

**FACTORS AFFECT PUBLIC PROCUREMENT PERFORMANCE: IN
CASE OF EAST GOJJAM ZONE ADMINISTRATION**



**DEBRE MARKOS UNIVERSITY
COLLEGE OF BUSINESS AND ECONOMICS
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**A thesis Submitted in partial fulfillment of the requirements of the award of
the degree of Masters of Business Administration in (MBA) Program**

By
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Debre Markos, Ethiopia

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Declaration

I, the undersigned, declare that this thesis is my original work and has not been presented for a Degree in any other university, and that all sources of materials used for the thesis have been duly acknowledged.

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Certification

This is to certify that the thesis prepared by Metadel Chekole, entitled “ **Factors affect public procurement performance in east gojjam zone administration**” and submitted in partial fulfillment of the requirements for the degree of “ Master of Business Administration” Complies with the regulation of the university and meets the accepted standard respect to originality and quality.

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Acronym/Abbreviations

CCN	City Council of Nairobi
CPAR	Country Procurement Assessment Report
FDRE	Federal Democratic Republic of Ethiopia
FPPA	Federal Public Procurement and Property Administration
GDP	Gross Domestic Product
N.D	No Date
OECD	Organization for Economic Cooperation and Development
PERFOR	performance

Abstract

public procurement is one of the governments most appropriate means to respond to the population needs in a way of not only to deliver public goods or services but also ensures value for money so as to improve their lives and living conditions. The main purpose of the study is to identify factors affect public procurement performance in East Gojjam Zone Administration. To meet the purpose of the study the researcher was collect data from both primary and secondary sources. Primary data were collected from all procurement staffs and user sector managers in East Gojjam Zone Administration through questionnaire in both open ended and close ended questionnaire and semi structured interview. And secondary data's were collected from, reports, and documents of the organization. Public procurement staffs were taken through census survey and user managers were selected by using purposive sampling method. Research approaches used in the study were both quantitative and qualitative approaches and the types of research design used were descriptive and explanatory designs with cross sectional design. The collected was analyzed and interpreted by using descriptive and inferential statistics To determine the relationship between dependent and independent variable the researcher used Pearson correlation coefficient and the effect of independent variables on dependent variable was determined by multiple regressions with the help of SPSS 20 software packages. The result of the study shows that procurement planning, procurement procedure, staff competence and transparency have significant effect on procurement performance and accountability has insignificant effect. The researcher recommends that proper implementation of planning, giving adequate training to employees and publicizes procurement rules and regulations are possible actions to improve procurement performance.

Key word: procurement, public procurement, procurement planning, procurement procedure, staff competence, accountability, transparency and procurement performance

CHAPTER ONE

INTRODUCTION

1.1. Back ground of the study

Procurement is the acquisition of goods or services at the best possible total cost of ownership in the right quantity and quality, at the right time, in the right place for the direct benefit or use of the governments, corporations, or individuals generally via, but not limited to a contract. Procurement is not simply the act of buying but encompasses a complex range of operational, business, information technology, safety and risk management, and legal systems, all designed to address an institution's needs (Ombaka, 2009).

According to Odhiambo & Kamau (2003) Public procurement is also defined as the purchasing, hiring or obtaining by any contractual means, goods, construction works and services by the public sector. It involves the purchase of commodities and contracting of construction works and services if such acquisition is effected with resources from state budgets, local authority budgets, state foundation funds, domestic loans or foreign loans guaranteed by the state, foreign aid and revenue received from the economic activity of state.

It is increasingly recognized as a profession that plays a significant role in the successful utilization of public resources and a number of countries have become more aware of the importance of procurement as an area vulnerable to mismanagement and corruption and have thus instituted efforts to integrate procurement in a more strategic view of government efforts (Mahmood, 2010).

Since this, governments of both developed and developing countries spend a lot of money to deliver goods and services to the public and to achieve value for money to tax payers. The only way it can be beneficial to all would be for it to be effective. An effective public procurement system is essential for the smooth running of an economy, thus its institutions but poor procurement system results in higher costs to government and to the public; it interrupts the implementations of projects, and increases costs. It also causes poor execution of projects, and delays in the delivery of purchases to the beneficiaries (Kimeria & Ngugi, 2013).

To make efficient and effective use of the state's money, effective procurement management, sound planning and proper implementation is vital activity should be performed in procurement practice (Patrick, 2011). Public procurement systems are central to the effectiveness of development expenditure. Budgets get translated into services largely through the governments' purchases of goods, services and works (Ngugi and Mugo, n.d.).

According to Mahmood (2010) public procurement comprises 18.42% of the world gross domestic product. "in Sub Saharan African Countries, studies have shown that out of the total public resources, procurement of goods, works and services account for about 70 percent of the total public expenditures" (Abebe, n.d.). In simple, public procurement is one of the governments most appropriate means to respond to the population needs in a way of not only to deliver public goods or services but also ensures value for money so as to improve their lives and living conditions (Komakech, 2016)

In developing countries, it is one of the main instruments to the achievement of development goals such as reducing poverty and providing health, infrastructure, education and other services hence it contribute to proper utilization of public resources. Improving the public procurement system will contribute to economic growth of Ethiopia as well as reduce wastage of budget, create value for money there by help as source of wealth and reduce poverty (Getenet & Tilahu, 2014). In Ethiopia from the total public expenditure more than 60 percent is used for procurement of goods and services (Teshahun, 2011). This indicates making public procurement in an efficient and effective way has significant impact for a country's economic development that results in best utilization of public resources. According to Ogwel et al. (2016) Public procurement is a corner stone for sustainable economic growth and it is a function of procurement planning, staff competence, working environment and contract management. According to Okinyi & Muturi (2016) procurement performance is also attributed by inadequate transparency and accountability, poor procurement planning strategies, conflicts of interest, insufficient awareness creation to procurement staff, delays and inefficiencies, poor records management, bureaucracy, corruption, political interests and collision with suppliers.

Lack of well structured procurement function has led to failure to meet pre determined amount of procurement, creating inefficiencies and high costs to the organization. Lack understanding of procurement procedures, rules and non compliance leads to corruption as well as inefficient use of public funds. The inefficient use of funds can be generated from the whole process of

procurement functions from procurement planning, definition of the needs and creation of the bidding documents, to a lack of transparency and competition in the process followed for announcements, bidding, evaluation and award of contracts, and to poor contract supervision (Shiundu & Rotich, 2014).

The World Bank (2002) report also indicated that even rules and regulations have been enacted, successive review of the public procurement regimes in Ethiopia reveal a lot of shortcomings such as procurement laws and regulations are not based on recognized international models, absence of clearly defined central oversight and public bodies at all levels, there is no separate standards for bidding and contract documents, lack of efficient compliant handling mechanisms, shortage of experienced management and procurement staff, lack of transparency in the procurement processes, absence of procedures for modern form of procurement activities and unclear institutional and organizational arrangements required in the management of the public procurement process.

In spite of the above problem, Ethiopia has already begun implementing major reform programs since 2009. The Federal Government of Ethiopia Procurement and Property Administration Proclamation No 649/2009 was enacted by parliament replacing the previous law. The law led to the establishment and operation of the Federal Public Procurement and Property Administration Agency (FPPA) and the independent Complaints Board. The law also emphasizes best practices including value for money, non discrimination, transparency and accountability as the major principles of public procurement in Ethiopia. For that matter compliance for the rule and regulation can improve the procurement performance of the organization and improve service delivery system of the organization. East Gojjam Zone Administration Finance and Economic Development Office is public institution that includes a number of procurement units and its budget is allocated and approved by Ministry of Finance and Economic Development. In the area there are 17 Woreda procurement units, 4 Town Administration procurement units and one procurement unit in Zone Administration. This area performs centralized procurement system under the directive and compliance of Federal Procurement and Property Administration Agency. Mainly, 497 user sectors procurement are administered and performed by those 22 procurement units exist in the area and high amount of budget is allocated for procurement and the strict government regulations and procedures demands careful and effective procurement management. Studies have been carried out in the past concerning procurement are conducted in

different areas. However as knowledge researcher study were not conducted in East Gojjam Zone Administration concerning the factors affect public procurement performance.

