. They should be designed to promote safety and efficacy for drug purchases, and should include cost containment techniques.

The purchasing framework presents business practitioners with robust and well-tested ways of evaluating what they are doing, using indicators based on the exchange and managerial aspects of purchasing practices. This framework provides a helpful reference point to draw together thinking and existing purchasing practices. Additionally, purchasing practices drastically have been transformed in recent years by factors such as the increasing exposure of supply chains to risks, the development and adoption of information technologies, and a growing attention of organizations to ethical practices (Lindgreen, et al, 2013).

According to Juha, (2008),and Habteyesus, (2015), purchasing commits large proportions of organizations incomes; on average 60 percent of organizations sales income is invested in material acquisitions. It obtains considerable amount of attention in current uncertainty business environment as key value adding function to support and sustain firms' successful performance. As a result it is important to adopt the purchasing function in to organization business strategy as every business striving hard to protect the interest of stake holders.

Purchasing process involves various steps: the purchase requisite might originate from users the purchasing department of finance and economic development office collects and summarizes the purchase requisite, when the purchase should be done through auction bid, document shall be prepared by bid evaluation committee and the committee ,shall evaluate the bid documents and select the winner based on price and quality and presents recommendation for final approval to the head of finance and economic development office. The winner shall be given purchase order and will deliver the items to the purchasing department. Purchasing activities require proper purchasing procedures, policies, accountability and transparency to achieve organizational strategies and objectives. Therefore, there should be an assessment of purchasing practice to identify problems and take remedial measures (Habteyesus, 2015).

Tewedros (2007) stets that the huge amount of budget allocated for purchasing and the strict government regulations and procedures demand careful purchasing management. The purchasing process involves various steps: the purchase requisite might originate from users (academic or administrative staff) or property section, the property section collects and summarizes the purchase requisite and presents for the general services head shall for verification, when the purchase should be done through auction bid, document shall be prepared by technical committee and the invitation shall be announced. Then bid evaluation committee shall evaluate the bid documents and select the winner based on price and quality and presents recommendation for final approval to the dean. The winner shall be given purchase order and will deliver the items to the property section. If the items are technical like computers, technical committee shall check the conformance of the delivery to the specification.

According to the Shanen Gibe Hospital manager, there are various categories of items that the hospitals will purchases based on importance and budget implication. The major categories are: health facilities (drugs and medical equipment's) and other supporting materials (stationeries &office supplies, computers and accessories, staff uniform, sanitary supplies, books, maintenance expenses, building rent and other operating expenses. The largest portion of the

budget is allocated for health facilities like drug and medical equipment). These critical items consume around 40% of the purchasing budget. Next major expense is for buildings rent expense followed by maintenances, consuming 30% and 12% respectively. All the other purchases together check it around 18%. Since purchasing is consuming substantially large budget, its management requires considerable attention. Whereas observing the purchasing practice in the hospital one can realize the importance for thorough analysis and fundamental improvements so that the function plays valuable role for the efficient and effective accomplishment of the mission of the hospital.

According to Selemawit (2014) and Asfaw (2017) previously research on purchasing practices was concerned with identifying the best selection ways of suppliers based on supply characteristics and the key role of purchasing lies in managing relationships, not only between buyers and suppliers but also in the wider supply chain network. Based on these contributions, marketing and supply chain scholars have examined developments in purchasing with reference to relationship management and supply chain networks respectively. With respect to measurement of purchasing performance, a recently developed framework helps us to a better awareness of how organizations relate to their supply markets (Lindgreen, et al., 2013).

The huge amount of budget allocated for purchasing and the strict government regulations and Procedures demand careful purchasing management. (Selemawit, 2014).

## **1.2 Background of the organization**

According to the Shanen Gibe Hospital manager, there are various categories of items that the hospitals will purchases based on importance and budget implication--Sheen gibe hospital is the second prominent and recently established hospital in Jimma city and it started giving a service in 2004 EC as a hospital. The name given for hospital indicates the five gibe states of the 16<sup>th</sup> century in Ethiopian history. These five states are Guma, Goma, Gera, limmu and Jimma. According to the documentaries of the institution and the information obtained from management body, the hospital has 174 staff members. It also has a close relation in doing with institutions like Jimma University, and other health organizations in Jimma city and Jimma zone for the need exchanging information resources etc. Concerning the service capacity, the institution has a capacity of serving 40-45 customers per day.

Location:-The institution is located in jimma city; kebele of bacho bore which is found at 345 km far from the capital city of the country, Addis Abeba toward the south western.



Vision:-To see the healthy, productive and prosperous population in our catchments.

Mission:-To Reduce mortality, morbidity, disability and improve the health status of the people through provision of quality curative preventative and rehabilitative service.

### **1.2.1 Current Procurement Practice of the Shanen-gibe Hospital**

There are various categories of items procure in the Shenengibe hospital having different levels of importance and budget implication. The major categories are: - medical materials (like medicines, springs, gloves, bandages..) , duplication materials, stationeries & office supplies, computers and accessories, staff uniform, sanitary supplies, maintenance expenses, and other operating expenses.

**Procuring/Purchasing practice:** - it involves various steps: the purchase requisite might originate from users (medical or administrative staff) or property section, the property section collects and summarizes the purchase requisite and presents for selected committees for verification. And, when Items amount expenses up to Birr 5000, purchase by direct purchasing. The purchasing items amount up to Birr 100,000 and more will purchase through bid. Auction bid document shall be prepared by technical committee and the invitation shall be announced. Then bid evaluation committee shall evaluate the bid documents and select the winner based on price and quality and presents recommendation for final approval to the manager. Finally, experts of the organization procure the items from winner and will offer to the property section.

The other method is through different printed ('Negarit Gazetta') and electronics media (Television, radio).

### **1.3 Statement of the Problem**

According to Asfaw,(2017), most health facilities are purchased from international markets in addition to the local market. Different studies assessed the area of purchasing practices and its challenges in other organizations, while reverse and restate it despite its importance, limited scientific research has been undertaken to examine the factors that influence purchasing performance in hospital institutions in Ethiopia. (Abebayehu et al, 2014), The Government of Ethiopia established Pharmaceuticals Fund and Supply Agency (PFSA) in 2007 to promote sustainable, quality, affordable and properly managed supply of pharmaceuticals, medical supplies and medical equipment. It is believed that the Agency plays an important role in

strengthening and expanding health services by ensuring timely and sustainable supply of pharmaceuticals, medical supplies and medical equipment through the Revolving Drug Fund.

Collective efforts through well-defined lines of communication between universities and research institutes encourage manufacturers and suppliers to participate in national competitive bids. This practice could, therefore, be extended to universities and research centers whenever their equipment requirements are similar. The major benefit of such a system is attraction to big suppliers and maintaining strong relationships with manufacturers to ensure availability of technical services, consumables and spare parts. Drug costs make up an increasing percentage of healthcare expenses. Proper management of drug procurement is essential for addressing cost and promoting patient safety and quality care. To ensure pharmacy procurement activities are operating appropriately, management should develop formal procurement procedures to be followed throughout the organization. These procedures should be reviewed regularly and updated as necessary to reflect changes in regulations and operations. They should be designed to promote safety and efficacy for drug purchases, and should include cost containment technique (AsfawTeketel 2017). Other conducted studies also shows that, for example, (Thomas et al, 2016) absence of enough experience in terms of purchasing practices and procedures, bureaucracy in purchasing procedures, more delay in purchasing materials, frequent price fluctuation, least price suppliers selection criterion compromising quality, absence of reliable suppliers, poor quality purchase, and lack of skilled manpower are found to be the significant challenges in purchasing practices of selected sample woredas and their administrative wings.

The huge amount of budget allocated for purchasing and the strict government regulations and Procedures demand careful purchasing management.(Selemawit, 2014).According to this study, there are delays during purchasing process as well as purchasing department will purchase the necessary items and send to other departments. In this case, there is a lot of chance of misunderstanding between purchasing department and other departments because other departments may not get their requirement according to their own will and It results more cost of transportation and botheration as well as time taking, as it is purchased in one place and send to the distance places. So all the materials, time and man power have been wasted. And also because of this quality will be compromised and second choice of the available item will, be purchased.

Now a day, the roll of purchasing has not only limited in obtaining the right material, but also it is extended to acquisition of product in the right quantities with the right delivery time and place, from the right source and at the right market place. Most organizations give less attention to the contribution of purchasing which traditionally viewed as clerical staff. Failures to recognizing the importance of purchasing activities are caused by an organization's unable to integrate the purchasing function with its operational functions. In these cases organizations are faced with the danger of output disruptions, loss of income and, negative effects on competitiveness. Other sources of risks are related to the importance of the product or service, the time and financial costs involved and difficulties in measuring quality, lack of objective evaluation criteria, and low purchase experience(Habteyesus, 2015; Juha, 2008).

Mostly, purchased products suffers from the problems related with; less quality items purchased which is caused by the fact that priority is given for lowest price, items purchased do not much with items requested, and because the purchasing process takes too long, delays occur in items purchased. In current business environment, rapid changes and new avenue on cost control is crucial in order to strive through global competition. Comparative advantage in contemporary market flux does not depend solely on firms' competence in providing competitive ranges of offerings. Conversely, it draws on firms' skill to establish superior purchasing strategies in complex inter organizational setting of numerous suppliers. Thus, shifting exploration from convectional way of thinking to strategic purchasing as one of the core elements enable the organization to equip well in order to wave through competition (Guinipero, 2005; World Bank, 2011).Additionally, study conducted by, Tewedros (2007),in dicates that purchasing plays a key role for the attainment of organizational objectives by providing right quality of inputs for users at the right time and cost. The preliminary investigation revealed that, there are various instances of items purchased don't match with items requested (wrong quality); purchases are excessively delayed (wrong timing); the purchasing process takes too long resulting in additional cost due to inflation, suppliers stock will not be available anymore. Further, it is becoming obstacle for the organizations goal attainment.

The inefficiency and ineptness of overall implementation of procurement practices in many tertiary public training institutions contributes to loss of over Ksh.50 million annually (Tom 2009).According to Victor (2012), procurement expenditure could be minimized through proper implementation of procurement practices. A relatively well-developed body of research by Daniel (2010), Victor (2012) and Tom (2009) explored implementation of pro-

urement practices in public sector organizations in general and left a major knowledge gap on effective implementation of procurement practices in public organizations special in health centers. It's hence against this background and to fill gaps the researcher is motivated to assess factors which affect the procurement performance by focusing on the most critical items since they may have important implication on the procurement performance in Shenengibe hospital jimma, Ethiopia.

## **1.4 Basic Research Questions**

**To achieve the following objectives, this study raises the following basic research questions.**

What is the effect of Emphasis of management on procurement performance?

What is the effect of Availability of skilled man power (experts) on procurement performance?

What is the effect of frequent price fluctuation on procurement performance?

What is the effect of Availability of reliable supplier on procurement performance?

To what extent Availability of standardized criteria has effect on procurement performance?

What is the effect of Users purchasing requisition on procurement performance?

## **1.5 Objectives of the Study**

### **1.5.1 General Objective**

The main objective of this study is to assess factors affecting procurement of performance (in case of Shanen gibe Hospital in Jimma town, Oromia regional state, Ethiopia).

### **1.5.2 Specific Objectives**

To describe effect of emphasis of management on procurement performance

To analyze effect of availability of skilled man power (experts) on procurement performance

To examine effect of frequent price fluctuation on procurement performance

To determine effect of availability of reliable supplier on procurement performance

To discover effect of availability of standardized criteria on procurement performance

To diagnose effect of users purchasing requisition on procurement performance

## **1.6 Significances of the Study**

The results of this study is therefore provide significant role in various aspects. Firstly, this study believed to discover and recommend mechanisms for feasible and efficient purchasing

procedures, which help to save significant amount of time and money that otherwise, would be wasted. Second, it gives the researcher the opportunity to gain deep knowledge in the area of procurement performance affecting factors. Third, this study is also useful input for further researchers who wish to study on related area. Finally; it provides importance in encouraging the top management to review and strengthen their decision making capability.

### **1.7 Scope of the Study**

The study conducted in Shenen gibe hospital oromia regional state in Jimma town Ethiopia. Developed variables under conceptual frame work which used as variable scope and focusing area of this study are :- emphasis of management for procurement function, availability of skilled man power (experts), availability of standardized criteria, frequent price fluctuation, users purchasing requisition and availability of reliable suppliers. This study doesn't cover private organization and it limits on only on the above listed variables. Based on the nature of the research, this study used survey types of research design, census method instated of sampling techniques. The types of purchase are: - different types of drudges, working clothes, stationeries and other necessary materials which use in the shenen gibe hospital.

### **1.8 Limitations of the study**

This study only covered six objectives: emphasis of management for procurement function, availability of skilled man power (experts), availability of standardized criteria, frequent price fluctuation, users purchasing requisition, availability of reliable suppliers and their influence on procurement performance in the in case of shanen gibe hospital in Jimma town, oromia regional state, Ethiopia.

Further some of the participants did not complete filling the questionnaires. These limitations were mitigated through constant follow up of the participants to remind them. Some respondents were hesitating to give specific information due to organizational confidentiality policy.

### **1.9. Organization of the study**

This study is organized in five chapters. the first chapter includes information about the introductory part including background of the study, statement of the problem, research questions, objectives of the study, significance of the study, scope of the study limitations of the study . the second chapter covers the review of related literatures including theoretical review, empirical review and conceptual frame work of the study. the research design and methodology is present in chapter three. specifically, this chapter shows the research sampling method followed by methods used in collecting data and in the study all was outlined. furthermore, statistical methods used to analyze the data were also discussed. the

fourth chapter covers results and discussions, response rate of respondents, demographic characteristics of the participants, descriptive statistics results, inferential statistics results, multi-collinearity assumption, regression analysis, analysis of variance of the model and model regression coefficients.

Finally, the fifth chapter incorporates summary of major findings, conclusion, and recommendations of the study and suggestion areas for further research

# **CHAPTER TWO**

## **REVIEW OF RELATED LITERATURES**

### **2.1 Theoretical Literature Review**

#### **2.1.1 Concept and Definition of Purchasing**

In order to manage organizations effectively and efficiently every functions of the firm shall be given due considerations. Particularly those functions of the organization taking significant portion of the budget rather require preferential attention. Purchasing is one of the major functions of a given organization in most cases; more than 50% of organizations' budget is spent on purchase of materials and various services. Thus considerable attention given to purchasing would have payoff. Purchasing is one of the basic functions common to all types of business enterprises. It is basic because no business can operate without it. Thus, the success of a business enterprise depends on the purchasing executive as it does on the executives who administer the other function of business. According to Datta (1998) since all organizations require supplies of materials and services from outside, thus, purchasing is a common function in almost all organizations. Therefore, in order to decrease the overall costs of buying materials, it requires enterprises to apply modern methods of purchasing practices.

It is very difficult to list all the definitions of purchasing but some of the purchasing definitions are "Purchasing is the activity responsible for getting the \ right material to the right place, at the right time, in the right quantity, at the right price" (Herel , Encyclopedia 1996,994) . Some others define as Purchasing refers to a function in business whereby the enterprise obtains the inputs for what it produces, as well as other goods and services it requires. Purchasing is one of the basic functions common to all types of business enterprise. These functions are basic, because no business can operate without, them (Dobler,1984). Purchasing is the responsibility of buying the kinds and quantities of materials authorized by the requisitions issued by production scheduling, inventory control, engineering, maintenance and other department of function requiring materials (Leenders, 1989).