Hence, Come up with this idea the researcher have been analyzed the factor that affects public procurement performance in East Gojjam Zone Administration. Mainly the researcher was explained, the effect of staff competence, procurement planning, transparency, accountability and procurement procedure on procurement performance in East Gojjam Zone Administration.

1.2. Statement of problem

Procurement is the nerve centre of performance in every institution, whether public or private and thus needs a tight system to be followed and adopted (Wanyonyi, & Muturi, 2015). Public procurement has its origins in the fiduciary obligation of government administrations to deliver goods and infrastructure, such as roads and harbors and services, health care and education to a society as a whole (Odhiambo & Kamau, 2003).

In developing countries, public procurement is one of the main instruments to the achievement of development goals such as reducing poverty and providing health, infrastructure, education and other services so, it contributes to proper utilization of public resources (Getenet & Tilahu, 2014). A good procurement is one devoid of corruption and based on well-known procurement practices that promote efficiency and effectiveness and it is the vehicle for better service delivery (Basheka & Kabatereine, 2013). Hence, the citizen-centered government should use at least 70 per cent of its budget to provide timely, efficient and effective public goods and services such as; health, education, defense and infrastructures since the greatest portion of this fund is obtained from the tax payers and proper utilization of funds will benefit the majority of the citizens through good services (Komakech, 2016).

Due to this, it is necessary to use different opportunities 'to increase value to procurement functions in strategic ways and ensuring economic advantage and efficiency in proper way. In order to achieve this points; all procurement process should understand and implemented by the actors: government, the procuring entity, business community, supplier and other stake holders, including professional associates, academicians and the whole public(Mokogi et al., 2015).

However, many public procurement activities is suffer by failed and, lack of structured direction, poor co-ordination among workers in the organization, there is no open competition and unrestricted access of information by the public and lack of skilled and experienced workers that help to perform procurement function in proper and effective manner. Rigid and bureaucratic

systems of procurement leads to unacceptable contract delays, increased unnecessary costs, the potential for manipulation of contract awards and lack of fair competition, all of which create the perception in the population at large, that public expenditure is slow, ineffective, expensive and often corrupt (Ngugi& Mugo, n.d.).

Developing countries in one way or another have reformed their public procurement systems (Lema, 2013).The reform includes regulations, public procurement process, methods, procurement organizational structure, and the workforce. However; most countries resulted poor procurement performance and corruption resulting from procuring entities are not supported by procurement procedures and process, inadequate information, failure in planning, lack measurement to determine efficiency and effectiveness of procurement performance and an ethical problem(Hussein, 2013).

In Ethiopia according to World Bank CPAR (2002), Although Ethiopian government tries to improve procurement performance there is a number short comings such as procurement laws and regulations are not based on recognized international models, absence of clearly defined central oversight and public bodies at all level, shortage of experienced management and procurement staffs, lack of transparency in the procurement processes, absence of procedures for modern form of procurement activities and unclear institutional and organizational arrangement in the management of the public procurement process are reveal. Along with this problem different studies were conducted regarding on factors affecting public procurement performance.

According to Ogwel et al.(2016) on Factors Influencing Performance of Public Procurement Function in Trans-Nzoia County, Kenya. They analyzing the factors affect procurement performance include work environment, staff competence, contract management and planning. Their result shows that procurement planning was the most significant factor in procurement performance followed by staff competency, and contract management, in that order while work environment negatively affected public procurement performance. Proper procurement planning is in evitable issue in procurement process. Failure in procurement planning leads failures in performance.

Kiage (2013) conducts study on Factors Affecting Procurement Performance a Case of Ministry of Energy Japheth Ocharo. The study concludes that planning, resource allocation, staff

competency and contract management positively affected procurement performance at the Ministry of Energy.

Amsalu(2017) study on Determinants of Procurement Performance in Wolaita Sodo University: Customers` Perception. He was analyzing the influence of procurement planning, staff competency, top management support and work environment on procurement performance. The finding of the study indicates that Staff Competency, Top management support and work environment have positive and significant relationship with procurement performance and procurement planning has insignificant effect on procurement performance.

Mulugeta & Habitu (2017) Study factors affecting the effectiveness of procurement practice in Debre Markos University. They analyze the relationship between implementation of procurement plan, organization culture ICT adoption, staff competence and operational procedure and effectiveness of procurement practice. The finding of the study indicates that effectiveness in procurement practice strongly affect by implementation of procurement plan, staff competence, ICT adoption, operational procedure and organizational culture.

Although, budgets get translated into services largely through the governments` purchases of goods, services and works and public procurement takes a majority of shares from the government budget, the researcher review from 2010 annual report of East Gojjam Zone Administration indicates that procurement performance has a problems such as unjustified and unnecessary repetition of purchase due to unplanned procurement request of user sectors, low publication of procurement rules and regulation to suppliers and other publics this leads reduce number of bidders in the market resulted on delay delivery and unnecessary costs, un justified spending of money by some procurement units and inadequate preparation of documents that are suitable for auditing, some Woredas make purchase without accurate market study leads to low quality and high cost of purchases and complains are raised by user sectors.

Therefore, Public procurement is the critical issues help to achieve proper utilization of organization resource and get attention by academicians, researchers and other parties. All previous studies were conducted on factors affecting public procurement performance in different areas, but none of study is conducted in East Gojjam Zone Administration. Therefore, it is important to evaluate the factors affect public procurement performance in East Gojjam Zone Administration and in this study the researcher is tried to analyze the factors affecting public procurement performance (procurement planning, staff competence, transparency,

accountability, and procurement procedure) and those effects on procurement performance in East Gojjam Zone Administration.

1.3. Research question

1. What is the effect of procurement on public procurement performance?
2. What is the effect of procurement public procurement performance
3. What is the effect of staff competence on public procurement performance?
4. What is the effect of accountability public procurement performance in east gojjam zone administration?
5. What is the effect of transparency on public procurement performance?

1.4. Objective of the research

1.4.1. General objective

The general objective of the research is analyzing factors affect public procurement performance in case of East Gojjam Zone Administration.

1.4.2. Specific objective

1. To find out the effect of procurement planning on procurement performance
2. To investigate the effect of procurement procedure on procurement performance
3. To examine the effect staff competence on public procurement performance
4. To find out the effect of accountability on public procurement performance
5. To examine the influence of transparency on public procurement performance

1.5. Scope of the study

The study includes both conceptual and geographical scopes. Conceptually, the study was concerned about factors affect public procurement performance. Specifically it concerns the effect of staff competence, procurement planning, transparency, procurement procedure and accountability on procurement performance and the subject of the study cover only factor affecting public procurement performance. The data was collect from procurement staffs and managers of user sector through questionnaire and semi structured interview method.

Geographically due to cost and time constraint the study was delimited in East Gojjam Zone Administration.

1.6. Significance of the study

The result of the study is significant for the organization, policy makers, for other similar organization and for prospective researchers. For the organization give insight about the main factors affect the procurement performance. This includes the necessity of proper procurement planning, staff competence, accountability and transparency on good of procurement performance and its effect on procurement performance and the achievement the organizational goals.

It may help the organization to create good public image about the procurement performance and accountability on it. It is also assist government institutions in reviewing and establishing the best procurement practices and make reform on relevant issues.

The management of the organization also uses the result of the study to evaluate the performance of its procurement officers. They also use the possible strategies and recommendations for improvement of procurement performance and indicate them to concentrate the above factors and other related issues concerning on the proper implementation of procurement in East Gojjam Zone Administration.

The study may also help the prospective researchers who want to conduct research about factors affecting procurement performance in similar and other areas. It also significant for other related institutions to know the main factors affect procurement performance.

1.7. Limitation of the study

The research was conducted on factors affecting public procurement performance in East Gojjam Zone Administration. There are different factors affecting public procurement performance but due to time and cost constraint the researcher was includes five factors (procurement planning, procurement procedure, staff competence, accountability and transparency). It was better if the study includes other factors affecting public procurement performance this helps the researcher to give good generalization about what the factors affecting procurement performance. Geographically, the study covers only procurement units exist in East Gojjam Zone Administration, due to this the researcher cannot give good generalization to procurement performance exist in other areas.