In general purchasing can be defined as acquisition of required materials, services and equipment used in the operation of an organization. It is one of the basic functions common to all types of business enterprise. In order to fulfill the basic responsibility of optimizing company profit, all business functions must mesh into a unified whole. In most business or-

ganizations the Purchasing Department and the purchasing function are taken as one and the same. There is a distinction between the purchasing function and the Purchasing Department. The department is a unit of a firm whose duties include some part or all of the purchasing function. The purchasing function is usually performed economically and efficiently by a specialized, Centralized Purchasing Department, directed by a skilled purchasing manager. But the purchasing function does not have to be performed in such a manner. In practice it is sometimes performed by any member of different executives or departments (Tewedros, 2007).

A study can further be adopted by reviewing its theoretical foundations. Theories are tools for analysis which helps understand, expound, and as well as coming up with projections concerning the subject matter. This research was based on Institutional and Agency Theory.

### **2.1.2 Institutional Theory**

Institutional theory is a wide ranging and often confusing area, which, according Scott (2004) serves the profound depths and more resilience of social structure elements. It looks into the methodologies by means of which structures, such as diagrams, set of laws, customs, and habits, become entrenched as respected directives for social conduct. Directly, it can be seen that there is a large and perhaps surprising degree of correspondence between institutional theory and the current topic of procurement procedures and performance in security firms. Blair, (2010). The regulative pillar deals with unequivocal control procedures, rule-making, tracking, and sanctioning functions. Organizations comply with the rules for reasons of expediency as basis for compliance Brammer et al. (2012).

### **2.1.3 Agency Theory**

The agency theory was advocated by Donahue, (1989), explains how procurement managers must play the agency role. The procurement department takes the role of agents on behalf of their institutions. The Principal-Agent model main concept is the premise the Principal is so busy that they can't execute a certain task, making it important to hire an agent, but the principal cannot supervise the agent ideally because he or she is busy. According to the agency concept the principals (owners) must supervise and be in command of agents (managers) to guard the owners' outstanding claims from the extremes of self-centered agents, Bansal, (2013)



This theory is very key in this research as well. The principal are the CEO's, entrepreneurs of different organizations, here the security firms. The agents are the procurement professionals. The best way an organization can achieve performance is by ensuring that all these work with the same cognitive dissonance to ensure there is utmost performance in any entity. Procurement procedures must be embraced by both the principal and the agent to avoid agency conflicts (Arrowsmith, 2010).

In conclusion, procurement can be seen as having a minimum of two components with two different objectives--a buyer and seller in competition for contracts. Nonetheless, on top of the agency connection that the buyer and competing vendors have, several internal stakeholders with potentially conflicting interests may also exist, increasing the sophistication of the procurement process. This is where institutional theory and agency theory may be helpful in decision making.

### **2.1.4 Procurement Performance**

The evaluation of procurement performance takes into consideration of both the strategic and operational dimensions of the procurement function. From the operational dimension, procurement performance relates to the costs of purchasing, product and/ or service quality, delivery and flexibility in procurement (Henke, 2009). On the strategic dimension of procurement performance it considers innovation in the purchasing process. In both cases, the measures that underlie the dimensions are multiple and differ based on inputs/outputs costs as well as quality, purchasing tasks costs, proportion of the just-in-time vendors, inventory turns, lifecycle durations for procurement, and timely deliveries (Lysons & Farrington, 2006). As per Weele (2009) the effectiveness and efficiency of purchasing leads to purchasing performance. Performance is the foundation upon which an organization may gauge its progression toward the accomplishment of its pre-decided objectives, recognition of its strong and weak areas and choices on future programs with the view of triggering performance enhancements. As such, purchasing performance is not the ultimate objective, but an approach to a cost-effective control and checking the purchasing function. The cost-effectiveness of purchasing stands for numerous distinct competencies and abilities for the purchasing function.

Efficiency implies to "do things right" while on the other hands effectiveness means to "do the right thing". The implication of this is that an effective entity is not necessarily efficient, as the difficult part is to balance between the two. Assessing how the purchasing function

performs brings gains to entities, for example, decline in costs, higher profits, ascertained supply, enhancements in quality, and a soaring competitive edge as suggested by (Batenburg & Versendaal, 2006).

Poor procurement performance on its part contributes to rising inefficiency as well as costs and competitiveness of the procurement function. According to Mlinga (2009), the bad performance of procurement is a factor in the decline of profits for the private sector, and as such, it is a significant hindrance to the realization of organizational growth as it leads to delays in delivery, low quality goods and services and increase in defects. In both private and public sectors, poor procurement performance results from inability to embrace e-procurement, use traditional procurement procedures and poor coordination of procurement activities between the requisitioning departments and the procurement department.

### **2.1.5 Tasks of Purchasing**

Purchasing in broader terms involves determining the need, selecting the supplier, arriving at proper price, terms and conditions, issuing the contract or order, and following up to ensure proper delivery (Mustaffa and Potter, 2009).

In simple term the basic element involves in performing the purchasing function are obtaining the proper equipment, material supplier and service in the right quality, in the right quantity, at the right price and from the right source.

### **2.1.6 Purchasing Department Responsibilities**

Purchasing is one of the basic functions of a given organization shouldering the following major responsibilities.

1. Provide an uninterrupted flow of materials, supplies, and services required to operate the organization.
2. Accomplish the purchasing objectives at the lowest possible level of administrative costs (Leenders, 1989).

### 2.1.7 Objectives of Purchasing

The objectives of purchasing can be classified into three levels including: general managerial level objectives, functional level objectives and detail operational level objectives (Dobler, 1996). The standard statement of the overall objectives of the purchasing function is that it should obtain the right materials in the right quantity, for delivery at the right time and place, from the right source with the right service after and before sale) and the right price (Leenders, 1989:24). From the top managerial perspective, purchasing has the following objectives, which can be explained in terms of the 5R's of purchasing.

**I -Right quality**-quality is defined as simply 'fitness for purpose' or the British standard institution defines "the totality of features and characteristics of a production or service that bear on its ability to satisfy a given need" (Nair, 1990: 125). In meeting, this objective purchasing must select items, which have sufficiently quality to fit user's requirements and specifications. The term quality as used in the field of purchasing carries quite a different meaning than the meaning that we usually associated with this word. In common usage, it refers to the excellent features of the subject, "The right quality is the suitable of an item for a given purpose" (Nair, 1990: 125).

**II. Right quantity**-The right quantity is more relevant to the purchase of consumables or parts or assemblies for manufacturing than for project buying. Fulfilling these objectives will enable to provide a continuous and uninterrupted material at the minimum cost. In most organization the decision of how much to purchase is more important by the close relationship of purchases quantity and schedule use. (Parson,1982:25).

**III. Right price**-A traditional purchasing objective is to obtain the lowest possible purchase price. However, the common practice is to obtain the best life cycle price or the lowest total acquisition cost. "The factor that affect the price of items are quality and quantity required urgency of requirements, demand and supply of materials in the market, whether there is room for co petition or not, whether the past business relationship was good or not strained (Parson,1982:145).

**IV. Right time**--The delivery of the contracted item to the right place at the right time is an important procurement function. Proper buying enhances production schedules without loading warehouse with excessive inventory and also minimizes the unfavorable effects of price

changes. In case of regularly used or procuring' items, right time may mean the time when the stock reaches the minimum level adhering the responsibility shared both by the purchasing unit, and the approving body.

**V. *Right supplier***-the right source is fundamental component or the major purchasing objectives. Basic information about the number and location of potential suppliers, the nature of products, prices charged and forecasts of the economic condition can be acquired if we are to analyze the supply market effectively rather than simply to buy from traditional sources which may not be competitive. But there are problems faced by the purchasing units emending securing right and permanent source of supply. The first problem is identifying potential source of supply, then selecting the right reliable supplier is also challenging. The most difficult challenge is to secure long-term relationship with the right supplier because of the dynamic nature of the business environment and continuous attempt of businesses to make better profit relationship with the right suppliers might not last long. Hence periodic revision of the status of the relationship and making the necessary amendments in agreements is required.

### **2.1.7.1 Functional Level Objectives**

The operational (Functional) level perspective probes more deeply to develop a set of statements that provide practical and useful targets for decision-making purpose. This perspective contains eight basic objectives:

1. To support company operations with uninterrupted flow of materials and services.
2. To purchase competitively:

It involves keeping abreast of the forces of supply and demand and regulates prices and availability of materials in the market place. It also involves understanding of the suppliers cost structure and then negotiate price and service arrangement that are fair relative to the suppliers actual cost.

3. To keep inventory investment and inventory loss of at a practical minimum.

Maintaining a large inventory is one way to achieve objective one, but it is also costly, hence the supply management job is to achieve a reasonable balance between the level of inventory required to support operations and the cost of carrying the inventory.

4. To buy wisely.

Buying wisely involves a continual search for better values that yield the best combination of quality, service and price relative to buyers' need. It may also involve coordinating and reconciling user's need with supplier's capabilities, to achieve optional values considering both issues.

5. To achieve maximum integration with the other departments of the firm.

It is essential to understand the major needs of their using departments, so that these needs can be translated in to materials support actions. The most common types of support actions are forecasting future prices and business conditions, performing economic make or buy analysis etc.

6. To handle the purchasing and supplies management function proactively in a professional, cost effective manner.

Management should expect the preceding the above objective to be achieving in a professional manner at a cost that is appropriate with their value to the organization.

7. To develop effective and reliable sources of supply.

Cooperative suppliers that are willing to work with a buyer to help solve the buying organizations problems and to minimize its materials related costs are valuable resources.

8. To develop good relationship with the supplier community and good continuing relationship with potential suppliers.

The achievement of the preceding objective on a continuing basis is possible when mutually satisfactory continuing relationships are maintained (Dobler, 1996).

### **2.1.7.2 Detail Level Objectives**

At this level precise strategic buying plan are formulated. The focus is on the detailed objectives that are developed when precise buying plans are made for each of the major categories of materials the firm uses in its operation. These objectives are produced from the second level objectives and are applied to fulfill the specific needs associated with each type of purchase.

The precise set of objectives for each material typically varies because the usage requirement, the operating conditions and the markets in which each material is purchased usually are different. These objectives focus on points like quality, sourcing, pricing, production and inventory planning.

## 2.1.8 General Procedure of Purchasing

The standard statement of the overall objectives of the purchasing high quality is that it should obtain the right materials in the right quantity, for delivery at the right time and place, from the right source with the right service (after and before sale) and the right price (Leenders, 1989:24). From the top managerial perspective, purchasing has the following objectives, which can be explained in terms of the 5R's of purchasing.

The general cycle of activities in purchasing most operating materials and suppliers is fairly standardized. The following steps constitute the typical purchasing procedures.

1. Organizing of purchase requisition: The need for a purchase typically originates in one of a firm operating departments or in its inventory control section. It is a stimulus for purchaser to initiate purchasing. The essential information which requisition should contain includes a description of the material; quantity, date required; estimated unit cost; the date; an authorized signature.

Verification of purchase requisition: The purchasing department verifies whether the requisition is appropriately filled or not.

3. Evaluation and selection of the supplier: As soon as the need has been established and precisely describe, the buyer begins an investigation of the market to identify potential source of supply. In the case of routine items for which supplier relationship have already been developed, little additional investing may be required to select a good source on the other hand the purchase of high-value or new item may require lengthy investigation of potential suppliers to make a decision about the most desirable supplier.

4. Preparation of purchase order: Once a supplier has been selected the purchasing department prepares and issues a serially numbered purchase order. In most cases the purchase order becomes a legal contract document. For this and other reasons the buyer in preparing and wording the order should take great care.

5. Follow up: Also called expediting, purchasing bears full responsibility for and order until the material is received and accepted. When there is a reasonable chance that the supplier may not stay on schedule important orders with critical delivery date should receive active follow-up attention. There may be a need to speed up (expedite) or even delay (de-expedite) delivery if the buyers timing requirements undergo unexpected changes.

6. Receiving and Inspection: The supplier ships materials with the packing slip, which itemizes and describes the contents of the shipments. The receiving clerk uses this packing slip in

conjunction with his/her copy of the purchase order to verify that the correct material has been received.

7. Payment: The typical procedure involved is a simultaneous of the purchase order, the receiving report and the invoice. By checking the receiving report against the purchase order, the purchaser determines whether the quantity and type of material ordered was in fact received. Then by comparing the invoice with the purchase order and received.

8. Evaluating the purchasing performance: Purchasers need to evaluate whether the materials purchase from the supplier have satisfied the need of the users. This evaluation will help whether to consider the supplier next time. The specific procedures employed by each should be designed to meet the unique needs of that firm. Properly designed procedures should accomplish four objectives according to Dobler. These are:

- i. Fulfill each task satisfactorily with minimum of time, effort and proper work.
- ii. Effectively communicate and coordinate the efforts of one work group with another.
- iii. Minimize overlapping effort and group conflicts.
- iv. Permit effective management by exception (Dobler, 1996).

### **2.1.9 Supplier Selection Criteria**

The factors to be taken in to account to rate a supplier are location, technical capability, price, past performance (i.e., delivery delays, quality and percentage of rejection, reliability and co-operation (Nair, 1990).

According to Zejian and Weiwei (2003), successful sourcing is not achieved only on the basis of securing competitive bids. Buyers are not looking for the lowest prices, but for the best value on a total cost basis. Multinational corporations wish to work with suppliers who are not only capable, but also motivated to sharing their standards for enterprise and society. Companies under consideration as potential suppliers are evaluated in a process using both industrial and social criteria. The common performance criteria used to evaluate the supplier are following:

#### **2.1.10 Industrial Criteria**

Cost Goal; Total purchasing cost function is expressed to be minimized, because the goal is to minimize the purchasing cost. The purchasing manager was able to give a target value for this goal. However, a reasonable target value is important to use.

Quality; because we want to maximize the quality of the product purchased from respective suppliers, the type of goal is defined as maximization, and a target value was assigned by the purchasing team.

Delivery Reliability: Delivery reliability is defined like the flexible quality goals, again, we want to maximize delivery reliability of each kind of product. Service and Communication: Keeping good and common communication is also important for both buyer and supplier. It will help for knowing and monitoring the supplier performance. Management Philosophy: A management philosophy of supplier can help you to know the future strategy and their long-term and short-term target.

#### **2.1.11 Social and Environmental Criteria**

The time is changing, the business role is changing, customers and co-workers expect more from companies. They expect them also to take an active role in influencing social and environmental issues whether they are present.

Legal and Moral Roles; the basic criteria are that suppliers must follow national laws and international conventions. Other rules, for example, the Declaration of Human Rights, the ILO



(International Labor Organization) Declaration on Fundamental Principles and Rights at Work, and the Rio Declaration on sustainable Development, etc. are also important.

Society Requirements; social work is good for business because customers will feel reassured that they are doing business with a company that shares their views and values. It can also support cost efficiency. Using resources and raw material efficiently, saving energy, improving working conditions at suppliers and through that getting more motivating people, will have a positive effect on costs and therefore support their business objectives. Being successful with social work will take clear goals, strategies, time plans and responsibilities. And above all, it takes a vision to create a better life for many people.