Methodologically, the study is one time survey, collect and examine the factors affecting public procurement performance at once by taking cross section of the population. It was better if the researcher collect data one more times to see the performance procurement in the area.

1.8. Organization of the study

This research is organized into five chapters. Chapter one presents the background to the study, problem statement, objectives (both general and specific), research questions, research hypothesis, the scope of the study, significance of the study, as well as limitation of the study. The second chapter reviews relevant literature on the concepts and core issues of the study while chapter three explains how the study is conducted. Methodological issues considered here include the study design, study population, data collection tools, sources of data and method for data analysis and presentation. Chapter four includes analysis and discussion of the results of the study while chapter five includes summary, conclusion for the study and possible recommendation for the given result.

1.9. Operational definition of terms

Procurement: the process of acquiring goods, works and services and it takes place through processes start from need identification and goes up to contract administration.

Public procurement: is a function of government take place by public entities to deliver goods and services to societies and local communities. It is administered by rules, regulations and proclamations developed by government bodies.

Procurement performance: is defined as effective and efficient management of procurement function to get cost reduction, quality product and service and to reduce lead time.

Staff Competency: is defined as a capability, ability or an experience of individual of an individual, which is contributed to effective or efficient procurement performance. In this study, competency is used to refer to applied knowledge and skills, performance delivery, and the behavior required getting procurement done well.

Procurement planning: is one of the primary functions of procurement with a potential to contribute to the success of public institution's operations and improved service delivery

Accountability: is a responsibility where holders of public office are accountable for their decisions and actions to the public and feel belongingness whatever important to the organization.

Transparency: refers to unrestricted and timely access of information about decisions, actions and performance of sectors to the public.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1. An overview of procurement

Procurement is a common business related function to acquire goods, services, equipment, raw materials from various suppliers as well as currently it plays strategic role in modern business world (Rimkuniene, 2013).

According to public procurement procedure (2013) Procurement is acquisition of goods and services, contracting of works, purchasing, and buying, renting or leasing, and the management thereof, in accordance with specific methods and procedures, by the Government.

procurement entail that it is a process and parts of the supplies management process works to bring effective and efficient management of resource, engaged in acquisition of materials and services by various means, the acquisitions are based on the right time, quality, quantity, price and developing its own strategy that relates to the corporate strategy (Asfaw, 2017)

Sometimes procurement and purchasing considered as similar term with analogous duties and responsibilities. Even though the two terms have similar explanation, there are matters that makes distinct. According to Quayle (2006) the term purchasing and procurement are often used interchangeably; however, difference between the two is that, purchasing is more concerned with establishing and managing a commercial relationship, whereas procurement is also concerned with the more physical material or service delivery control aspects after the contract has been let or the order placed. So purchasing is concerned on transactional relationship and procurement is concerning on expediting and management of materials or service after agreement takes place by the two parties.

2.2. Public Procurement

Public procurement means an acquisition, by formal contract or other means, of works, Supplies and services by public bodies using publicly sourced finances. It involves the purchasing, hiring or obtaining by any contractual means of publicly needed goods, construction works and services by the public sector. It also indicates that public funds are allocated to procure works, goods and services even if the government does not get directly involved (URT, 2012).

According to federal democratic republic of Ethiopia public procurement and property administration agency (2011), public procurement is the process of the acquisition, usually by means of a contractual arrangement after public competition, of goods, services, works and other supplies by the public entity. The public procurement process spans the whole life cycle from initial conception and definition of the needs through to the end of the useful life of an asset or the end of a contract.

According to Hunja(2003) in many developing countries, public procurement is not considered to have strategic impact to utilization of public resource. It was seen it as merely process oriented function which means it doesn't require strategic management issues and handled by non professional staffs. Therefore less effort was made to structure rules and regulations and frameworks to achieve procurement in most efficient and effective way, to provide service to the public and satisfy them. McDonald(2008) indicates that rules guiding government purchasing and contracting need to be accountable and transparent. This does not only limit corruption but contributes to a more accountable relationship between government and citizens. It is also important because of the huge sums involved.

Public procurement is different from private procurement, because in public procurement the economic results must be measured against more complex and long term criteria. Furthermore, public procurement must be transacted with other considerations in mind, besides the economy. These considerations include accountability, non-discrimination among potential suppliers and respect for international obligations. It accounts from 10 to 15 % or more of GDP in developing countries and 7 % of world GDP and 30% of world merchandise trade (Odhiambo&Kamau, 2003). In a related study a government's use of purchasing can thus be a very significant tool to achieve socio-economic objectives. If procurement reform is done accountably, with a view to achieving both cost effectiveness and broader development goals, it can play a powerful role in poverty reduction (McDonald, 2008).

2.3. Objectives to be meet in Public Procurement

There are a number of principles of public procurement that can be identified that are shared by most of public procurement. These principles are implemented through various means of legal and regulatory rules on conducting public procurement procedures are one of these means. According to Arrow(2010) the main objectives of Public Procurement are:-

2.3.1. Acquisition Efficiency (value for money)

Value for money is the practice of acquiring goods, works or services in the best possible way. As the name indicates efficiency is performing procurement function with possible minimum costs. The goal of many organizations is achieving efficiency in procurement system. This is achieved by avoiding unnecessary delay and wastage of resources for procuring entity and without unreasonable cost to suppliers. It is also the acquisition of good, work or service required rather than simple value for money. This objective can be seen in three perspectives; works or services are suitable to achieve the intended purpose of the organization and they are not over specified, concluding an arrangement in the best possible term it doesn't necessarily mean lowest price and ensure contractor ability to provide in the agreed term it doesn't necessarily mean lowest price. Achieving value for money is the case of money regulatory rules applied in public procurement such as transparency and competitive bidding have the aim to realize value for money (Arrow, 2010)

2.3.2. Integrity (avoiding corruption and conflict of interest)

Integrity refers to the idea that procurement should be carried out without any influence of corruption. Many of corruptions are performed in the form of collusion between government and bidders. The activity includes; awarding contracts on the basis of bribes; awarding contract to firms based on personal interest and relationship, awarding contract to firms who is friends or families in the organization. There is strong relationship and interdependence between value for money and integrity. Because if there no corruption, the organization procure best possible good, works or service in the right price and achieve value for money (Arrow, 2010).

2.3.3. Accountability

Ensuring accountability in the sense that the system provides means for interested parties to establish whether the government is meeting its objectives. It's a means to achieve many of the objectives of a procurement system, including value for money and integrity. Accountability is a separate objective of procurement system government accept procurement cost in accountable manner it includes; any actual reduction due corrupt activity and financial savings (Arrow, 2010).

2.3.4 Equal opportunities and treatment of providers

It involves equal treatment to those participate in procurement system. It's important to realize that the concept of equal treatment in the public procurement may take on two different roles. The first is equal treatment which may serve simply as a means to achieve other objectives of the public procurement system, such as value for money in obtaining goods, works and services, preventing corruption and opening up markets to competition. Secondly, however, in addition to serving a means to support other procurement objectives, equal treatment may also serve as an objective of the procurement process in its own right (Arrow, 2010)

2.4. Procurement process

Procurement is a process of acquiring goods, works or services it starts from need identification including assessment of risks and ends in record keeping. According to Leenders et al. (1989) as cited in Tesfahun 2011 main steps of procurement process are:-

2.4.1. Recognition of need

Any procurement originates with the recognition of a definite by someone in an organization. The person responsible for a particular activity should know what the individual requirements of the unit are: what, how much and when it is needed. This may result in a material requisition on the stores department. The purchasing department is responsible for helping to anticipate the needs of using departments. The purchasing manager should urge not only that the requirements be as standard in character as possible and that a minimum of special or usual orders be placed.