Environmental criteria; due to the increase realization of the importance of integrating environmental factors in to assessing supplier's performance, environmental issues will become an important factor for a company to consider. There was no coordinated response to dealing with the environment and each of the companies had used a different approach. Environmental categories and criteria are viewed as important to consider during the green supplier selection process. It will benefit the company to enhance the competitive position in the supply position by integrating environmental factors in to the supplier selection process.

### **2.1.12 Evaluation of procurement Performance**

Bloomberg, (2006) states that a suitable way to govern purchasing is through target setting and measuring. They state that this could be done through Key Performance Indicators (KPIs). The authors divide the KPIs in to seven categories: price related KPIs, quality related KPIs, delivery related KPIs, inventory related KPIs, saving related KPIs and activity related KPIs. Purchasing performance is considered to be the result of two elements: purchasing effectiveness and purchasing efficiency. Performance provides the basis for an organization to assess how well it is progressing towards its predetermined objectives, identifies areas of strengths and weakness and decides on future initiatives with the goal of how to initiate performance improvements. This means that purchasing performance is not an end in itself but a means to effective control and monitoring of the purchasing function

According to Nair (1990), efficiency the purchasing section can be judged on the following basis:

Number of process employed

Whether the work has been properly distributed and whether the staff has a broad program of work

Number of items and orders handled, where multi-item orders are in use, orders alone will not give a correct indication as the work depends to great extent up on the number of items.

Time taken ordinarily to process a purchase requisition.

Whether materials of correct quality are being purchased and incidence of rejection.

Types of suppliers with whom purchase section deals with and the after sale service and emergency assistance received from them.

Increase or decrease in price as compared to standard, previous or market of price principal materials.

Percentage of increases in material cost of each product from year to year.

Extent to which purchasing research such as standardization, value analysis, price reduction, is conducted and savings effected.

Number of value of over-due orders.

Proportion of purchasing department operating cost to value of total purchase.

Whether disposal or surplus and scrap is being effected promptly.

Degree of cooperation given to and received from other departments.

### **2.1.13 Purchasing Policy**

Policy is statement that describes in very general terms an intended course of action. The authors' states that the fundamentals of an activity are established, policies are developed to serve as a general guideline in making operating decisions that channel actions toward achievement of the objectives (Dobler and Burt, 1996).

If policies are to function effectively, it is imperative that they be placed in written form. A purchasing policy manual typically has two distinct sections, one containing company policies which spells out in unmistakable terms the responsibility and authority at all departments, and the other containing department policies which inform personnel of the expected patterns of conduct for major buying activities and for relations with suppliers. The purchasing policies should be clearly communicated to the staff and other stakeholders. Medias for communicating this information to the company employee can be published regulation, Company informational booklet and departmental manuals (Alijan, 1973).

Purchasing policy places the authority and responsibly for purchasing in the purchasing department. Every transaction between a buyer and seller involving the transfer to property is a contract. From the beginning to the completion of a transaction between a buyer and seller

many problems are involved and the paper handling of these and the administering of the business' features connected with the more vital factors in the successful operation of the company. For this reason, the authority and responsibility of purchasing rests with the purchasing department (Monczka, 2004; Lu, 2011).

The purchasing department is responsible to establish and administer purchasing policies, institute reports necessary to permit analysis of purchasing performance, negotiate and approve term contracts, analyze prices, paid for materials and generally define how to obtain savings and to co-ordinate purchasing procedures (Mustaffa and Potter, 2009; Kumar and Zhang, 2008; Westing, 1985).

#### **2.1.14 Supply Chain Management (SCM) Systems:**

The concept of supply chain is defined by Meijboom, Schmidt-Bakx and Westert (2011) as a way to envision all steps needed from beginning to end in order to deliver products or services to the customer. Supply chain management (SCM) on the other hand, involves the management of flows between and among stages in a supply chain to maximize total profitability (Sila et al, 2006) and customer satisfaction (Aronsson, 2011; Chandra, 2009) (White, 2009) and Romano, 2011). The procurement function occupies Centre stage in managing supply chains. According to Juha and Petti (2008), the function determines availability, cost, quality of materials as well as responsiveness and flexibility of organizations in meeting customer needs and expectations. In recent years, various articles have noted the strategic importance and competitive potential of procurement or the purchasing and supply management (PSM) function (Gonzalez-Benito, 2007; Ogden et al., 2007). Previous research quoted by Gonzalez-Benito (2007), reveals the importance of aligning the function with the overall business strategy. The significance of the purchasing and supply management function in organizations can neither be downplayed nor limited to a particular industry (Saranga and Moser, 2009; Van Weele; 2008). Schiele (2007) cites the rising purchasing volume expressed as a percentage of a firm's total turnover, as evidence of the function's strategic potential across industries. In the healthcare industry, procurement can play a key role in the value chain for healthcare delivery in hospitals. As noted by Aaronson, Abrahamson and Spans (2011), hospitals and healthcare systems could gain competitive advantages and improved performance through good procurement practices such as lean and agile supply chain processes.

### **2.1.15 Procurement and Healthcare Delivery**

Since services cannot be produced for storage like physical products, Meijboom, Schmidt-Bakx and Westert, (2011) note that providers adopt customer waiting as a remedy. However, as a result of the differences between healthcare and other services, long waiting times are not affordable in healthcare systems because patient condition may worsen substantially during the waiting (Mustaffa and Potter, 2009). This therefore calls to duty all functions including procurement which must ensure that medical supplies are always available. Meijboom, et al. (2011) underscore the role of the procurement function in healthcare systems. They contend that ‘simultaneity of production and consumption of services results in highly unpredictable and unique demand which is difficult to match with service capacity; hence the need for sufficient inventory.

Additionally, extant literature suggests that some aspects of procurement performance such as inefficient processes and delayed delivery or stock outs of medical supplies may affect both efficiency (Kumar, DeGroot, and Choe, 2008) and effectiveness (Mustaffa and Potter, 2009) of healthcare systems. Whatever basis of performance measurement is used, the driving feature of such performance should primarily be the extent to which healthcare systems are customer focused (Parnaby and Towill, 2007). According to Butt and Run (2009) ‘customers are concerned about healthcare providers’ ability to cure their diseases, while upholding their best interest at a lowest possible cost’. More specifically, they note that due to the significance of healthcare service, patients are willing to abandon free healthcare services in public hospitals for expensive but better healthcare in private hospitals.

As Aronsson et al. (2011) suggest, it really does not matter which dimension of performance measurements takes prominence (cost or customer satisfaction / healthcare quality), because both dimensions can be achieved through the PSM function. Such is the significance of the procurement function. Regarding the impact of procurement on healthcare delivery costs to the customer, Kumar, DeGroot, and Choe, (2008) suggest that inefficient purchasing as well as any advances in efficiency will eventually be passed along to the patient as additional costs or lower costs respectively. In addition, Aaronson et al. (2011) notes that inadequate and tedious procurement procedures and practices are responsible for rising costs and inefficiencies in healthcare systems.

### **2.1.16 Aspects of Procurement Affecting Healthcare Delivery**

Several authors have underlined the uniqueness of supply chain management (SCM) in a healthcare setting which makes it difficult to transfer knowledge from the industrial sector to the healthcare sector in a direct way (White and Mohdzain, 2009; Vries and Huijsman, 2011). Chandra, Kumar and Ghildayal (2009), argue that the importance of healthcare services has reduced the extent to which the industry adopts cost reduction and responsiveness strategies and practices such as Just-in-time (JIT) purchasing and Kanban systems. The significance of SCM is further emphasized by Mustaffa and Potter (2009), when they note that within the healthcare industry, procurement operations associated with pharmaceutical products can affect the standard of care for patients. They contend that effective management of the function can ensure that both service level and cost objectives are met. Similarly, Kumar et al., (2008) suggest that procurement practices affect inventory levels and ultimately the service provided to the consumer or patient in the case of hospital. There is high risk therefore, that erroneous decisions in SCM can culminate into stock-outs (White and Mohdzain, 2009) and total failure of healthcare delivery systems (Mustaf and Potter, 2009). Consequently, Kumar et al., (2008) rule out the feasibility of inventory elimination because medical supplies must be available for immediate use by medical professionals.

### **2.1.17 Logistics for Medicines**

Many other aspects of purchasing adversely and positively affect healthcare delivery. Specifically, Tetteh and Pharm (2009) contend that the state of drug supply chains affect availability, affordability and acceptability dimensions of medicines access. They suggest that failures of in-country supply chains to operate effectively and efficiently can erode all the success achieved in earlier stages of the supply chain. Lengthy public distribution systems have also been identified by Tetteh and Pharm (2009) as one factor affecting availability of medicines and therefore healthcare delivery. They note that such situations are common where distribution systems involve delivering of drugs to central warehouses, wherein they are then transferred to regional and district warehouses before being delivered to health facilities. Such chains of no value adding and time consuming activities comprise what TaiichiOhno, in Bailey et al, (2005) refers to as ‘the waste of unnecessary movements’. Tetteh and Pharm precisely indicate that these lengthy distribution systems, coupled with lack of extensive information systems are responsible for frequent drug stock-outs and shortages in African nations. These assertions are strongly supported by Ramani and Mavalankar (2006) who in their re-

search on health systems in India, found that poor logistics management of supply of medicines and drugs negatively affected the availability of healthcare services in India.

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## 2.2 Empirical Review

Gebremariam and Unade (2019) conducted studies on assessment of medicine supply management and its quality assurance practice in health centers in south west Shoa zone, Oromia regional state, Ethiopia. According to their findings poor medicine management practice results shortages of essential medicines, high prices, poor quality, theft, expiration, irrational prescribing, and incorrect use of medicines by patients. In Ethiopia although the medicine supply chain has several problems; studies dedicated to assess these medicine management problems are limited.

Asfaw (2017) investigated the performance of international procurement practice in the case of Addis Ababa University. The major findings of the study indicates that the international procurement practice is not well performed by End users, Procurement staffs, suppliers and stakeholders of AAU Procurement who are participating directly or indirectly in the international procurement of the University. The study recommended to the Management of AAU and specially the procurement directorate to create opportunities for appropriate training, establish organized marketing research department, introduce E-procurement and automated data base systems, to create long term strategic supplier relationship for strategic items through establishing a suppliers list registration system , create win-win and smooth relationship with suppliers, to create good relationship and awareness among AAU Procurement, end users, suppliers and the stakeholders using awareness creation events, and to develop conducive organizational structure in the end users departments.

Carayannis and Popescu (2005) conducted a study is to asses' the impact of management on procurement process in Kenya. The study concluded that at the public sector level, emphasis of top level managers for procurement have its own positive effect for enhancing of timely purchasing of items/products and increases market transparency and economic incorporation based on complementarities. Additionally, wanyonyi and Muturi (2015) concluded that proper management decision, staff competency and ethics have a direct impact on performance of the procurement function.

Deva raj, Vaidya Nathan and Mishra (2012) did a study on the internal factors affecting procurement process of supplies in the public sector; a survey of Kenya government ministries. The findings revealed that the presence of poor management that is characterized by payments delays to suppliers obstructs greatly their ability to offer timely service delivery leading to delays that derails organizational procurement timelines and schedules.

Raymond (2008) looked at the effect of procurement management on the financial performance of health organization in Uganda. Specifically the study reviewed procurement professionalism in public procurement relates to the levels of education and qualifications of the workforce as well as the professional approach. And also Availability of skilled man power (experts) is affecting the procurement performance and this result is congruent to Hall (2009), efficiency and the effectiveness of procurement procedures has positive relationship with skilled man power. Effective and continuous employee training programs helps in equipping the employees with competitive procurement management skills. When the procurement workforce is not adequately educated in procurement there are serious consequences such as breaches of codes of conduct. Again Raymond (2008) links the level of professionalism with corruption, which has been shown to impede compliance to public procurement regulations. Further, De Boer and Telgen (2006) also attribute non-compliance in public procurement to lack of purchasing professionalism in the public sector.

Pohl & Forstl (2011) conducted a study on performance measures in place for assessing procurement efficiency and effectiveness in public health organization in Kenya. The study describes that fluctuation of price time to time has its own effect on quality and quantity of purchased goods/products which leads to poor procurement performance in public sector organizations. Purchasing performance measurement systems play a central role in the alignment process of the purchasing function. This finding is also support by (Dalen 2006) that sourcing in public sector organizations is arguably more complex from a procedural/approval perspective and involves a wider variety of supplies than in most private enterprises. While at the time of procuring, it may not always be realistic or cost-effective to conduct frequent open tenders to bring actual prices in line with expected prices.

George (2010) conducted a research on effect of procurement regulations on efficiency of the procurement procedures in public sector organizations. The major findings of the study indicates that the, selection on the appropriate supplier is one of the keys to be success in the procurement process. A supplier selection criterion is not only focused on the cost of the least expensive, but also on some other criterias supporting the achievement of procurement objectives. In modern procurement system view, supplier is seen as a partner participating in the achievement of corporate goals. Golicic and Smith, (2013) conducted a study on the challenges of implementing procurement policies in state corporations in Kenya. That each existing activity in supplier chain has an effect on company's performance, as an example: a good



collaboration of activities between supplier and purchaser (supplier partnership) can become the indicator of supplier's performance assessment, and a good relationship will be established if there is a trust between suppliers and buyers. Dalen (2006) that sourcing in public sector organizations is arguably more complex from a procedural/approval perspective and involves a wider variety of supplies than in most private enterprises. While at the time of procuring, it may not always be realistic or cost-effective to conduct frequent open tenders to bring actual prices in line with expected prices.

Agreeably Mamiro (2010) conducted a study on the challenges of implementing procurement policies in state corporations in Kenya. In his findings underscores these facts and concludes that the use of criteria depend on adequacy of skills of procurement staff responsible for procurement.

kumu and Chimwani ,(2014) conducted a study on the effects of public procurement policies on organizational performance which was focus on the health sector, end users has negative impact on procurement procedures since the public sector organizations cannot effectively monitor and coordinate procurement procedures.

Selemawit (2014) conducted studies on Assessment of Purchasing Practice in the Case of Goal Ethiopia. Through the analysis on the related literatures and comparison made with the theoretical discussion we can understand the following.

The researches show the prevalent gap between theoretical discussions in purchasing and the practical aspect. The basic principles of purchasing i.e. the five rights are not given much attention in practice. The existence of common problems in purchasing area includes: Lack of skilled manpower , Minimal management attention for the function, Unreliability of suppliers and absence of permanent and strong relationship with suppliers, Out dated and ineffective purchasing procedures and manuals, Wide use of least price suppliers selection criteria compromising quality, Wrong quality purchases are frequently practiced and Delayed purchases are common.

Habteyesus(2015) conducted studies to assess the purchasing practice of addis zemen town administration finance and economic development office. The study is conducted to find viable solution for the prevailing inefficient and delayed purchasing practices. In addition to its academic purpose the thesis is envisaged to have significance both for practical improvement of the town administration finance and economic development office purchasing practices and for conceptual contribution to fill literature gap. The major findings of this study show

the main problems related with the purchasing activities of addis zemen town administration finance and economic development office and conclusions have been drawn from the results of the analysis. Recommendations are given both to provide solutions for the prevailing inefficient and delayed purchasing practices and directions for further studies.

Tewedros (2007) studied the evaluation of purchasing Practice at Addis Ababa University College of Commerce. This study was conducted in abid to find viable solution for the prevailing effecient and delayed purchasing practices using primary data sources gatheredusing questionnaire, interview and personal observations. The major findings of the study indicates that the purchasing function is ineffecient and is not given proper attention by the management.