2.4.2. Accurate description and desired commodity

Procurement cannot be takes place without accurate knowledge of user department. For this reason it is essential to have an accurate description of the need, the article of the commodity, or the service which is requested. The purchaser should question the specification if it appears that the organization might be served better through a modification. Since future market conditions play such a vital role, it makes sense to have a high degree of interaction between the purchasing and specifying groups in the early stage of need definition. In accurate description of need lead cost and time wastage to the organization and customer dissatisfaction.

2.4.3. Selection of possible source of supply

Supplier selection constitutes an important part of the purchasing function and involves the location of qualified sources of supply and assessing the probability that a purchase agreement

would result in on time delivery of satisfactory product and needed services before and after the sale.

2.4.4. Analysis of bids

Analysis of the quotes and the selection of the vendor lead to the placing of an order. Since analysis of bids and the selection of the vendor are matters of judgment, it is necessary only to indicate here that they are logical steps in purchasing.

2.4.5. Preparation of the purchase order

The placing of an order usually involves preparation of a purchases order form unless the vendor's sales agreement or a release against a blanket order is used instead. Failure to use the proper contract form may result in serious legal complications.

2.4.6. Follow-up and expediting

After a purchase order has been issued to a vendor, the buyer may wish to follow-up and/or expedite the order. At the time the order is issued, an appropriate follow-up date is indicated. In some firms, purchasing has full time follow up expediting personnel. Follow up is the routine tracking of an order to assure that the vendor will be able to meet delivery promises. Expediting on the other hand, is the application of pressure on vendors to get them either to meet the original delivery promises or to deliver ahead of schedule.

2.4.7. Receipt and inspection of goods

The proper receipt of materials and other items is of a vital importance. The greater majority of firms have, as a result of experience, centralized all receiving in one department, the chief exceptions being those large companies with multiple plants.

2.4.8 Clearing the invoices and payment

Invoices usually arrive before the goods, except on local deliveries, in which case they arrive almost simultaneously with them. Since the invoice constitutes a definite claim against the buyer, it needs to be handled with great care. Invoices are commonly requested in duplicate. In addition, it is not uncommon to find such statements as "invoices must show our order number and itemized price for each article invoiced."

2.4.9. Maintenance of records

After having gone through the steps described, all that remains for the disposal of any order is to complete the records of the purchasing department. This operation involves little more than assembling and filing the purchasing department's copies of the documents relating to the order and transferring to appropriate records the information the department may wish to keep. The former is largely a routine matter. The latter involves judgment as to what records are to be kept and also for how long.

2.5. The Ethiopian Federal Government Procurement and Property

Administration Proclamation

To achieve the objective of efficiency, accountability, fairness, transparency in public procurement and to ensure proper utilization of high amount of money spent in procurement and efficiency, the Federal Democratic Republic of Ethiopia (FDRE) government established a public procurement proclamation under proclamation No. 649/2009. According to World Bank's CPAR (2010), sound public procurement policy reforms have been made in Ethiopia. "Previously public procurement was regulated with 39 Financial Proclamations, not recognizing public procurement as a separate legal area with separate legal needs. During this reform a specific procurement law, the Public Procurement Proclamation, was introduced and in its latest revision from 2009, it contains all the full features of a modern procurement law."

The fifteen chapter new public procurement proclamation has established an independent public procurement control and oversight organ i.e. the Ethiopian Public Procurement and Property Administration Agency. The regulation describes the basic procedures of public procurement. Also, the different methods of public procurement and international procurement are clearly featured. The proclamation in addition, has introduced for the first time electronic procurement and established a board which reviews complaints on public procurement

2.6. Role of Procurement

The procurement is defined as acquiring resources from outside suppliers. In this sense, procurement activities are very vital for the survival of all parties' from households to firms, organizations, and the government. From the functional viewpoint, procurement is an indispensable activity and it's essential for achievement of goals to any organization (Choi, n.d.).

Procurement can significantly influence the overall success of an emergency response depending on how it is managed. In most organizations, procurement represents a very large proportion of the total spend and should be managed effectively to achieve optimum value. Procurement works like a pivot in the internal supply chain process turning around requests into actual products/commodities or services to fulfill the needs (Caldwell, et al., 2009). They further argue that procurement serves three levels of users and these are the internal customer, programs in response to emergencies and ongoing programs, and prepositioning of stocks, for both internal customers and program needs.

In addition, Benslimane et al. (2005) indicates that the overall aim and objective of procurement is to carry out activities related to procurement in such a way that the goods and services so procured are best fit with the requirement of users, with pools of supplier and exclusive relationship between supplier and buyers, select supplier that provide lowest cost and can be delivered in the right quantities, to the right place, at the right time.

2.7. Factors affecting Procurement Performance in Public Sector

2.7.1. Procurement Planning

Procurement plan always prepare at the beginning of the fiscal year. To prepare sound procurement plan each user department send their purchase request to the procurement department. Without accurate need identification and planning, procurement department cannot deliver goods, works or services timely. In the same way using government expenditure without plan is the manifestation of the organization has been going on opposite to achieving value for money (Getahun, 2015).

Procurement planning is one of the primary functions of procurement with a potential to contribute to the success of public institutions operations and improved service delivery (Basheka, 2008). Procurement planning encompasses need identification of user department that means what type of needs should be full field by procurement department, the means and strategies used to achieve the predetermined needed product, services and other procurement needs, determine the time frame required for each activities, as well as duty and responsibility of each participants are clearly specified(Kirai & Kwasira, 2016).

Procurement plan is integrated in to the annual expenditure program of the organization to enhance financial predictability, accounting and control over procurement budget and

procurement and disposal staffs are work together in scheduling, forecasting and organizing activities (Basheka, 2008).

Procurement plan is flexible in nature it is affected by situational changes and it is participatory activity needs participation of procurement professionals as well as it should be continuously revised by concerned bodies. Peoples involved in planning should be competent, experienced and has knowledge about the type of purchases procured along with professional ethics applied in procurement related activities (John & Atambo, 2016).

2.7.2. Procurement procedure

The public procurement procedure is the process followed in acquiring of goods, works and services by the government procuring entities which includes purchasing, hiring, leasing or any other contractual means of engaging suppliers in the provision of services to the public (Lyson & Farrington,2006). Public procurement is controlled by government and is financed from taxation, grants, public debts and fees for services. The main reason for the existence of public procurement is effective and efficient provision of public service. To meet this purpose public sector procurement is satisfying customer with minimum cost, with good quality, fast delivery of goods and services, minimizing administrative operating costs, conducting business with cooperative, faire and in open manner (Koech & Namusonge, 2015).

The procurement procedures outline in detail the specific actions to be taken so as to accomplish a purchase task within the guidelines of the company. The procedure provides the framework and direction for achieving the most economical supply of materials with the maximum efficiency. It also helps as means of processing information and communicating from the time of need identification until the purchases are delivered (Koech & Namusonge, 2015).

Baily et al.(2005) argued that public procurement procedures tend to be characterized by high levels of bureaucracy independent of order value; poor communications and give high focus on unit price rather than establishing long-term relations

2.7.3. Transparency

Armstrong (2005) Noted that transparency refers to free access, and disclosing of timely and reliable information to the public concerning on activities, decisions and performance of public sectors. Transparency means the same procedures and policies applied to all providers of goods, works and services and these are publicized as the basis of procurement decisions prior to their

use. Transparency has greater contribution for the development of accountability in organization. The concept of transparency is linked to openness and can be seen as the opposite of secrecy, as well as building trust, transparency can be viewed as a relational condition or variable that promotes accountability, collaboration and commitment (Ngatara& Ayuma, 2016).

In public procurement the contribution of fairness, competition and economic value are principal. To capitalize these contributions, effective and efficient procurement processes must be established. This includes setting adequate controls to promote competition and minimize the risk of fraud, corruption, waste, and the mismanagement of public funds. In this concept transparency is considered to be one of the most effective tools to reduce corruption and ensure value for money (Ballard, 2011).

Transparency refers to the action of those in government activities are disclosed rather than hidden or covert. Its underlying premises relate to accountability and ethics, a meaning that suggests not only that thing should be done right but they should be seen to be done so. This is not about the appearance of doing things accountably and ethically, to the point that governments in their day-to-day practices create a culture of making their activities easy to see (Patrick, 2011). In general, transparency means that the rules governing the public procurement procedures are clearly drafted and well defined, so that their implementation by procurement agents can be easily verified (Thai, 2008).

Transparency in procurement can be expressed in different practices, such as: publishing procurement policies; advance publication of procurement plans; advertisement of tender notices; disclosure of evaluation criteria in solicitation documents; publication of contract awards and prices paid; establishing appropriate and timely complaint/ protest/dispute mechanisms; implementing financial and conflict of interest disclosure requirements for public procurement officials; and publishing supplier sanction lists(Ballard, 2011).

2.7.4. Staff competence

Competency is defined as a capability, ability or an underlying characteristic of an individual, which is contributed for effective or superior performance. For purposes of this study, competency is used to refer to applied knowledge and skills, performance delivery, and the behavior required getting things done very well (Armstrong & Baron, 1995) cited in (Wanyonyi & Muturi, 2015).

Staff competence affects procurement function to achieve its intended purpose. This means staffs carry their duties expertly helps to reduce budget wastage and achieve value for money as well as competent staff would ensure that items services are procured as and when the need is expected. It also help to achieve commercial benefits to the organization includes efficiency, effectiveness, economy, full filing public interest, quality achievement & social segregation (Kiage, 2013).

Procurement professionals should hold variety of skills due to change in government policies and strategies and to manage different procurement portfolio under the control and influence of local government system. A procurement task needs staffs with high-level strategic, tactical as well as operational skills. All these skills help the organization to perform good supply chain management with different discipline and integrative approach (Wanyonyi & Muturi, 2015).

Professional awareness about the rule and regulation helps for successful implementation of public procurement, create value for money and satisfy customer with efficient and effective service. This awareness is creating through induction courses for new entrants and places them in regular training. These points help for the compliance of public procurement regulation and avoid non implementation (Kavula et al., 2014)

2.7.5. Accountability

Accountability refers to the obligation of all participants to be reasonable to their action, apply policies and accept responsibility to make their own decision and take action and this increase the effectiveness and efficiency of procurement (Patrick, 2011).

According to Barrett (2000) it is the responsibility of any organization and management of organization to ensure that the government's objectives are achieved in a cost-effective manner. The agency must therefore specify Accountability shows how the public interest has been protected in the expenditure of public funds. Maintaining integrity in public procurement is one of the most important pillars of modern national procurement systems. Ensuring the accountability of procurement officials is perhaps the most essential aspect for organization goal achievement and accountability of procurement officials is not only important for the enforcement of public and administrative perspective, but also has economic advantage for the organization (Ngugi, & Mugo., n.d.)

Accountability is a standard of public life, where holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their offices. Fighting corruption is not only an end in itself. It is of fundamental value in all government reform, which may require changes to legal and policy frameworks for the control and expenditure of public monies and improved procurement practices (Armstrong, 2005). Applying Timely review mechanism helps to ensure fairness in organization activity and to contractors and suppliers in the procurement process. From international best practice there are different factors that help to measure the level of accountability: clear chain of responsibility with clearly defining authority as well as charging duties together with effective control mechanisms; handling complaints from suppliers; public review and scrutiny of procurement actions commitments of public officers to high standards for professional conducts and principles; fairness and competition (OECD,2009).

2.8. Empirical review

There are some studies conducted related to factors affecting procurement performance in Ethiopia and many other studies conducted outside Ethiopia countries.

Mulugeta & Habitamu(2017) Study factors affecting the effectiveness of procurement practice in Debre Markos University. The main purpose of the study was to analyze the relationship between implementation of procurement plan, organization culture ICT adoption, staff competence and operational procedure and dependent variable (effectiveness on time delivery right quantity, right time, right source, right quality, right price, right source and customer satisfaction. The data gathering tools were primary and secondary data which were questionnaire and focus group discussion from 110 respondents by using self administered question and 15 interviews. The target populations of the study were middle level, lower level and procurement department. To meet the purpose of the study the researcher was used purposive sampling technique and data was analyzed through Pearson product movement correlation and multiple regressions. The finding of the study indicates that procurement effectiveness is affected by plan implementation, staff competence ICT adoption, operational procedure and organizational culture.

Getenet & Tilahun(2014) Conduct research on Public Procurement Reform in Ethiopia: Factors Leading to Effective Public Procurement Implementation, the Case of Amhara Regional bureau and government institution exist Bahirdar town. The data was collect from a survey of 42 public

procurement officers. They analyze the effect of familiarity, ethics, efficiency, accountability and transparency on effective implementation of procurement. The study has followed causal research design and the data had been analyzed using multiple linear regressions. The findings indicate that familiarity in Public procurement rules and regulations, transparency, ethics in and efficiency in public procurement processes have a positive and statistically significant impact on effective public procurement implementation. The accountability in public procurement has positive associations with effective public procurement implementation, but did not have a significant impact on effective public procurement implementation.

Abebe(n.d.) study on efficiency, accountability and transparency in public procurement: the level of compliance in Africa in Ethiopian case.

The research emphasizes that the actual practice of transparency, accountability and efficiency in procurement. The research was conducted in Ethiopian cases and data was collected from primary and secondary sources. Primary data collected through questionnaires and semi structured for assurance of questionnaires. Questionnaires were collected from 5, FPPA officials, 10 regional procurement officer and 50 federal procurement agencies.

The interview was conducted with 4 FPPA officials and 2 procurement senior officers all at the middle management positions. He indicates that modern public procurement system requires high standards of efficiency, accountability and transparency because public procurement serves public interests. The findings of the study indicates that the level of efficiency, accountability and transparency observed in public procurement have effect on public procurement. The researcher suggests that the practice is low, although the legal and institutional frameworks including detailed procedures of public procurements are more or less laid down.

Studies in other countries

Koech & Namusonge(2015) Conduct study on factors affecting procurement performance of the national treasury in Kenya. The research aims was to establish how procurement regulation compliance, procurement procedures, professionalism and transparency affect procurement performance of the National treasury in Kenya and the type of research design was descriptive design. The target population of the study was 194 employees from the National treasury. Data collection technique of the study was both open-ended and closed-ended questions. They conduct the study by taking a sample of 66 respondents from each group in proportions through using Slovin's formula: $n=N/ (1+Ne^2)$. The collected data were analyzed by use of descriptive

and inferential statistics and multiple regressions to indicate the relationship between variable. The findings of the study indicated procurement regulation compliance, procurement procedures, professionalism and transparency had positive relationship with procurement performance in the National treasury in Kenya. The study recommended that public entities should embrace procurement regulation compliance, procurement procedures compliance, professionalism and transparency so as to improve procurement performance.

Study by Kirai & Kwasira (2016) assessment of determinants of procurement performance at Kenya Pipeline Company, the main objective of the study was to determine the influence of resource allocation, staff competence, stakeholder influence and procurement planning on procurement performance. The target population the study comprised all 65 employees of Kenya Pipeline Company that work or are directly involved in the procurement department. Due to small number of population the researchers took all procurement staffs through census design. Both primary and secondary sources of data are collected for the study. Primary data collected by close ended questionnaire from procurement staff and secondary collected personnel lists were sourced from departmental documentation. To analyze the collected data the researchers use both descriptive (mean and standard deviation) and inferential statistics (multiple regression). The finding of the study revealed that both staff competence and procurement planning had the most influence on procurement performance while stakeholder influence had the least influence on procurement performance.

Kavua & Ngugi(2014) Conduct study on determinants of procurement performance of rural electrification projects. The purpose of this study was to assess the determinants of procurement performance of rural electrification projects and the objective of the study encompasses: staff competency, organization resources, and stakeholder influence and government policy. The sample of the study comprised 110 respondents from the top, middle and low level management. The study employed a descriptive case study design. The study found out that the diversity of the work involved in public procurement necessitates that procurement officers are competent in a wide variety of generic procurement skills; that It is important to identify, develop and assess the competencies of procurement officers in public procurement to ensure that procurement activity is both compliant with legislation and obtaining value for money.