Kizito and james (2013) conducted studies on the impact of procurement operations on healthcare delivery: a case study of Malawi's public healthcare delivery system purpose to investigate the impact of procurement operations on healthcare delivery in Malawi's public healthcare delivery system. It sought to confirm the existence, establish the frequency, effects and causes of stock outs of drugs. The study found that procurement functions derailed healthcare delivery through failure to ensure availability of drugs. Frequent stock outs of drugs were confirmed, the effects of which on healthcare delivery ranged from death of patients, deterioration of medical conditions of patients, hospital overcrowding, to transfer of patients to other hospitals. These stock outs were attributed to: failure by a 'government insti-tuted supplier' to fulfill drug orders; delays by procurement staff; and withholding of funds by donors. Research limitations: the study was conducted at a time when drug stock outs were at crisis levels in public hospitals. The results may therefore strongly represent the situa-tion at that material point in time. Practical implications: the study provides insights into the significance of procurement operations in healthcare delivery. It recommends a strategy shift from single sourcing to dual sourcing in order to avert the persistent drug stock outs in public hospitals.

Thomas et al (2016) conducted studies to assess the purchasing practices in afar regional state to give insight about purchasing practices in the region and identification of various challeng-es hampering its effectiveness and efficiency. The study findings show the absence of signifi-cant in terms of purchasing practices and procedures, bureaucracy in purchasing procedures, more delay in purchasing materials, frequent price fluctuation, least price suppliers selection criterion compromising quality, absence of reliable suppliers, poor quality purchase, and lack

Authors name	Year	Title of their works	The method that they have employed	The conclusion that they have reached on/their founding
Tewedros	2007	Assesment of of purchasing Practice	Practices using primary data sources gathered using questionnaire, interview and personal observations	The major findings of the study indicates that the purchasing function is ineffecient and is not given proper attention by the management.
Kizito and James	2013	Impact of Procurement Operations on Healthcare Delivery: A Case Study of Malawi's Public Healthcare Delivery System	By using census method and by using primary data sources gathered using questionnaire, interview and personal observations	The study found that procurement functions derailed healthcare delivery through failure to ensure availability of drugs. Frequent stock outs of drugs were confirmed, the effects of which on healthcare delivery ranged from death of patients, deterioration of medical conditions of patients, hospital overcrowding, to transfer of patients to other hospitals
Selemawit	2014	Assessment of Purchasing Practice in the Case of Goal Ethiopia.	Descriptive types of design ,census method and by using primary data sources gathered using questionnaire, interview and personal observations	The findings are Minimal management attention for the function , Unreliability of suppliers and absence of permanent and strong relationship with suppliers ,Out dated and ineffective purchasing procedures and manuals , Wide use of least price suppliers selection criteria compromising quality , Wrong quality purchases are frequently practiced and Delayed purchases are common
Habteyesus	2015	Studies to assess the purchasing practice of Addis Zemen Town Administration Finance and Economic Development Office	By using census method and by using primary data sources gathered using questionnaire, interview and personal observations	The major findings of this study show the main problems related with the purchasing activities of Addis Zemen Town Administration Finance and Economic Development office are prevailing inefficient and delayed purchasing practices.
Thomas et al	2016	To assess the purchasing practices in Afar regional state to give insight about purchasing practices in the region and identification of various challenges hampering its effectiveness and effi-	Practices using primary data sources gathered using questionnaire, interview and personal observations	The study findings show the absence of significant in terms of purchasing practices and procedures, bureaucracy in purchasing procedures, more delay in purchasing materials, etc... Are found to be the significant challenges in purchasing practices of selected sample weredas and their administrative wings.

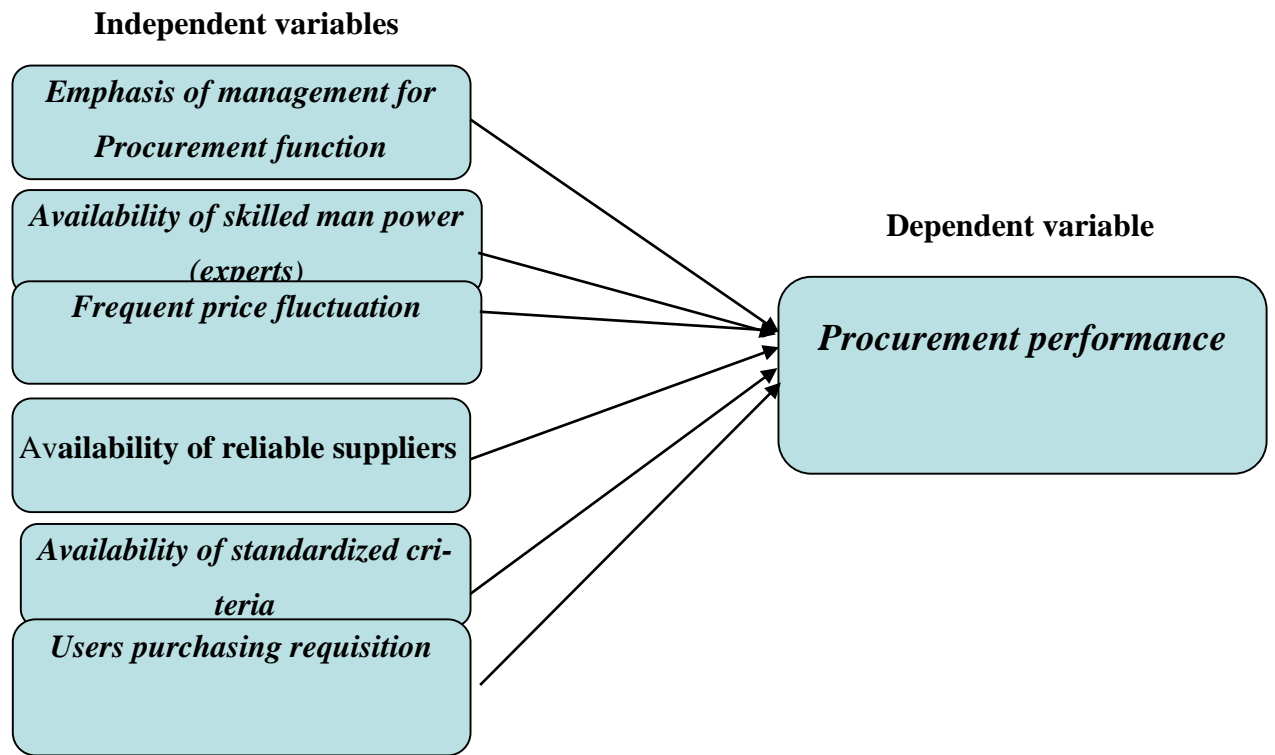
		ciency.		
Asfaw	2017	Investigating the performance of international procurement practice in the case of Addis Ababa University.	By using census method and questionnaires’.	The major findings of the study indicates that the international procurement practice is not well performed by End users, Procurement staffs, suppliers and stakeholders of AAU
Gebremariam and Unade	2019	Assessment of Medicine Supply Management and its Quality Assurance Practice in Health Centers in South West Shoa Zone,	Practices using primary data sources gathered using questionnaire, interview and personal observations	According to their findings poor medicine management practice results shortages of essential medicines, high prices, poor quality, theft, expiration, irrational prescribing, and incorrect use of medicines by patients.

of skilled manpower are found to be the significant challenges in purchasing practices of selected sample Woredas and their administrative wings.

**Source:** - From Selected reviews of previous works

### 2.3 Conceptual Framework of the Study

Based on variables discussed in the basic research question and literature (theoretical and empirical) review, it is observed that the main factors which affects procurement performance includes:-emphasis of management for procurement function, availability of skilled manpower (experts), availability of standardized criteria, frequent price fluctuation, users purchasing requisition and availability of reliable suppliers. These constitute the independent variables and procurement performance constitutes as a dependent variable in our conceptual framework.



**Figure1.** Conceptual Framework Model

## **CHAPTER THREE**

### **RESEARCH DESIGN AND METHODOLOGY**

This chapter deals with the research design, population of the study, sampling techniques, sample size and sampling procedure, sources and types of data, methods of data collection, data collection instruments, techniques of data analysis and interpretation, model specification and description of study variables, validity and reliability test, analysis of reliability test, and finally ethical considerations of the study all are included.

#### **3.1 Research Design**

the study used both descriptive and inferential type of design approach to assess the factors that affect procurement performance: the case of shenen gibe hospital in jimma town, oromia regional state, Ethiopia .The purpose of using descriptive approach throughout the surveys is to see employee's opinions on procurement practice of public organization in case of Shanen Gibe hospital. Descriptive studies present facts, existing conditions concerning the nurture of persons, a number of objectives or class of events and may entail procedures of enumeration and induction analysis, classification details and measurement (Creswell ,2014).

#### **3.2. Sources and Types of Data**

The study makes use both quantitative and qualitative data which was collected from primary and secondary sources through different techniques. Primary data was collected using self-administered questionnaire and semi-structured instruments to collect data from professional employees working in the organization and key informant interviews with the Hospital purchasing committees and Shenen Gibe Hospital Manager. Secondary data relevant to the research work was collected from Shanen Gibe hospital procuring department documents such as office records and reports, journals, manuals, books, and files from internet or web pages. Both primary and secondary sources is considered to collect qualitative and quantitative data that complement and/or supplement to each other and diverse information from different sources, so as to make the data and the results of the research make reliable.

### **3.3 Target Population**

A population is the entire group of individuals, events or objects having common evident features. A target population is that population to which a researcher wants to take a broad view of the results of a study (Coolican, 2013). In this study, the target population comprised 174 full time professional staff members working at 18 different departments in Shenen Gibe hospital. (Source: Shenen Gibe Hospital HR department).

### **3.4 Sampling Techniques and Sample Size**

According to (Mugenda & Mugenda, 2003), sampling procedure refers to a systematic process of selecting individuals to represent the larger group from which they were selected. The purpose of sampling is to gain an understanding about some features or attributes of the whole population based on the characteristics of the sample. Hence, Census method was used by the researcher because the population is small and manageable. Census is an attempt to list all elements in a measure of one or more characteristics of this element. It can give a researcher in-depth information on all elements in the population. Census is a method in which information is obtained through the responses that all available members of an entire population give to questions. For some, the technique in all the available population is taken are regarded as availability or comprehensive sampling technique (Lavaca 2008). That means by using census method the entire procurement experts, management committee and all professional staff members working in Shenen Gibe hospital were taken as a sample of the study.

### **3.5 Methods of Data collection**

Data was collected from both primary and secondary sources. Questionnaire was employed for the collection of primary data from the purposively selected employees working in Shenen gibe hospital. The questionnaire is composed of five different sections. section i, general characteristics of the respondents, section ii, users' rate on performance of procurement function, section iii procurement of performance assessing factors, section iv variables of procurement of performance and the last section is open ended questionnaires. there is both close and some open ended questions however; most of the questions were stated in a five-point likert scales ranging from strongly disagree to strongly agree where 1 stands for (strongly disagree); 2 (disagree); 3 (neutral); 4 (agree) and 5 (strongly agree).

### **3.6 Data Collection Instruments**

In order to answer the research basic questions, the researcher employed various data collection methods. Initially, to gather information from the participant closed ended questionnaires with five point liker scale were used and open ended questionnaires also deployed for the

study. The reason for using the liker scale is that enable certain arithmetical operations to perform the data that collected from respondents. Open ended questionnaire also used to triangulate/support the data collected by closed ended. Beside this, the researcher reviewed some documents which are relevant to the study.

### **3.7 Techniques of Data Analysis and Interpretation**

Once the questionnaires were collected by the researcher, it was coded and fed into the SPSS computer software by using descriptive and inferential statistics. Data was analyzed to give a brief description and interpretation. Descriptive statistics method was applied to analyze quantitative data which is calculating the percentages, mean, standard deviation and Variance. This was done by using Statistical Package for Social Sciences (SPSS) version 22 computer software.

SPSS is considered appropriate since it allows the researcher to follow clear set of quantitative data analysis procedures that leads to increased data validity and reliability and demonstrates the relationship between the research variables. SPSS also assisted in producing frequency tables for descriptive analysis. Inferential statistics was applied through correlation analysis and the use of multiple regression analysis. The correlation analysis was used to establish with statistical significance, the nature of the existing relationship between the dependent variable and the independent variables. The regression analysis was used to determine with statistical significance, the influence or effect that the independent variables has in the dependent variables.

### **3.8 Model Specification and Description of Study Variables**

The regression analysis is tested the variation of the dependent variable explained by the variation in the independent variables by analyzing adjusted R square statistics. ANOVA for regression used to determine the variation of variables. A multiple regression model is then fitted to determine the combined effect that the independent variables had on the dependent variable when acting jointly.

The multiple regression model is the form



$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6 + \dots + \beta_n X_n$$

Where;

$\alpha$  = Constant

Y = Procurement Performance

X1 = Emphasis of management

X2 = Availability of skilled man power (experts)

X3 = Availability of standardized criteria

X4 = Frequent price fluctuation

X5 = Users purchasing requisition

X6 = Availability of reliable suppliers

$\beta_i$  = Coefficients of regression for the independent variables,  $X_i$  (for  $i = 1, 2, 3, 4, 5$ )

### 3.9 Validity test

Harper and Thompson (2011) note that in order for data collection tools to provide useful results, the questions must be both valid and reliable. According to Creswell (2009), the usual procedure in assessing the content validity of a measure is to use a professional or expert in a particular field which helps in discovering question content, correction in the wording and the sequencing problems before the actual study as well as exploring ways of improving overall quality of study. For the sake of this study, the researcher used the opinions of experts in the field of study especially university research instructors specifically the main advisor and the co-advisor to establish the validity of the research instrument. Also the researcher used opinions of experts of the organization for the questionnaires whether they are correctly processed or not. This facilitated the necessary revision and modification of the research instrument thereby enhancing validity.

### 3.10 Reliability test

Reliability of the data collection instrument is the consistency of measurement and frequently assessed using a test-retest reliability method (Cooper and Schinder, 2014). Reliability enables the researcher to identify the ambiguities and inadequate items in the research instrument; where the instrument reliability is the dependability, consistency or trustworthiness of a test. The scores were tested using cronbach's Alpha for the data to be reliable for those questionnaires raised by likert scale. According to Hair *et al.* (2006) described Cronbach's Alpha is a method used to measure the reliability of the questionnaire between each item and the whole items of the questionnaire. The normal range of Cronbach's coefficient alpha value is

between 0 and 1, and the higher value indicates that higher degree of internal consistency and the lower value lower degree of internal consistency. According to George & Mallery (2003), it is recommended that if a Cronbach's coefficient of measurement scale exceeds 0.70 is acceptable as an internally consistent so that further analysis can be carried unless it is unacceptable.

The results of the reliability analysis of this study on table 3.1 showed that cronbach's alpha coefficients of the extracted factors ranged from 0.754 to 0.936. That is well above the minimum value of 0.70, which is considered acceptable as an indication of scale reliability so, this data are above this value which is acceptable of the internal consistency of the questionnaires.