Shiundu & Rotich(2014) Study Factors influencing efficiency in procurement systems among public institutions: a case of city council of Nairobi The research focused on the procurement

employees at the Council. The study sought to answer the question; what are the factors influencing efficiency of procurement systems at the City Council of Nairobi? This includes the influence of Records Management, Information Technology, management styles and employee competency on efficiency. Descriptive survey was adopted in this study. The target population for the study was procurement employees of the City Council of Nairobi. The target population of the study was 63 employee of city council of Nairobi. This study adopted questionnaires as a principal instrument for data collection. Data collected was purely quantitative and was analyzed using descriptive statistics. To further understand the relationship between the variables, a linear regression was carried out.

From the findings, employee competence, information technology, records management and management styles influenced procurement efficiency at CCN. The study concludes that several developed countries have taken steps recently to revise their public procurement systems to improve their efficiency. The study recommended, among other things, that procurement staff should possess sets of skills appropriate in procurement activities; e procurement should be adopted as well as a good record keeping culture to ensure there is a comprehensive statistics on the value of goods, services and works procured.

2.9. The relationship between factors and procurement performance

Public Procurement performance is affected by different variable. Based on this different studies assure the relationship between those factors and procurement performance.

According to Ogwel et al. (2016) procurement and organization performance are connected each other. That means if procurement function performs well organization performance is improved. Because procurement covers the largest portion of government expenditure and it is the main source service delivery to the public. Public procurement is helping not only service delivery, but also a corner stone for sustainable economic growth. Along with this procurement performance is a function of procurement planning, staff competence, working environment and contract management. On their study all the above factor positively affect procurement performance. Even though working environment has necessarily affect procurement performance, excessive comfort may not necessarily affect procurement performance.

Mamiro(2010), agree with this point, the major factor that leads slow down the progress of procurement is attributed to failing to prepare procurement planning including proper need

recognition and un realistic budget estimation. Procurement planning is not properly managed and lack of professionalism to procure product in timely and cost effective manner.

Lack of well structured procurement function has led to failure to meet pre determined amount procurement, creating inefficiencies and high costs to the organization. Lack understanding of procurement procedures, rules and non compliance leads to corruption as well as inefficient use of public funds (Shiundu& Rotich, 2014).

The success of any given organization will depend on the strategic management of all its key sections. Procurement enhances efficiency and competitiveness among other benefits, but to realize these benefits, it is imperative to look at the strategic factors that affect the performance of the procurement function. Kirai& Kwasira (2016) Staff competence, resource allocation, stake holder influence and procurement planning affect procurement performance. All the independent variables positively related to procurement performance. Furthermore, since it was established that both staff competence and procurement planning had the most influence on procurement performance while stakeholder influence had the least influence on procurement performance. This is also assured by Kavua&Ngugi(2014) Staff competency, organization resources, Stakeholder influence and Government policies have effect on procurement performance.

Efficient procurement performance has significant role for the proper management of government expenditure. The quality of goods, services, infrastructures, and the effectiveness of public services much depend on well-managed public procurement. The most important contributor for the proper management and effectiveness of procurement are efficiency, transparency and accountability. Integrity is essential for government to maintain trust in procurement function. Clear and logical management of procurement contract responsible and reasonable spending of money for tax payers, procurement comprises the third government spending and essential to build stronger, clear and fairer global economy. Integrity is expressed as internal coordination and consultation between procurement officials. Less in formality and responsibility contribute for the development of integrity thus reduces corruption in public procurement (OECD, 2007).

2.10 Procurement Performance

Procurement performance is a measure of identifying the extent to which the procurement function is able to reach the objectives and goals with minimum costs (Van Weele, 2002) cited in (Hussein, 2013). He noted that there are two main aspects of the procurement performance effectiveness and efficiency. According to Van Weele (2002) Procurement effectiveness is defined as the extent to which the previously stated goals and objectives are being met. It refers to the relationship between actual and planned performance of any human activity. Additionally, he explains that procurement efficiency is the relationship between planned and actual resources required to realize the established goals and objectives and their related activities, referring to the planned and actual costs.

Procurement performance can be measured by a means of some indicators including; flexibility in delivery of goods and services, quality product and timely delivery ensures public procurement performance. Procurement efficiency is the capability of an organization to deliver products or services to its customers in the most cost-effective manner possible while still ensuring the high quality of its products, service and support (Hussein, 2013).

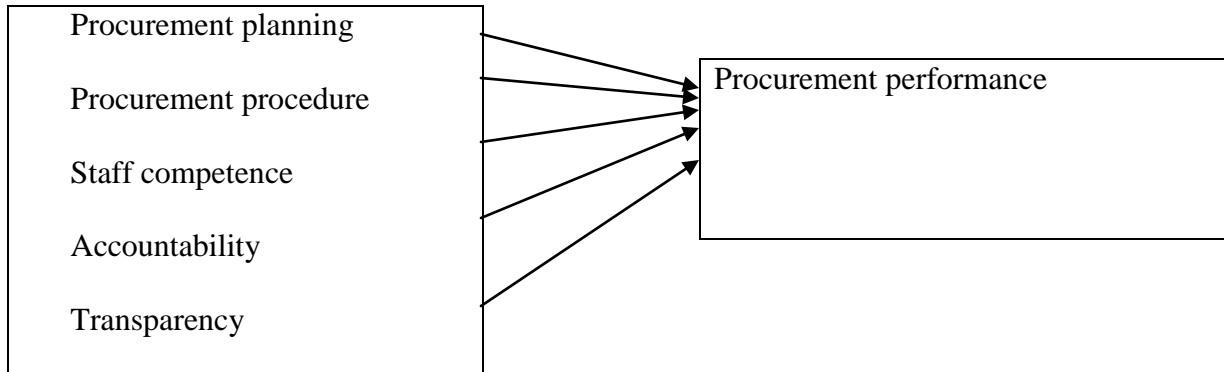
According to Murray (2012) measuring purchasing performance is important as the purchasing department plays an ever increasingly important role in the supply chain in an economic downturn. A reduction in the cost of raw material and services can allow companies to competitively market the price of their finished goods in order to win business. An obvious performance measure of the success of any purchasing department is the amount of money saved by the company.

2.11. Conceptual frame work

A well-designed conceptual framework helps as guide to effectively conduct the research. The framework provides a lens to the concepts, assumptions, research problem, and structuring of the literature review. A conceptual framework can be either graphic or narrative, or a combination of the two. Conceptual frame work is developed based on theoretical and empirical review of related literatures. The frame work mainly shows the relationship between independent variables (procurement planning, procurement procedure, staff competence, accountability and

transparency) with dependent variable public procurement performance. The relationship between the two variables is shown as follows:-

Figure 2.1 Conceptual frame works



Source: adapted from Koech& Namusonge(2015) and Getenet & Tilahu (2014) with modification

2.12. Hypothesis of the research

- Ha1. Procurement planning has significant effect on public procurement performance
- Ha2. Procurement procedure has significant effect on procurement performance
- Ha3. Staff competence has a significant effect on public procurement performance
- Ha4. Accountability has significant effect on public procurement performance.
- Ha5. Transparency has significant effect on public procurement performance

CHAPTER THREE

RESEARCH METHODOLOGY

3.1. INTRODUCTION

This chapter of the study is concerned about the methodologies that used to conduct research on factors affecting public procurement performance in structured and well managed forms. This includes the research design, data type and Source, method of data collection, methods of data analysis, validity and reliability of the study.

3.2. Description of the study area

The study was conducted in East Gojjam Zone Administration which is located in North West part of Ethiopia. It is one Zone exist in Amhara region. East Gojjam Zone includes 17 Woredas, 4 town administrations and 1 zone administration. Each Woreda, Town and Zone Administration has their own procurement units. Therefore, 22 procurement units are existed in the area. East Gojjam Zone is one area that is untouched by other researchers concerning on factor affect public procurement performance and it is convenient to easily access data's by the researcher. Thus, the researcher determined to investigate research on factors affecting public procurement performance in East Gojjam Zone Administration.