**Table 3.1: reliability test result**

<b>Variables</b>	<b>Cronbach's Alpha</b>	<b>Number of Items</b>
Emphasis of management for Procurement function	.936	4
Availability of skilled man power (experts)	.876	5
Frequent price fluctuation	.832	4
Availability of reliable suppliers	.805	4
Availability of standardized criteria	.754	4
Users purchasing requisition	.754	5
Procurement of Performance	.828	10

**Source:** Own Survey, 2020

### **3.11 Pilot Test**

According to Dempsey (2003) pilot study is the process of conducting preliminary test of data collection instruments in order to eliminate data collection problems that may led to low data validity and reliability. Study was conducted to test the reliability and validity of the questionnaire. This was undertaken to test the reliability and validity of data collection instruments (Sekeran, 2003). Pilot study was thus conducted to help in identification of errors in data collection instruments and make necessary adjustment in order to ensure valid and reliable data was collected.

### **3.12 Ethical Considerations**

As the study indicated in the questionnaire, all employees are assured that all data of this study were used for academic purpose and analyzed secretly. And also the researcher got permission from the concerned body like the hospital management body to give necessary data for the researcher. After the managers allowed access to different data of the organization, the researcher took a responsibility not to do biased or fault action and to keep their internal secrets in time of data collection. As per the promises made to the respondents, the entire necessary attempts was made to carried out data gathering and analysis in accordance with the generally accepted ethical concerns.

## CHAPTER FOUR

### RESULTS AND DISCUSSIONS

The purpose of the study was to assess factors affecting procurement of performance in case of Shenen gibe hospital in Jimma town, Oromia regional state, Ethiopia. This chapter presents and discusses the research findings of the demographic characteristics followed by both the descriptive, inferential and regression analyses of the study objectives respectively.

#### 4.1 Response Rate

The study targeted totals of 174 questionnaires were distributed, and from which 158 were returned. The returned questionnaires were carefully checked, and those with excessive missing data were discarded. The response rate is 90.8 percent. According to Mugenda and Mugenda (2003), Rogelberg and Stanton (2007) and Saunders et al., (2007), a response rate of 50% is adequate, a rate of 60% is good, and a response rate of 70% and over is very good. Based on this awareness, the response rate in this study was considered to be very good for the study.

**Table 4.1: Response Rate**

No. of Participants	Questionnaires Administered	Questionnaires Filled and Returned	Percentage
Participants	174	158	90.8%

*Source: Own Survey, 2020*

#### 4.2 Demographic Characteristics of the Participants

The study analyzed the demographic characteristics of the participants based on gender distribution, age categories, and highest level of education, marital status, monthly income, and working experiences of the participants.

##### 4.2.1: Gender Distribution of the Participants

The study sought to establish the gender distribution of the participants in Shenen gibe hospital in Jimma town. From the findings illustrated in table 4.2, the male were the majority 86(54.4%) followed by the female 72 (45.6%).

**Table 4.2. Gender Distribution of the Participants**

<b>Gender category</b>	<b>Frequency</b>	<b>Percent</b>
Male	86	54.4
Female	72	45.6
<b>Total</b>	<b>158</b>	<b>100.0</b>

**Source:** Own Survey, 2020

#### **4.2.2 Age of the Participants**

The results for respondents' age as depicted on table 4.3 below show that the majority of the respondents (about 39.2 percent) range between 21-30 years of age, while 15.2 percent fall between the age 20 and less than, 30.4 percent of them are from 31-40 years, finally 15.2 percent fall between the ages 41-50 years. The findings imply that majority of the participants were adults in age because they were aged 21-30 years.

**Table 4.3 Ages of the Participants**

<b>Age in year</b>	<b>Frequency</b>	<b>Percent</b>
20 and less than	24	15.2
21-30 years	62	39.2
31-40 years	48	30.4
41-50 years	24	15.2
<b>Total</b>	<b>158</b>	<b>100.0</b>

**Source:** Own Survey, 2020

#### **4.2.3 Educational qualification of Participants**

Additionally, the study tried to find out the highest education levels of the participants. The findings in table 4.4, indicates that majority of the participants 80 (50.6%) had attained diploma level of education followed by those who had degree level of education 60 (38%). Moreover, 16(10.1%) of the participants attained less than grade 12 level of education, while 2 (1.3%) attained masters and above level of education.

**Table 4.4: Education level of participants**

Level of Education	Frequency	Percent
less than grade 12	16	10.1
diploma	80	50.6
first degree	60	38.0
masters and above	2	1.3
<b>Total</b>	<b>158</b>	<b>100.0</b>

*Source: Own Survey, 2020*

#### 4.2.4: Department of respondents

The study also sought to find out the department of respondents of the participants in Shenen gibe hospital in Jimma town. The findings illustrated in table 4.5 shows that majority of the participants 71 (44.9%) had health workers followed by administrative workers 36 (22.8%). As well, 32(20.3%) of the participants are supplementary workers. Purchasing 8 (5.1%), Management 7 (4.4%), and 4 (2.5%) is Accounting departments respectively.

**Table 4.5: Department of respondents**

Department	Frequency	Percent
Purchasing	8	5.1
Health	71	44.9
Accounting	4	2.5
Management	7	4.4
Administrative workers	36	22.8
Other	32	20.3
<b>Total</b>	<b>158</b>	<b>100.0</b>

*Source: Own Survey, 2020*

#### 4.2.5: Working Experience of the Participants

The study also sought to find out the working experience of the participants in the Shenen gibe hospital in Jimma town. The findings illustrated in Table 4.6 shows that majority of the participants 88(55.7%) had worked for between 6-10 years followed by those who had worked less than five years 61 (38.6%). As well, 9(5.7%) of the participants had worked for

11-15 year. From this, it is conclude that majority of the workers have 6-10 years ‘of work experience.

**Table 4.6: Work experience of the participants**

<b>Experience</b>	<b>Frequency</b>	<b>Percent</b>
Less than five years	61	38.6
6-10 years	88	55.7
11-15 years	9	5.7
<b>Total</b>	<b>158</b>	<b>100.0</b>

*Source: Own Survey, 2020*

#### **4.2.6: Marital status of the Participants**

The results for respondents’ marital status as depicted on table 4.7 below show that the majority of the respondents (about 79 percent) are marriage, while 43 percent are single and 3.8 percent of them are divorce, finally 3.2 percent are widowed respectively. The findings imply that majority of the participants were marriage because it holds the largest figure relative to other marital status attributes.

**Table 4.7: marital status of the participants**

<b>marital status</b>	<b>Frequency</b>	<b>Percent</b>
single	68	43.0
marriage	79	50.0
divorce	6	3.8
widowed	5	3.2
<b>Total</b>	<b>158</b>	<b>100.0</b>

*Source: Own Survey, 2020*

#### 4.2.7: Monthly income of participants

The results for respondents' marital status as depicted on table 4.8 below show that the majority of the respondents 78(49.4 percent) monthly income is Br. 2,501- 3,500, while 64(40.5 percent) of respondents earn monthly income of Br. 2,501- 3,500 and finally, 16(10.1 percent) of respondents earn monthly income of over Br. 5,500 respectively.

**Table 4.8: category income of respondents**

Income range	Frequency	Percent
Br. 2,501- 3,500	64	40.5
Br. 3,501-5,500	78	49.4
Over Br. 5,500	16	10.1
<b>Total</b>	<b>158</b>	<b>100.0</b>

*Source: Own Survey, 2020*

#### 4.2.8 Respondents' procurement request

Table 4.9 presents expressive statistics on the procurement requisition of respondents. It has been observed about 134(84.8 percent) of the respondents make procure request. And 24 (15.2 percent) of the respondents are not making procure request this because the procuring process has facilitated by their bosses.

**Table 4.9: Respondents procurement request**

Respondents' procurement request	Fre- quency	Percent
YES	134	84.8
NO	24	15.2
<b>Total</b>	<b>158</b>	<b>100.0</b>

*Source: Own Survey, 2020*



### 4.2.9 Frequency of procure requisition

The results for respondents' procure requisition as depicted on table 4.10 below show that the majority of the respondents 110(69.6 percent) make requisition at least twice a year, while 24 (15.2 percent) of respondents requisite at least once in a year and again 24(15.2 percent) of respondents requisite at least once in a month. The findings imply that majority of the procuring process in shenen gibe hospital takes place at least twice a year.

**Table 4.10: frequency of procure requisition**

	Frequency	Percent
At least once in a month	24	15.2
At least twice a year	110	69.6
once in a year	24	15.2
<b>Total</b>	<b>158</b>	<b>100.0</b>

*Source: Own Survey, 2020*

## 4.3: Descriptive Statistics Results and Discussion

Descriptive analysis focuses on describing the basic feature of the data in a given study (Cooper & Schindler, 2013). In this section, descriptive analysis was used to summarize findings on the influence of emphasis of management for procurement function, availability of skilled man power (experts), availability of standardized criteria, frequent price fluctuation, users purchasing requisition and availability of reliable suppliers on procurement performance.

### 4.3.1: Effect of Emphasis of Management on Procurement Performance

**Table 4.11 Effect Emphasis of Management on Procurement Performance**

Statement on Emphasis of Management	Mean	Std. deviation
1. The management gives training for experts to improve their skills	3.84	1.216
2. The managers offer decision on time for purchasing request	3.68	1.166

3. Top level management facilitates the budget issue properly	3.63	1.175
4. The management gives motivation for experts	2.98	1.154
<b>Mean average</b>	<b>3.533</b>	

**Source:** *Own Survey, 2020*

In order to determine the influence of emphasis of Management on Procurement Performance Shenengibe hospital in Jimma town, the participants were asked to respond to a set of statements on a five point scale. The first statement asked the participants whether the management gives training for experts to improve their skills at Shenengibe hospital. From the results shown in table 4.11, the mean score for responses was 3.84 indicating that a majority of the participants were in agreement with this statement. The standard deviation indicates that a majority of responses did not vary from the mean by more than 1.216. The second statement sought to determine whether the managers offer decision on time for purchasing request. A mean of 3.68 imply that a majority of the participants were agreement with the statement. The standard deviation indicates that the responses did not vary from the mean score by more than 1.166.

The third statement asked respondents whether Top level management facilitates the budget issue properly. A mean score of 3.63 implies that majority of the participants were in agreement. The standard deviation was 1.175 implying that the participants were in agreement.

The fourth statement sought to establish whether the management gives motivation for experts. A mean score of 2.98 and standard deviation of 1.154 imply that the participants were in agreement in their responses to the statement. It is concludes that the emphasis of management is affecting the procurement performance and this result is confirmed by Carayannis and Popescu (2005) that at the public sector level, emphasis of top level managers for procurement have its own positive effect for enhancing of timely purchasing of items/products and increases market transparency and economic incorporation based on complementarities. Additionally, Wanyonyi and Muturi (2015) concluded that proper management decision, staff competency and ethics have a direct impact on performance of the procurement function.

The emphasis of management is also affecting the procurement performance and this finding is in line with findings of Deva raj, Vaidya Nathan and Mishra (2012) concluded in their study that the presence of poor management that is characterized by payments delays to suppliers obstructs greatly their ability to offer timely service delivery leading to delays that derails organizational procurement timelines and schedules.

### **4.3.2: Effect of Availability of skilled man power (experts) on Procurement Performance**

The study further sought to find out the influence of Availability of skilled man power (experts) on Procurement Performance. The first statement the skilled expert gives attention for items that they procure. From the results in table 4.12, the mean score was 3.83 implying that the participants were in agreement with the statement. The standard deviation of 1.296 implies the participants had the congruent opinions on the responses to the statement.

Further, the study sought to find out whether the experts purchase items and materials on time. The mean score of 3.68 imply that the participants were in agreement with the statement. The standard deviation of 1.216 indicates that the participants were not cohesive in their responses to the statement.

The third statement sought to establish whether the staff has skilled experts in purchasing. The majority of the participants were in agreement with a mean score of 3.32 and standard deviation of 1.230. Moreover, the study asked the skilled experts implement their profession during procuring of goods and items. The findings indicate that majority of the participants were with a mean of 3.26 and standard deviation of 1.162 implying indifference in responses to the statement.

The fifth statement asked participants whether experts select suppliers properly without bias the mean score of 2.92 and standard deviation of 1.311 imply that majority of the participants were in agreement with the statement, And it is concludes that the availability of skilled man power (experts) is affecting the procurement performance and this result is confirmed by Raymond (2008) professionalism in public procurement relates to the levels of education and qualifications of the workforce as well as the professional approach to the conduct of business. And also Availability of skilled man power (experts) is affecting the procurement performance and this result is congruent to Hall (2009), efficiency and the effectiveness of procurement procedures has positive relationship with skilled man power. Effective and continuous employee training programs helps in equipping the employees with competitive procurement management skills. When the procurement workforce is not adequately educated in procurement there are serious consequences such as breaches of codes of conduct. Again Raymond (2008) links the level of professionalism with corruption, which has been shown to impede compliance to public procurement regulations. Further, De Boer and Telgen (2006)

also attribute non-compliance in public procurement to lack of purchasing professionalism in the public sector.

**Table 4.12: Effect of Availability of skilled man power (experts) on Procurement Performance**

Statement on Availability of skilled man power (experts)	Mean	Std. deviation
1. The skilled expert gives attention for items that they procure	3.83	1.296
2. The experts purchase items and materials on time	3.68	1.216
3. The staff has skilled experts in purchasing	3.32	1.230
4. The skilled experts implement their profession during procuring of goods and items	3.26	1.162
5. Experts select suppliers properly without bias	2.92	1.311
<b>Mean average</b>		<b>3.402</b>

*Source: Own Survey, 2020*

### 4.3.3: Effect of Frequent price fluctuation on Procurement Performance

The study wanted to analyze the influence of frequent price fluctuation on Procurement Performance. The participants were asked whether frequent price fluctuation may bring difficult challenge to secure long-term relationship with the right supplier the findings are as illustrated in table 4.13. The responses mean score 3.84 and standard deviation of 1.230 imply that majority of the participants were in agreement with the statement. Further, the study required to determine whether there is poor quality on items due to over pricing. The mean score of 3.83 indicate that the majority of the participants were partial with the statement. The standard deviation of 1.296 implies that the participants were cohesive in their responses to the statement.

The participants were also asked whether there frequent price fluctuation has influences on delaying of ordered items. A mean of 2.98 and standard deviation of 1.311 indicates that majority of the participants were in agreement with the statement. The fourth statement asked participants whether frequent price fluctuation has its own effect on quality and quantity of items that procure by the organization. The mean response score of 2.92 indicates that majority of the participants were in partial with the statement. The standard deviation of 1.154 indicates that majority of the participants had high opinions in their responses.

Therefore, the frequent price fluctuation is affecting the procurement performance and this result is confirmed by Pohl & Forstl (2011) who describes that fluctuation of price time to

time has its own effect on quality and quantity of purchased goods/products which leads to poor procurement performance in public sector organizations. Purchasing performance measurement systems play a central role in the alignment process of the purchasing function. This finding is also support by (Dalen 2006) that sourcing in public sector organizations is arguably more complex from a procedural/approval perspective and involves a wider variety of supplies than in most private enterprises. While at the time of procuring, it may not always be realistic or cost-effective to conduct frequent open tenders to bring actual prices in line with expected prices.

**Table 4.13: Effect frequent price fluctuation on procurement performance**

Statement on frequent price fluctuation	Mean	Std. deviation
1. Frequent price fluctuation may bring difficult challenge to secure long-term relationship with the right supplier	3.84	1.230
2. There is poor quality on items due to over pricing	3.83	1.296
3. Frequent price fluctuation has influences on delaying of ordered items	2.98	1.311
4. Frequent price fluctuation has its own effect on quality and quantity of items that procure by the organization.	2.92	1.154
<b>Mean average</b>	<b>3.3925</b>	

*Source: Own Survey, 2020*

#### **4.3.4: Effect of Availability of reliable supplier on Procurement Performance**

Additionally, the study sought to analyze the influence of availability of reliable supplier on procurement performance. The participants were asked whether the Suppliers offer their products on time according to the order they receive. The findings are as illustrated in table 4.14. The responses mean score 3.40 and standard deviation of 1.012 imply majority of the participants were in agreement with the statement. These findings are congruent to those of Deva raj, Vaidy Nathan and Mishra (2012) who concluded that the absence of reliable supplier brings obstructs by delaying of items and reduction of quality on items which affects service delivery on procurement performance.

Further, the study required to determine whether the Suppliers deliver defected products against the standard. The mean score of 3.34 indicate that the majority of the participants were in agreement with the statement. The standard deviation of 1.167 implies that majority

of the participants were in agreement with the statement. The participants were also asked whether there is a guideline for the development and implementation of establishing and maintaining long – term partnership with suppliers. A mean of 3.31 and standard deviation of 1.160 indicates that majority of the participants were neutral.

The fourth statement asked participants whether the organization believes that managing supplier relationships is one of the most important. The mean response score of 3.27 indicates that majority of the participants were in agreement with the statement. The standard deviation of 1.032 indicates that majority of the participants had divergent opinions in their responses. The study further asked the participants whether there is evaluating suppliers on a regular basis based on pre-established selection criteria. A mean score of 3.24 and standard deviation of 1.154 imply that majority of the participants were agree with the statement. It is concluded that the availability of reliable supplier is affecting the procurement performance and this result is confirmed by George (2010) he conclude that selection on the appropriate supplier is one of the keys to be success in the procurement process. A supplier selection criterion is not only focused on the cost of the least expensive, but also on some other criterias supporting the achievement of procurement objectives.

In modern procurement system view, supplier is seen as a partner participating in the achievement of corporate goals. And also availability of reliable supplier is affecting the procurement performance and this result supported by Golicic and Smith, (2013) that each existing activity in supplier chain has an effect on company’s performance, as an example: a good collaboration of activities between supplier and purchaser (supplier partnership) can become the indicator of supplier’s performance assessment, and a good relationship will be established if there is a trust between suppliers and buyers.

**Table 4.14: Effect of availability of reliable supplier on procurement performance**

<b>Statement on availability of Reliable Suppliers</b>	<b>Mean</b>	<b>Std. deviation</b>
1. Suppliers offers their products on time according to the order they receive	3.40	1.012
2. Suppliers deliver defected products against the standard	3.34	1.167
3. Is there a guideline for the development and implementation of establishing and maintaining long – term partnership with suppliers	3.31	1.160
4. The organization believes that managing supplier relationships	3.27	1.032

is one of the most important		
5. Evaluates suppliers on a regular basis based on pre-established selection Criteria	3.24	1.154
<b>Mean average</b>		<b>3.312</b>

*Source: Own Survey, 2020*

#### **4.3.5: Effect of Availability of standardized criteria on Procurement Performance**

The study asked the participants whether there is established monitoring and guideline for suppliers/partners performance measurement after the closure of each contract as shown in table 4.15, the mean response score is 3.85. The standard deviation indicates that the responses did not vary from the mean by more than 1.165. The participants were also asked whether the procuring department experts strictly follow the purchasing guide- line properly. The majority were in agreement with a mean of 3.074 and standard deviation of 1.154.

The study also sought to find out whether the organization makes suppliers/partners survey and gather feedback from suppliers on the existing sourcing process and makes improvements accordingly. The mean score of 3.01 and standard deviation of 1.311 imply that majority of the participants were in agreement. Additionally, the participants were asked whether the organization evaluates the procurement practice based on pre-established selection criteria a mean score of 2.99 and standard deviation of 1.296 imply that majority of the participants were less agreement and in their responses to the statement. when compare to other independent variables, improper usage of standardized criteria has least effect on the procurement performance and this result is confirmed by Agreeably Mamiro (2010) in his findings underscores these facts and concludes that the use of criterias depend on adequacy of skills of procurement staff responsible for procurement.

**Table 4.15: Effect availability of standardized criteria on procurement performance**

<b>Statement on Availability of standardized criteria</b>	<b>Mean</b>	<b>Std. deviation</b>
1. There is established monitoring and guideline for suppliers/partners Performance measurement after the closure of each contract	3.85	1.165
2. The procuring department experts strictly follow the purchasing guide- line properly	3.074	1.154

3. The organization makes suppliers/partners survey and gather feedback from suppliers on the existing sourcing process and makes improvements accordingly	3.01	1.311
4. The organization evaluates the procurement practice based on pre-established selection Criteria	2.99	1.296
<b>Average Mean</b>	<b>3.231</b>	

*Source: Own Survey, 2020*

#### **4.3.6: Effect of Users purchasing requisition on Procurement Performance**

The study asked the participants whether there is clear specification of items on the procure request shown in table 4.15 mean = 3.831 with the statement. The standard deviation indicates that the responses did not vary from the mean by more than 1.296. The participants were also asked whether users purchasing requisition takes longtime to receive the items to buy by experts the majority were impartial with a mean of 2.98 and standard deviation of 1.165. Moreover, the study sought to find whether there is high amount request for experts to buy items. The results revealed that majority of the participants were impartial with a mean of 2.95 and standard deviation of 1.165.

The study also sought to find out whether users requests items to procure on time. The mean score of 2.92 and standard deviation of 1.311 imply that majority of the participants were impartial. Additionally, the study sought to find out whether there were the procuring unit purchase items for users which are different from their request. A mean score of 2.86 and standard deviation of 1.246 imply that majority of the participants were impartial and had divergent opinions in their responses to the statement. This indicates that in Shene gibe hospital users purchasing requisition has no effect on procurement performance because monitoring and purchasing of items/products takes place by decision of higher managers. From this result, it is concluded that end users purchasing requisition has the no effect on the procurement performance and this result is confirmed by (Ikumu and Chimwani,2014) end users has negative impact on procurement procedures since the public sector organizations cannot effectively monitor and coordinate procurement procedures.



**Table: 4.16 Effect Users purchasing requisition on Procurement Performance**

<b>Statement on Users purchasing requisition</b>	<b>Mean</b>	<b>Std. deviation</b>
1. There is clear specification of items on the procure request	3.831	1.296
2. It takes longtime to receive the items to buy by experts	2.98	1.165
3. There is high amount request for experts to buy items	2.95	1.165
4. Users requests items to procure on time	2.92	1.311
5. The procuring unit purchase items for users which are different from their request	2.86	1.246
<b>Mean average</b>	<b>3.108</b>	

*Source: Own Survey, 2020*

### 4.3.7: Procurement Performance

**Table 4.17: Procurement of performance**

<b>Statements on Procurement of Performance</b>	<b>Mean</b>	<b>Std. Deviation</b>
The procurement officers are well trained and supporting procurement process in nice manner	4.05	0.804
Top level management facilitates the budget issue properly due to this the organization achieves its objectives very well	3.85	1.379
The honest Suppliers offers their products on time according to the order they received due to time reduction on offering of items, the organization increase its capacity in proper manner.	3.76	1.159
There are skilled procurement staffs in the organizations and due to their skill and knowledge the organizations is growing in well manner	3.760	0.813
There is accountability and transparency measures on Procurement department due to this quality of items increase this leads the organization to grow in proper manner.	3.402	1.087

The organization makes suppliers/partners survey and gather feedback from suppliers on the existing sourcing process and makes quality improvement on products/items So that the organization became fruitful.	3.301	1.088
The managers give regular and timely decision on procurement function area due to this the achievement of the organization increased	3.233	0.804
The available procurement officers and all staffs have the capacity to negotiate contracts and this help organization to gain more profits.	3.04	0.562
There are reliable suppliers who have long relationship with this specific organization due to their relationship reliability the organization gets items in good price which enables the organization became success	3.023	0.844
The procurement officers and procurement staffs were following the available procurement laws/regulations which leads the company to success	3.01	0.689

**Source:** Own Survey, 2020

The study procurement performance and the participants were asked whether the procurement officers are well trained and supporting procurement process in nice manner. The findings are as illustrated in table 4.17. The responses mean score 4.05 and standard deviation of 0.804 imply that majority of the participants were in agreement their responses to the statement.

Furthermore, the study sought to find out whether there top level management facilitates the budget issue properly due to this the organization achieves its objectives very well. The mean score of 3.85 indicate that the majority of the participants were in agreement with the statement. The standard deviation of 1.379 implies that the participants were in agreement in their responses to the statement. The participants were also asked whether the honest Suppliers offers their products on time according to the order they received due to time reduction on offering of items, the organization increase its capacity in proper manner. A mean of 3.76 and standard deviation of 1.159 indicates that majority of the participants were in agreement with this statement.

The fourth statement asked participants whether there are skilled procurement staffs in the organizations and due to their skill and knowledge the organizations is growing in well manner. The mean response score of 3.76 indicates that majority of the participants were in agreement with the statement. The standard deviation of 0.813 indicates that majority of the participants had positive opinions in their responses. The study further asked the participants

there is accountability and transparency measures on procurement department due to this quality of items increase this leads the organization to grow in proper manner. A mean score of 3.402 and standard deviation of 1.087 imply that majority of the participants were in agreement with the statement.

the study also asked the participants whether the organization makes suppliers/partners survey and gather feedback from suppliers on the existing sourcing process and makes quality improvement on products/items so that the organization became fruitful. A mean of 3.301 and standard deviation of 1.088 indicate that majority of the participants were in agreement with the statement. Furthermore, the study sought to find out whether there were the managers give regular and timely decision on procurement function area due to this the achievement of the organization increased. The mean score of 3.233 indicate that the majority of the participants were in agreement with the statement. The standard deviation of 0.804 implies that the participants were in agreement in their responses to the statement. The participants were also asked whether there were the available procurement officers and all staffs have the capacity to negotiate contracts and this help organization to gain more profits. A mean of 3.04 and standard deviation of 0.562 indicates that majority of the participants were in agreement with this statement.

The ninth statement asked participants whether there are reliable suppliers who have long relationship with this specific organization due to their relationship reliability the organization gets items in good price which enables the organization became success. The mean response score of 3.023 indicates that majority of the participants were in agreement with the statement. The standard deviation of 0.844 indicates that majority of the participants had positive opinions in their responses. Finally, the study also asked the participants whether the procurement officers and procurement staffs were following the available procurement laws/regulations which lead the company to success. A mean of 3.01 and standard deviation of 0.689 indicate that majority of the participants were in agreement with the statement.

#### **4.3.8: Summery of the above Descriptive Statistics Results**

In order to determine the significance of each procurement performance factors, a ranking table was produced showing the mean score of each factor. Table 4.18 present findings with respect to relative importance of procurement performance factors.

Emphasis of management for procurement function (mean=3.533) is the most significantly affecting variable on procurement performance whereas availability of skilled man power (experts) (mean= 3.402) is the second significantly affecting variable on procurement performance. The frequent price fluctuation (mean= 3.392), is the third significantly affecting variable on procurement performance. Availability of reliable supplier (mean=3.392) and Availability of standardized criteria (mean=3.231) the fourth and the fifth significantly affecting variable on procurement performance respectively. Finally, users purchasing requisition (mean=3.108) is the least significantly affecting variable on procurement performance.

**Table 4.18: summery Procurement of performance influencing factors**

Procurement of performance influencing factors	mean	Std. deviation	Rank
Emphasis of Management	3.533	1.177	1
Availability of skilled man power (experts)	3.402	1.243	2
Frequent price fluctuation	3.392	1.247	3
Availability of reliable supplier	3.312	1.231	4
availability of standardized criteria	3.231	1.105	5
Users purchasing requisition	3.108	1.236	6

*Source: Own Survey, 2020*

## 4.4 Inferential Statistics Results and Discussion

### 4.4.1 Multi-Collinearity Assumption

The normality of variables was checked by skewness. As indicated by; Nancy L. leech, Karen C. Barrett and George A. Morgan (2005:28), a simple guideline to decide the normality of the variable, if the skewedness is between -1 and +1, it is approximately normal. As shown in table 4.19, in this regard all variables of this research was negatively skewed the expected value ranging -0.460 to -0.096. This implies all variables are normal.

**Table 4.19: normality test of procurement performance assessing factors**

Procurement of performance influencing factors	N	mean	Std. deviation	Skewness	
	Statistics	Statistics	Statistics	Statistics	Std. Error
Emphasis of Management	158	3.533	1.177	-.096	.129
Availability of skilled man power	158	3.402	1.243	-.408	.129
Frequent price fluctuation	158	3.392	1.247	-.369	.129
Availability of reliable supplier	158	3.312	1.231	-.460	.129
availability of standardized criteria	158	3.231	1.105	-.319	.129
Users purchasing requisition	158	3.108	1.236	-.127	.129

**Source:** *Own Survey, 2020*

As a general rule of thumb, predictor variables can be correlated with each other as much as 0.8 and less, unless there is a cause for concern about Multi colinearity (Perry R. et al., 2004: 323). The correlation of the variable is measured by Pearson correlation coefficient. The result of the Pearson correlation is presented in the table 4.20, and interpreted by the guide line suggested by Field (2006); he mentioned that the Pearson correlation coefficient shows the relationship and direction between the predictor and outcome variable. Accordingly, if the relationship is measured in the range of 0.1 to 0.29 it is a weak relationship, 0.30 to 0.49 is moderate, above 0.50 shows strong relationship; while the positive and negative sign tell us the direction of their relationship.

As a result is indicated in table 4.20, the relationship between each independent variable with each other is positively correlated. It shows that the multi collinearity of the variables are acceptable, hence, the value is less than 0.8 with strongly significant  $p < 0.01$ .

Table 4.20: The correlation of procurement performance assessing factors and procurement performance

		Emphasis of Management	Availability of skilled man power (experts)	availability of standardized criteria	Frequent price fluctuation	Users purchasing requisition	Availability of reliable supplier	Pro. Per.
Emphasis of Management	Pearson Correlation	1	.763**	.792**	.093	.319**	.376**	<b>.645**</b>
	Sig. (2-tailed)		.000	.000	.247	.000	.000	.000
	N	158	158	158	158	158	158	158
Availability of skilled man power (experts)	Pearson Correlation	.763**	1	.558**	.540**	.557**	.657**	<b>.636**</b>
	Sig. (2-tailed)	.000		.000	.000	.000	.000	.000
	N	158	158	158	158	158	158	158
availability of standardized criteria	Pearson Correlation	.792**	.558**	1	.278**	.352**	.635**	<b>.597**</b>
	Sig. (2-tailed)	.000	.000		.000	.000	.000	.000
	N	158	158	158	158	158	158	158
Frequent price fluctuation	Pearson Correlation	.093	.540**	.278**	1	.688**	.593**	<b>.622**</b>
	Sig. (2-tailed)	.247	.000	.000		.000	.000	.000
	N	158	158	158	158	158	158	158
Users purchasing requisition	Pearson Correlation	.319**	.557**	.352**	.688**	1	.535**	<b>.511**</b>
	Sig. (2-tailed)	.000	.000	.000	.000		.000	.000
	N	158	158	158	158	158	158	158
Availability of reliable supplier	Pearson Correlation	.376**	.657**	.635**	.593**	.535**	1	<b>.524**</b>
	Sig. (2-tailed)	.000	.000	.000	.000	.000		.000
	N	158	158	158	158	158	158	158
Procurement Performance	Pearson Correlation							
	N	158	158	158	158	158	158	1

\*\* . Correlation is significant at the 0.01 level (2-tailed).