3.3. Research design and approach

To meet the purpose of the study the researcher was used both quantitative and qualitative research approach. Quantitative approach uses to analyze and interprets data by using statistical tools and helps to reach generalization regarding with factors affect public procurement performance. It helps to analyze data's concerning on research variables and once the data are collected, quantitative approach use statistical procedures to express the result based on numbers and quantitative forms(Creswell,2003).Close ended questionnaires were analyzed by quantitative approach. Qualitative approach also uses to analyze open ended questions and semi structured interview. Because this design used for explaining and understanding the data's collected from the opinion of respondents and means of providing information without using statistical analysis methods it simply describe in descriptive forms.

The natures of the research in this study were both explanatory and descriptive research design. Explanatory research uses to explain public procurement performance by using the main determinants that were included in the study. Mainly explanatory research used to determine the cause and effect relationship between independent and dependent variables. Studies that establish causal relationships between variables may be termed explanatory design (Saunders et al. , 2007).

Descriptive research also helps to describe the existing situation of procurement performance and the main factors that affect procurement performance. It uses to obtain pertinent and relevant information about the current situation without explaining influence of independent variable on dependent variable. Along with explanatory and descriptive research, the researcher was used cross-sectional design. This design helps to collect data concerning on factors affect procurement performance at once by cross section of the population during the time of the study.

3.4. Data Type and Source

To identify factors affecting public procurement performance the researcher collected both quantitative and qualitative types of data. Quantitative data was collected through close ended questionnaires and qualitative was through open ended questions and semi structured interview. To get relevant and valuable data for the study the researcher was used both primary and secondary sources. Primary data's were collected through questionnaire from procurement staff and user sector mangers and interview was conducted on procurement managers. Secondary data is obtained from reports and documents of the organization.

3.5. Target population

The target population of the study is employee and manager of procurement units in Woreda/ Town Administration and Zone procurement unit in East Gojjam Zone Administration. Because procurement employees and manager gives accurate data about the study than other employees exist in the area. In the study area there are 17 procurement units in Woredas, 4 units in Town Administrations and 1 unit in Zone Administration. Total number of employees in procurement department is 148. Therefore, the target population of the study is all procurement staffs exist in all procurement units. According to (Israel 2003) if the total population to be considered in the study is less than or equal to 200, it is better to use a census method. Due to this the researcher conducts census study

by taking all 148 procurement staff. Because the numbers of procurement staffs exist in the area are small and manageable.

Table3.1 Population of the study

No.	Category of population	Target population
1	Procurement manager	22
2	Procurement employees	126
	Total	148

Source: human resource department of East Gojjam Zone Administration

Note: see the name and population number of all Woredas, Town and Zone Administration in [Appendices E]

In addition to procurement staff, to get additional data for the study in the perspective of user sectors, the researcher collects data from top manager of user sectors in all Woredas, Town and Zone Administration. In the area, 497 user sectors procurement is administered and performed by 22 procurement units. From this the researcher purposively selects four (4) user sectors from each Woreda, Town and Zone Administration.

Purposively selected sectors are education office, health office, water supply office and micro and small enterprise office. According to finance and economic development office significant amount of budget is allocated and used in these sectors and these sectors can represent the rest of other user sectors. Then to get accurate data about factors affecting public procurement performance, the researcher purposively select one top manager from each of 4 selected sectors , totally the researcher select 88 user sector top managers from 22 Woreda, Town and Zone Administration. Because managers have good knowledge about public procurement performance and give accurate data than other employees exist in user sectors.

3.6. Method of Data collection

Primary data gathering instrument of the study were both questionnaire and semi structured interview. Because, questionnaire and interview method are appropriate for gathering relevant data for this study. The questionnaire has two parts. Part: I cover demographic profile of respondent's part II: encompasses general information about the study. It was prepared in close ended format containing items of likert scale type which range from one strongly disagree to five

strongly agree. Researcher was adapting questionnaire from other sources. Mainly questionnaires were adapted from Abebe (n.d.) efficiency, accountability and transparency in public Procurement: the level of compliance in Africa (Ethiopian case) and Kirai & Kwasira (2016) assessment of determinants of procurement performance at Kenya pipeline company with modification.

Questionnaires were prepared in English and translated into Amharic because the target respondents are not able to fully understand and answer English questionnaires. Total 49 questionnaires were distributed to procurement employees and 5 open ended questionnaires were distributed to user sector managers. Because open-ended questions are important they permit a greater depth of response to questions that need more explanation. In addition to questionnaire, semi structured interviews were conducted with 5 procurement unit managers. Secondary data was also collected from journals, reports and documents of the organization.

3.7. Data analysis and interpretation

After collecting and processing, data was analyzed and interpreted by using descriptive and inferential statistics. Descriptive statistics includes (percentage, frequency and mean) and inferential statistics (Pearson correlation coefficient and multiple regression) was used to analyze factors affecting procurement performance with the help of statistical package for social science (SPSS) version 20. The output of the analysis is presented by tabulation and statement forms. Pearson correlation coefficient is used to see the relationship between dependent and independent variables and multiple regression models help to determine cause and effect relationship between independent variables (procurement planning, procurement procedure, staff competence, accountability and transparency) on dependent variable (procurement performance).

3.8. Model specification

In this model specification the contribution of each independent variable to the dependent variable was measured. How well do the (procurement planning, procurement procedure, staff competence, accountability and transparency) predict procurement performance? How much variance in procurement performance scores can be explained by scores on these five variables? Which is the best predictor of procurement performance? These questions were answered in this model.

Multiple regression models should be:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \epsilon$$

Where Y=procurement performance β_1 - β_5 are regression coefficients, X1=procurement planning X2= procurement procedure X3=staff competence X4= accountability X5= transparency ϵ =error of term

3.9. Validity and reliability

3.9.1. Validity

Reliability and the validity of the data gathered for the study are vital points and should be maintained. Validity is the extents to which data are accurately describe what they are intended to describe. It means that the instrument measures what it is supposed to measure, that all questions are accurately measuring the concepts they are intending to measure, and that every question relates directly and statistically to factors affecting public procurement performance. To ensure its validity the researcher took advice primarily from the advisor, different research experts and professionals that have specialized knowledge on public procurement. In addition, the researcher give time for respondents to understand the purpose of the study and fill questions in proper way and give relevant data what the researcher want to get.

3.9.2. Reliability

Reliability defined as the consistency, dependability and replicable of the measuring instrument over time, and with the same respondents. To check the reliability of the instruments used in the study, cronbatch alpha was computed. Cronbach alpha was computed for each five independent variables, one dependent variable and for the entire questionnaires. According to Hair et al. (2010) an acceptable reliability coefficient is greater than 0.7 and if it is smaller than 0.3, then it implies that there is low reliability.

Table 3.2 Reliability analysis

Variables of the study	No. of items	Cronbach's alpha	
Procurement planning	7	0.77	.94
Procurement procedure	8	0.85	
Staff competence	7	0.82	
Accountability	9	0.88	
Transparency	13	0.81	
Procurement performance	5	0.88	

Source: own survey, 2019

The reliability test of the study for the overall factors affecting procurement performance is 94% and procurement performance is 88% this implies that there is very high consistency of study measurements.

CHAPTER FOUR

DATA ANALYSIS, INTERPRETATION AND DISCUSSION

4.1. INTRODUCTION

This chapter consists of the analysis, presentation, and interpretation of data gathered from respondents. Statistical methods of analysis were used to analyze demographic profile of respondents and main data's gathered concerning on the study. To analyze demographic profile of respondents the researcher used (frequency and percentage) by using tables and mean used to analyze data's obtained by close ended questionnaires concerning on the factors affecting public procurement performance. And inferential statistics includes Pearson correlation and multiple regressions used to indicate the relationship between variables and the influence of independent variable (procurement planning, procurement procedure, staff competence, accountability and transparency) on public procurement performance respectively.

4.2. Response rate

Total 148 questionnaires were prepared and distributed to respondents. From this 137 (93%) of them were filled, returned and valid to the research and the remaining (7%) were not returned by different cases.