\* . Correlation is significant at the 0.05 level (2-tailed).

**Source:** Own Survey, 2020

Inferential analysis focuses on the strength and direction of relationship between variables and inferring the findings from the sample to the population (Bryman & Bell, 2015). The researcher undertook a Pearson's correlation to explain the relationship between the independent variables, emphasis of management for procurement function, availability of skilled man power (experts), frequent price fluctuation, availability of reliable suppliers, availability of standardized criteria, users purchasing requisition and the dependent variable, procurement performance.

From table 4.20, the study established a strong positive significant relationship ( $r = 0.645$ ,  $P=0.00$ ) between emphasis of management and procurement performance. This implies emphasis of management has the highest potential to enhance procurement performance. It is concluded that there is a significant relation between emphasis of management and procurement performance. and this finding is in line with findings of Deva raj, Vaidya Nathan and Mishra (2012) concluded in their study that the presence of poor management that is characterized by payments delays to suppliers obstructs greatly their ability to offer timely service delivery leading to delays that derails organizational procurement timelines and schedules.

The coefficient of correlation in the above table shows a strong positive significant relationship between of skilled man power (experts) and procurement performance ( $r = 0.636$ ,  $P=0.00$ ). These results therefore imply that improving skilled man power (experts) enhances procurement performance. And this result is congruent to Hall (2009), efficiency and the effectiveness of procurement procedures has positive relationship with skilled man power. Effective and continuous employee training programs helps in equipping the employees with competitive procurement management skills. When the procurement workforce is not adequately educated in procurement there are serious consequences such as breaches of codes of conduct. Again Raymond (2008) links the level of professionalism with corruption, which has been shown to impede compliance to public procurement regulations.

There is a strong positive significant relationship between frequent price fluctuation and procurement performance ( $r = 0.622$ ,  $P= 0.00$ ). These results therefore imply that improving frequent price fluctuation enhances procurement performance. It is concluded that there is a statistically significant relationship between frequent price fluctuation and procurement performance. This finding is also support by (Dalen 2006) that sourcing in public sector organizations is arguably more complex from a procedural/approval perspective and involves a wider variety of supplies than in most private enterprises. While at the time of procuring, it may not

always be realistic or cost-effective to conduct frequent open tenders to bring actual prices in line with expected prices.

From the above table result, there is strong positive significant relationship between reliable supplier and procurement performance ( $r = 0.524$ ,  $P=0.00$ ). These results therefore imply that improving reliable supplier enhances procurement performance. And also of reliable supplier has relationship with the procurement performance and this result supported by Golicic and Smith, (2013) that each existing activity in supplier chain has an effect on company's performance, as an example: a good collaboration of activities between supplier and purchaser (supplier partnership) can become the indicator of supplier's performance assessment, and a good relationship will be established if there is a trust between suppliers and buyers.

The study established a strong moderate relationship ( $r = 0.645$ ,  $P=0.00$ ) between standardized criteria and procurement performance. This implies that improving standardized criteria has moderate significant to enhance procurement performance. This result is confirmed by agreeably Mamiro (2010) in his findings underscores these facts and concludes that the use of criterias depend on adequacy of skills of procurement staff responsible for procurement. There is least/no significant relationship between users purchasing requisition and procurement performance ( $r = 0.511$ ,  $P= 0.00$ ). This result implies that users' purchasing requisition has the least/no potential to enhance procurement performance and this result is supported by (Ikumu and Chimwani,2014) end users has negative impact on procurement procedures since the public sector organizations cannot effectively monitor and coordinate procurement procedures.

## **4.5 Regression Analysis**

Regression standardized coefficients can take on any value between 0 and 1, and it measures the proportion of the variation in a dependent variable that can be explained statistically by the independent variable(s) (Saunders et al., 2012).

### **4.5.1 Analysis of Variance of the Model (ANOVA)**

ANOVA is the appropriate statistical technique to examine the effect of a less-than interval independent variable on an at-least interval dependent variable. If the F test result is not significant, the model should be dismissed and there is no need to proceed to further steps (William and Barry, 2010). On the other hand, regarding to ANOVA test Saunders et al., (2012) discussed that a very low significance value (usually less than 0.05) means that your coefficient is unlikely to have occurred by chance alone. A value greater than 0.05 means you can



conclude that your coefficient of multiple determinations could have occurred by chance alone. Therefore, ANOVA and test result is presented and discussed below.

**Table 4. 21: Analysis of Variance of the Model**

Model	Sum of Squares	df	Mean Square	F	Sig.	
1	<b>Regression</b>	<b>16.911</b>	<b>6</b>	<b>2.819</b>	<b>3.056</b>	<b>0.013<sup>b</sup></b>
	<b>Residual</b>	<b>12.051</b>	<b>151</b>	<b>.080</b>		
	<b>Total</b>	<b>28.962</b>	<b>157</b>		<b>3.056</b>	

a. Dependent Variable: procurement performance

b. Predictors: (Constant), :- Emphasis of management for Procurement function,

Availability of skilled man power (experts), Availability of standardized criteria, Frequent price fluctuation, Users purchasing requisition and Availability of reliable suppliers

**Source:** Own Survey, 2020

The study used ANOVA to establish the significance of the regression model from which an f-significance value of p less than 0.05 was established. The ANOVA test result shows f statistic value as  $f(4, 80)$  at 95% level of significance = 2.49 the calculated f value is 3.056 > 2.79,  $p=0.014$  as shown in table 4.21. The f calculated value of 3.056 is an indication that the model is a good fit.

#### **4.5.2 Model Summary**

R square tells us how much of the variance in dependent variable is accounted for by the regression model from our sample, the adjusted value tells us how much variance in dependent variable would be accounted for if the model had been derived from the population from which the sample was taken (Field, 2006). Regression coefficients (R) and R Square of the research are discussed below:

**Table 4.22: Model Summary**

<b>Model</b>	<b>R</b>	<b>R Square</b>	<b>Adjusted R Square</b>	<b>Std. Error of the Estimate</b>
<b>1</b>	<b>.903<sup>a</sup></b>	<b>.815</b>	<b>.803</b>	<b>.28250</b>

**a. Predictors: (Constant),**-Emphasis of management for Procurement function, Availability of skilled man power (experts), Availability of standardized criteria, Frequent price fluctuation, Users purchasing requisition and Availability of reliable suppliers

*Source: Own Survey, 2020*

In the above table 4.22, multiple correlation coefficient  $r$  of 0.903 indicates that the correlation among the independent and dependent variables is a strong positive relationship; as a result working on those selected factors have positive impact on procurement performance of the shenen gibe hospital. the coefficient of determination,  $r$  square is interpreted as 81.5 % of the variation in the dependent variable procurement performance is explained by the independent variables (i.e. emphasis of management for procurement function, availability of skilled man power (experts), availability of standardized criteria, frequent price fluctuation, users purchasing requisition and availability of reliable suppliers) and the remaining (18.5%) is explained by other dimensions.

### **4.5.3 Model Regression Coefficients**

The coefficients of the regression model relating. Emphasis of management for procurement function, availability of skilled man power (experts), availability of standardized criteria, frequent price fluctuation, users purchasing requisition, availability of reliable suppliers and procurement performance are presented in table 4.23. The model shows that the predictors have a significant  $p$ -value = .014, which means that they were significant in predicting changes the Shenen gibe hospital procurement performance.

**Table4.23: Model Regression Coefficients**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	2.145	.152		.548	.014
Emphasis of management	.689	.127	.697	.764	.023
Availability of skilled man power (experts)	.678	.206	.631	.517	.045
Frequent price fluctuation	.663	.167	.516	.410	.046
Availability of reliable suppliers	.641	.080	.440	.489	.042
Availability of standardized criteria	.617	.179	.278	.136	.014
Users purchasing requisition	.593	.172	.344	.561	.057

**a. Dependent Variable:** procurement performance

Source: Own Survey, 2020

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6 + \dots + \beta_n X_n$$

$$Y = 2.145 + .689 X_1 + .678 X_2 + .617 X_3 + .663 X_4 + .593 X_5 + .641 X_6$$

Whereas

$\alpha$  = Constant

Y = Procurement Performance

X1 = Emphasis of management

X2 = Availability of skilled man power (experts)

X3 = Availability of standardized criteria

X4 = Frequent price fluctuation

X5 = Users purchasing requisition

X6 = Availability of reliable suppliers

$\beta_i$  = Coefficients of regression for the independent variables  $X_i$  (for  $i = 1, 2, 3, 4, 5$ )

The substituted value of  $\beta$  (beta) in the above equation shows the extent of each independent variable on dependent variables (procurement performance). If the coefficient the  $\beta$  (beta)

value is high then the significance of that independent variable on procurement performance is also high.

From the regression equation above, taking all the predictor variables constant (zero), the dependent variable will be 2.145.

Emphasis of management is the *most significantly* affecting the procurement performance. The regression equation above shows that the coefficient ( $\beta_1$ ) of emphasis of management was 0.689. This means a unit increase in emphasis of management would result in a 68.9% increase in procurement performance and it has highest mean value (mean=3.533). From regression result, emphasis of management has the highest the value of (beta=0.697, t=0.764, p < 0.001) Thus, emphasis of management has the strongest strong positive influence on procurement performance. It is concludes that the emphasis of management is affecting the procurement performance and this result is confirmed by Carayannis and Popescu (2005) that at the public sector level, emphasis of top level managers for procurement have its own positive effect for enhancing of timely purchasing of items/products and increases market transparency and economic incorporation based on complementarities. Additionally, Wanyonyi and Muturi (2015) concluded that proper management decision, staff competency and ethics have a direct impact on performance of the procurement function.

The emphasis of management is also affecting the procurement performance and this finding is in line with findings of Deva raj, Vaidya Nathan and Mishra (2012) concluded in their study that the presence of poor management that is characterized by payments delays to suppliers obstructs greatly their ability to offer timely service delivery leading to delays that derails organizational procurement timelines and schedules.

Availability of skilled man power (experts) is the *second significantly* affecting variable on the procurement performance. Similarly, a unit increase in availability of skilled man power (experts) would result in 67.8 % increase in procurement performance additionally, availability of skilled man power (experts) has the second high mean (mean= 3.402). From regression result, availability of skilled man power/ experts (beta = 0.631, t = 0.517, p < 0.001). From this, it is concluded that availability of skilled man power (experts) has strong relationship with that of procurement performance. This finding is congruent to that of sultana (2012) that organizational change has led employers to the realization that their success relies on the skills and abilities of their employees. And it is concludes that the availability of skilled man power (experts) is affecting the procurement performance and this result is confirmed by Raymond (2008) professionalism in public procurement relates to the levels of education and

qualifications of the workforce as well as the professional approach to the conduct of business.

And also Availability of skilled man power (experts) is affecting the procurement performance and this result is congruent to Hall (2009), efficiency and the effectiveness of procurement procedures has positive relationship with skilled man power. Effective and continuous employee training programs helps in equipping the employees with competitive procurement management skills. When the procurement workforce is not adequately educated in procurement there are serious consequences such as breaches of codes of conduct. Again Raymond (2008) links the level of professionalism with corruption, which has been shown to impede compliance to public procurement regulations. Further, De Boer and Telgen (2006) also attribute non-compliance in public procurement to lack of purchasing professionalism in the public sector.

The *third significantly* affecting variable on the procurement performance is frequent price fluctuation. A unit increase in frequent price fluctuation would result in 66.3% increase in procurement performance, Frequent price fluctuation (beta = 0.516, t = 0.410, p < 0.001). Frequent price fluctuation has impact on procurement performance. Therefore, the frequent price fluctuation is affecting the procurement performance and this result is confirmed by Pohl & Forstl (2011) who describes that fluctuation of price time to time has its own effect on quality and quantity of purchased goods/products which leads to poor procurement performance in public sector organizations. Purchasing performance measurement systems play a central role in the alignment process of the purchasing function. This finding is also support by (Dalen 2006) that sourcing in public sector organizations is arguably more complex from a procedural/approval perspective and involves a wider variety of supplies than in most private enterprises. While at the time of procuring, it may not always be realistic or cost-effective to conduct frequent open tenders to bring actual prices in line with expected prices.

The *fourth significantly* affecting variable on the procurement performance is availability of reliable suppliers. A unit increase in availability of reliable suppliers would result in 64.1% increase in procurement performance. From regression result, Availability of reliable suppliers (beta= 0.440, t= 0.489, p < 0.001) and good relationship with that of on procurement performance. It is concluded that the availability of reliable supplier is affecting the procurement performance and this result is confirmed by George (2010) he conclude that selection on the appropriate supplier is one of the keys to be success in the procurement process. A supplier

selection criterion is not only focused on the cost of the least expensive, but also on some other criterias supporting the achievement of procurement objectives.

In modern procurement system view, supplier is seen as a partner participating in the achievement of corporate goals. And also availability of reliable supplier is affecting the procurement performance and this result supported by Golicic and Smith, (2013) that each existing activity in supplier chain has an effect on company's performance, as an example: a good collaboration of activities between supplier and purchaser (supplier partnership) can become the indicator of supplier's performance assessment, and a good relationship will be established if there is a trust between suppliers and buyers.

The *fifth significantly* affecting variable on the procurement performance is availability of standardized criteria moreover, a unit increase in availability of standardized criteria would result in 61.7% increase in procurement performance, From regression result, availability of standardized criteria (beta = 0.278, t = 0.136, p < 0.001) and has relationship with that of on procurement performance. when compare to other independent variables, improper usage of standardized criteria has less effect on the procurement performance and this result is confirmed by Agreeably Mamiro (2010) in his findings underscores these facts and concludes that the use of criterias depend on adequacy of skills of procurement staff responsible for procurement.

Users' purchasing requisition has *insignificant (have least effect)* on the procurement performance. When compare to other independent variables, a unit increase in users purchasing requisition would result in small amount 59.3% increase in procurement performance and (beta =0.344, t = 0.561, p < 0.001). Which is the lowest regression result when compare to other independent variables. This indicates that in Shene gibe hospital users purchasing requisition has no effect on procurement performance because monitoring and purchasing of items/products takes place by decision of higher managers. From this result, it is concluded that end users purchasing requisition has the no effect on the procurement performance and this result is confirmed by (Ikumu and Chimwani,2014) end users has negative impact on procurement procedures since the public sector organizations cannot effectively monitor and coordinate procurement procedures.



## CHAPTER FIVE

### SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

#### 5.1 Introduction

In this chapter the summary of the findings are provided, and conclusions are drawn in light of the objectives of the study. The researcher then presented recommendations for both the research and for improvement by the organization under study. Finally, it highlights suggestion for further study by other researchers in the future.

#### 5.2. Summary of Major Findings

The research aims to assess of factors affecting procurement of performance in case of Shanen gibe hospital in Jimma town, Oromia regional state, Ethiopia. Accordingly to meet this objective, the researcher has developed a questionnaire from the relevant literature to collect and analyze the opinions of the study sample. The following findings are obtained:-

The first objective sought to establish the influence of emphasis of management for procurement function on procurement performance of Shenen-gibe hospital. The study found that emphasis of management has the highest significant impact on procurement performance. From the findings, majority of respondents indicated that emphasis of management in the hospital impacted positively on procurement performance. From Pearson's correlation coefficient, there is found to be a positive correlation and significantly related between emphasis of management for procurement function and procurement performance with a correlation figure of 0.645,  $p < 0.01$ . From regression model, a unit increase in emphasis of management for procurement function will lead to a 0.689 increases in procurement performance at. This implies that emphasis of management accounts for 68.9% of variations in procurement performance. And has highest mean value of (mean=3.533). Therefore, emphasis of management has the highest significant impact on procurement performance at Shenen-gibe hospital.

From the findings, majority of respondents indicated that availability of skilled man power (experts) in the department impacted positively on procurement performance. From Pearson's correlation coefficient, there is found to be a positive correlation and significantly related between procurement performance and availability of skilled man power (experts) with a correlation figure of 0.645,  $p < 0.01$ . From regression model, a unit increase in availability of skilled man power (experts) will lead to a 0.678 increases in procurement performance. This implies that availability of skilled man power (experts) accounts for 67.8% of variations in procurement performance. Additionally, availability of skilled man power (experts) has



(mean= 3.402) and it has high significant impact on procurement performance next to emphasis of management.

Availability of skilled man power (experts) affect procurement performance of shenen gibe hospital in the sense that inexperienced staff carries out duties without professional manner and it reduce wastage of resources. The respondents indicated that effective and efficient procurement process can only be achieved by proper by competent staff else there would be flaws in the process. Competed staff would ensure that items services are procured as and when the need is expected.

Majority of respondents indicated that frequent price fluctuation have a positive impact on procurement performance. From Pearson's correlation coefficient, it was clear that there is a positive correlation and significantly related between the procurement performance and frequent price fluctuations shown by a correlation figure of 0.622,  $p < 0.01$ . It has the third highest a mean value (mean=3.392) with compare to other influencing factors. From regression model, a unit increase in procurement procedures will lead to a 0.663 increase in procurement performance, which means 66.3% of variations procurement performance. This implies that frequent price fluctuation is the third influencing factor on procurement performance at Shenen gibe hospital.

From the findings, majority of respondents indicated that frequent price fluctuation have moderate impact on procurement performance. It has a mean value (mean=3.533). From Pearson's correlation coefficient, there is a moderate correlation and significance between the procurement performance and frequent price fluctuation as shown by a correlation figure of 0.592,  $p < 0.01$ . From regression model, a unit increase in procurement procedures will lead to a 0.617 increase in procurement performance, which means 64.1% of variations on procurement performance. It has moderate impact on procurement performance with compare to other influencing factors.

From the findings, majority of respondents indicated that availability of standardized criteria in the hospital impacted positively on procurement performance. From Pearson's correlation coefficient, there is found to be a positive correlation and significantly related between availability of standardized criteria and procurement performance with a correlation figure of 0.524,  $p < 0.01$ . From regression model, a unit increase in availability of standardized criteria will lead to a 0.641 increases in procurement performance. This implies that availability of standardized criteria accounts for 61.7% of variations in procurement performance. And it has a mean value of (mean=3.231) which is the fourth highest mean. When compare to oth-

er influencing factors, availability of standardized criteria is the fifth influencing factor on procurement performance of Shenen gibe hospital.

From the findings, majority of respondents indicated that users purchasing requisition in the hospital least impact on procurement performance. From Pearson's correlation coefficient, there is found to be a less correlation and significantly related between users purchasing requisition and procurement performance with a correlation figure of 0.511,  $p < 0.01$ . From regression model, a unit increase in users purchasing requisition will lead to a 0.593 increases in procurement performance. This implies that users purchasing requisition accounts for 64.1% of variations in procurement performance. And it has a mean value of (mean=3.108) which is the sixth highest mean. When compare to other influencing factors, users purchasing requisition is the least/ no impact on procurement performance at Shenen gibe hospital.

### **5.3 Conclusion**

The study found that procurement performance of Shenen gibe hospital was affected by factors. Such as; emphasis of management has the highest significant effect on procurement performance. Further, the study concludes that proper decision of top level management determines the success of service delivery and facilitating of the budget issue on time. The study also concludes that timely decision of management for training of experts and purchasing requisition enables to improve procurement performance, and motivation incentives to reward good performance increase performance at Shenen -gibe hospital.

The study also concludes that skilled man power has high significant impact on procurement performance at Shenen gibe hospital. Moreover, the study concludes that employees were not regularly trained on procurement procedures. The Shenen gibe hospital has challenges on competency and qualifications of the procurement staff. Besides, lack of continuous professional training on procurement hinders procurement performance. Similarly, training employees enhances their competency in the procurement. Through this effectiveness and efficiency also increase.

The study further concludes that frequent price fluctuation significantly affect procurement performance. Frequent price fluctuation has influences on delaying of ordered items, and brought difficult challenge to secure long-term relationship with the right supplier; frequent price fluctuation has its own effect on quality and quantity of items that procure by the Shenen gibe hospital.

The study further concludes that reliable suppliers affected procurement performance at to a moderate extent. The study further concludes that there were delays in service delivery by

suppliers. Further, Sheneng gibe hospital faces on delivering of quality products based on the standard and offering of their products on time according to the order they receive. Proper management enhances procurement performance.

In addition, the study concludes that availability of standardized criteria affected procurement performance at Sheneng gibe hospital to a less extent. There are no evaluations of the procurement practice based on pre-established selection criteria. Even though procuring department experts strictly follow the purchasing guide- line properly used to improve procurement performance.

Finally, the study concludes users purchasing requisition in the hospital has least/no impact on procurement performance. Most purchasing decisions were take place by welling of top managers.

#### **5.4 Recommendations of the Study**

Based on finding of the study, conclusion drawn in line with the study objectives, the following points are suggested by the researcher in order to improve procurement performance of procurement performance of Sheneng gibe hospital.

It is advantageous to the Sheneng gibe hospital managers should give timely decision to facilitate the budget issue properly. Additionally, proper procurement should always be prioritized to assure quality service delivery. Timely decision should be carefully done to foster accurate cost estimation for services and works. Managers should develop procedures to enhance adherence to procurement plans and decision making.

It is advisable to the sheneng gibe hospital to focus on enhancing professionalism to ensure better procurement performance. Sheneng gibe hospital should continue training and empowering employees on procurement procedures. Building of employee skills and experience should be nurtured to enhance effective procurement activities. Further, the sheneng gibe hospital should consider evaluating the competency and qualifications of their procurement staff. It is better if the Sheneng gibe hospital procurement department to procure items on time. Frequent price fluctuation leads delaying of ordered items, the hospital should secure long-term relationship with the right supplier; the organization should minimize the effect of frequent price fluctuation on quality and quantity of items/products.

The study also recommends that the hospital should make strong relationship with reliable suppliers. The study also concludes that there were delays in service delivery by suppliers. Therefore Shenen gibe hospital should deliver quality products based on the standard and offering of their products on time according to the order they receive. More effort should be put on to deliver quality products on time, this enabled Shenen gibe hospital to provide excellent service to its customers in an effective and transparent manner.

The researcher also recommends that the Shenen gibe hospital procuring processes is should be based on standardized criteria. The procuring department experts should strictly follow the purchasing guide- line properly improves procurement performance, And following of monitoring and measurement guideline for suppliers/partners performance after the closure of each contract contributes to professionalism, accountability and an efficient procurement system. Finally, even though end users' purchasing requisition in the hospital has least/no impact on procurement performance, top level managers better to incorporate the opinion of end users' at the time of procurement.

### **5.5 Suggestion Areas for Further Research**

This research is conducted on assessing of factories which affecting procurement performance in Shenen Gibe hospital. Further research is recommended on: evaluation factors affecting procurement process in the public sector. Moreover, a study also be carried out to establish the challenges faced while carrying out procurement process of supplies in the public sector.

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**Appendix A**  
**Survey Questionnaire (English Version)**  
**JIMMA UNIVERSITY**  
**SCHOOL OF GRADUATE STUDIES**  
**DEPARTMENT OF MANAGEMENT**  
**MBA Program**  
**Survey Questionnaire**

***Dear Respondents,***

This questionnaire is designed to gather information about Assessing Factors Affecting of Procurement Performance (In case of Shenen gibe Hospital in Jimma town, Oromia regional State, Ethiopia. All responses will be used to conduct a study for the partial fulfillment of Master's Thesis in Masters of Business Administration from Jimma University. Your anonymity/ secrecy will be strictly maintained as we do not ask for your name here and will **not** be used for any other purpose. We are grateful for your cooperation in advance!

*N.B* Please put a „√“mark to all your respected responses in the space provided beside to each question.

**Part one: General Characteristics of the respondents**

1. Gender of respondents      Male                       Female
2. Age of respondents  
20 or less than     21-30    years31-40 years 41-50 years  51 or greater
3. Education Level  
Less than grade 12CertificateDiploma  
First DegreeMaster's Degree or above
4. Department  
PurchasingDoctoringAccountingManagement administration workers others
5. Years of experience in the your organization  
Below5 years 6-10years11-15years above 16 years
6. Marital Status:  
Single  Married  Divorced  Widowed
7. Could you indicate in which category your monthly income belongs?  
Less than Br. 2,500  Br. 2,501- 3,500  Br. 3,501-5,500  over Br. 5,500



***Part two: -Additional information on performance of procurement function***

8. Do you make procure request?

Yes  No

9. How often do you fill procure requisition?

At least once in a month  At least once in a quarter

At least twice a year  once in a year

10. Which items do you request mostly?

Education and duplication materials  Stationeries and office supplies

Computers and accessories  sanitary supplies

Others \_\_\_\_\_

11. What is the average time it takes you to receive an item you requested?

1-2 weeks  3-6 weeks  7-12 weeks  13- 20 weeks  more than 6 month

12. Do you think it takes too long to receive the items you requested?

Yes  No

13. If you answered yes for question 12, what do you think the reason is?

Lengthy purchasing process

Bureaucratic red tape

Work load on the purchasing staff

Lack of motivation

Lack of skill and experience by the purchasing staff

Suppliers' problem

Budget problem

14. In which area do you think the procuring function doing well?

Right quality  Right quantity

Right price  Right source  Right time

15. In which area do you think the purchasing function doing badly?

Right quality  Right quantity

Right price  Right source  Right time

16. Have you encountered any problem because of the poor performance of procuring?

Yes

No

17. How do you rate the performance of procurement function in the following respects?

Variables	<b>strongly agree</b>	<b>Agree</b>	<b>Neutral</b>	<b>Disagree</b>	<b>Strongly disagree</b>
Right <b>quality</b>					
Right <b>quantity</b>					
From <b>right source</b>					
For right <b>price</b>					
At right <b>time</b>					

18. Indicate the extent of each attribute of Procurement Performance practices shown in the following table, which affect variables such as efficiency and effectiveness of the Procurement function.

<b>Items</b>	<b>strongly agree</b>	<b>Agree</b>	<b>Neutral</b>	<b>Disagree</b>	<b>Strongly disagree</b>
Reduction in supplier quality problems					
Supplier flexibility					
Transparency in procurement about winning bids and prices					
Rate of returned goods/materials					
Reduction in product and material costs					
Enhanced quality of output					
Efficiency in supply chain management					

19. How do you rate the procurement performance in line with procuring procedure which leads to short **durability** of items/materials?

Items used to measure durability	Level of importance				
	strongly agree	Agree	Neutral	Disagree	Strongly disagree
Late purchasing of items					
Wrong quality on purchased items					
Less quantity of items					
Inadequate sourcing of items					
Low pricing of items					

### **Part Three: procurement performance assessing factors**

Indicate in the following table the rate of importance items on factors affecting of procurement performance in case of Shenen gibe Hospital. Please put a „√“mark for each statement by using the following scale ranging from “1= strongly agree (SA) to 5= strongly disagree (SD)” based on their degree of importance. **1=strongly agree (SA), 2=Agree (A), 3= neutral (N), 4= disagree (D), 5= strongly disagree (SD)**

No	Factors and items that used to procurement of performance practice	1	2	3	4
		(S A)	(A)	(N)	(D)
	<b>Factors 1: Emphasis of management for Procurement function</b>				
1	Top level management facilitates the budget issue properly				
15	Frequent price fluctuation has influences on delaying of ordered items				
16	Frequent price fluctuation may bring difficult challenge to secure long-term relationship with the right supplier				
17	Frequent price fluctuation has its own effect on <b>quality and quantity</b> of items that procure by the organization.				
	<b>Factors 5 : Users purchasing requisition</b>				
18	There is clear specification of items on the procure request				
19	Users requests items to procure on time.				
20	It takes long time to receive the items to buy by experts				
21	The procuring unit purchase items for users which are different from their request.				
22	There is less amount request for experts to buy items				
	<b>Factors 6: Availability of reliable suppliers</b>				
23	Suppliers deliver defected products against the standard				
24	Is there a guideline for the development and implementation of establishing and maintaining long – term partnership with suppliers				
25	Evaluates suppliers on a regular basis based on pre-established selection Criteria				
26	The organization believes that managing supplier relationships is one of the most important				
27	Suppliers offers their products on time according to the order they receive				

**Part four: Dependent variables: - procurement of performance**

In your level of agreement to the statement below, relating to procurement Professionalism  
Use a scale of 1-5, where 1strongly agree, 2-agree,3- neutral, 4- disagree, 5- strongly disagree

No	<i>Dependent variable:- Procurement of Performance</i>	<i>Level of importance</i>				
		<b>1</b> (SA)	<b>2</b> (A)	<b>3</b> (N)	<b>4</b> (D)	<b>5</b> (SD)
<b>1</b>	The procurement officers are well trained and supporting procurement <i>process in nice manner.</i>					
<b>2</b>	There are skilled procurement staffs in the organizations and due to their skills and knowledge the organizations is <i>growing in well manner.</i>					
<b>3</b>	The available procurement officers and all staffs have the capacity to negotiate contracts <i>and this help organization to gain more profits.</i>					
<b>4</b>	The procurement officers and procurement staffs were following the available procurement guidelines/laws/regulations <i>which leads the company to success.</i>					
<b>5</b>	Top level management facilitates the budget issue properly due to this the <i>organization achieves its objectives very well.</i>					
<b>6</b>	The honest Suppliers offers their products on time according to the order they received due to time reduction on offering of items, the organization <i>increase its capacity in proper manner.</i>					
<b>7</b>	The organization makes suppliers/partners survey and gather feedback from suppliers on the existing sourcing process and makes quality improvement on products/items <i>so that the organization became fruitful.</i>					
<b>8</b>	There is accountability and transparency measures on procurement department due to this quality of items increase this leads the organization <i>to grow in proper manner.</i>					
<b>9</b>	The managers give regular and timely decision on procurement function area <i>due to this the achievement of the organization increased.</i>					
<b>10</b>	There are reliable suppliers who have long relationship with this specific organization due to their relationship and reliability the organization gets items in good price <i>which enables the organization became success.</i>					

**Part five:-Open ended questionnaires**

1. Do you think that the entire questions above adequately address “Assessing factors affecting of procurement performance: in case of Shenen gibe Hospital in Jimma town, Oromia regional state, Ethiopia”? If not, can you tell me those issues that should be addressed?

2. Additional comment?

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**Thank you !!!**