Table 4.1 Response rate

	Total	Percentage
Questionnaire distributed	148	100
Questionnaire returned	137	93
Questionnaire not returned	11	7

Source: own survey, 2019

4.3. Demographic profile of respondents

This section includes demographic characteristics of respondents, which includes sex, age, marital status, and work experience and job position in the organization. Descriptive statistics (percentage and frequency) table were used to describe those characteristics.

Table 4.2 Descriptive analysis of demographic profile respondent

	Variables	Category	Frequency	Percent
1	Sex	Male	96	70.1
		Female	41	29.9
		Total	137	100.0
2	Age group	25 or below	18	13.1
		26-35	72	52.6
		36-45	39	28.5
		46-55	7	5.1
		Above 56	1	0.7
		Total	137	100.0
3	Marital status	Single	47	34.3
		Married	84	61.3
		Divorced	1	0.7
		Widowed	4	2.9
		Total	137	100.0
4	Educational level	High school complete	0	.0
		Certificate	1	0.7
		Diploma	14	10.3
		First Degree	119	88.1
		Masters and above	1	0.7
		Total	137	100.0
5	Work experience in the organization	Below 1 year	24	17.5
		1-5	31	22.6
		5-10	24	17.5
		Above 10 years	58	42.3
		Total	137	100.0
6	Job position of respondent	Procurement manager	14	10.2
		Procurement officer	123	89.8
		Total	137	100.0

Source: own survey, 2019

Concerning on sex of respondents shown in table 4.2 indicates that 96(70.1%) are males and the remaining 41(29.9%) are females. From this majority of respondents are males. Regarding with the age category of respondent indicates majority 72 (52.6%) are existed under the age

Group of 26-35, and 39 (28.5%) are between 36-45. this indicate majority respondents are young and productive for the organization.

Moreover, marital status of respondents shows, majority 84(60.3) are married and 47(34.3%) are single. Concerning on educational status of respondents as shown in table 4.2 indicates that 119(88.1%) have degree and 14(10.3%) are diploma holders. From this majority of respondents are first degree holders and this indicates that most employees of the company are educated and able to understand the working condition of their company and other companies.

Concerning on work experience 58(42.3%) of respondents have above 10 years of experience, 31(22.6%) have 1-5 years and 24 (17.5%) have less than one and 5-10 year. From this majority of respondents have 10years and above work experience. This indicates most of employees stay a long in the organization for period of time and have good information about procurement. Finally the table presents position in the organization 123 (89.8%) of respondents are procurement officer and the remaining 14(10.2%) are procurement managers. From this the large number of employees existed in the organization are procurement officers.

4.4. Descriptive statistics about factors affecting public procurement performance

In order to investigate factors affecting public procurement performance (procurement planning, procurement procedure, staff competence, accountability and transparency) in East Gojjam Zone Administration, the researcher summarized the measures with the respective means and standard deviations of each statement that describe five independent variable and one dependent variable and the researcher computed average mean for each items. The mean indicates the average degree of agreement and disagreement on the statements. Thus, about this study, the higher the mean indicates the higher number of the respondents agree on the statements and the lower the mean indicates higher number of the respondents disagree on the statements. On the other hand, standard deviation shows the variability of an observed response from a single sample (Marczyk.,005). A mean of > 3 means that the respondents agree and strongly agree on the issue while a mean of < 3 means that the respondents disagree and strongly disagree on the item where as a mean of 3 indicates that the respondents are not sure about the issue (Buneiku, 2012).

Table4.3 Descriptive analysis of procurement planning

No.	Item	N	Mean
1	User sector are raised their procurement need on time	137	2.65

2	User sectors provides clear specification for the procurement items that are going to be procured	137	3.09
3	The procurement unit carried out need identification based on the need of the sectors	137	3.12
4	The sectors request purchases based on budget	137	2.89
5	The sectors requests procurement unit without plan	137	3.03
6	Procurement plan are prepared through involvement and participation of concerned bodies	137	2.83
7	Procurement planning contributed for timely procurements	137	3.13
	Overall average		2.96

Source: own survey, 2019

From the table above, all items have over all mean of 3.14 this indicate most of respondents are disagreed on the overall description of procurement plan prepared and implemented in the organization. This infers that, there is poor preparation and implementation of procurement planning in the organization. Item one the variable had a mean of 2.65 shows respondents are disagreed by timely procurement request of user sector. This indicates that user sectors are not timely preparing need identification and send their request to procurement department.

Item two of this variable had mean of 3.09 indicates that respondents are agreed on description of item specification by user for the items that are going to be procured procurement. This indicates that user sectors send their purchase request with clear description of brand, quality and other specification of items. Item four also had mean of 2.89 indicates respondents are disagreed on user sectors request based on budget. This implies that there is an imbalance between the requirement preparation and budget of those user sectors. Item five also had mean of 3.03 indicates that respondents are agreed by user sectors request purchase without plan. This implies that, user sectors are request emergence and unplanned purchases out of need

identification prepared by procurement department. And finally respondents are agreed by the contribution of procurement planning on timely procurement with mean of 3.13. This infers that procurement plan helps the organization to avoid unplanned purchase and give meaning to the expenditure of the organization.

Table4.4 Descriptive analysis of procurement procedure

No.	Item	N	Mean
1	There are clear procurement procedure which employees understand	137	3.09
2	The procurement unit procured material compliance with procurement procedure	137	3.16
3	Tender evaluation conducted according to predetermined set criteria in the bid document	137	3.20
4	Procurement procedure has high bureaucracy level	137	3.10
5	The procurement procedure contribute for cost reduction in procurement	137	2.99
6	Procurement procedure helps for fast delivery of purchase	137	2.89
7	Procurement procedure increase service delivery	137	2.85
8	Procurement procedure enhances transparency	137	3.12
	Overall average mean		3.02

Source: own survey, 2019

The second objective of this study was procurement procedure. The overall mean of this variable is 3.02 this indicates respondents' are agreed on the overall item of procurement procedure and performing procurement under the compliance of procedure. This infers those procurement departments apply all mater of procurement procedure, helps as a directive and for the enhancement transparency in the organization. Item one had a mean of 3.09 indicates that respondents are agreed by the existence of clear procurement procedure. This implies that there is clear and comprehensive procurement procedure that is easy to understand and applied by procurement department. Item three also had mean of 3.20 indicates respondents are agreed by evaluation of tenders according to tender documents. This infers that all types of bids are evaluated and takes place under the compliance of predetermined set of criteria. In item five respondents are disagreed by the contribution of procurement procedure on cost reduction with a

mean of 2.99. This shows that procurement procedure has high ups and down process due to this there is unnecessary delay of procurement and costs. Item six had mean of 2.89 indicates that respondents are disagreed on the contribution of procurement procedure on fast delivery of purchases. This implies that, procurement procedure has bureaucracy level this leads delay delivery of purchases and leads inefficient service to the public.

Besides, the researcher conduct interview to procurement manager whether procurement procedure affects timely delivery of purchases and how it affects. They respond that procurement procedure hinders timely delivery of purchases because, it has much bureaucracy level, it needs much time from need identification up to receiving of purchases and deliver to user sectors. Procurement procedure guides that majority of purchase should be performed by bidding method of procurement, in bidding system bides are not evaluated until a specified period of time. High volume purchase performed mostly performed by open bidding system. In this system bidding are delayed up to 21 days and winners are selected after this days. Generally, they suggest that procurement procedure needs some improvements and should make user sectors participant in procurement process.

Table 4.5 Descriptive analysis of staff competence

No.	Item	N	Mean
1	Employees hired in procurement unit is based on relevant educational qualification	137	3.28
2	Employees hired in procurement unit have relevant work experience	137	2.60
3	Employees in the procurement unit understand procurement regulations and procedures	137	3.25
4	Trainings are offered for employees to improve their performance	137	2.64
5	Procurement staffs have the necessary skills and competence to handle complex and strategic procurement issue	137	2.61
6	Employees in the procurement unit have commitment to do their job	137	3.28
7	Procurement professionals helps for creating value for money	137	2.56
	Overall average mean		2.88

Source: own survey, 2019

As indicate in table 4.5 concerning on staff competence, the overall mean of entire items are 2.88 this indicates that respondents are disagreed by the staff competency of the organization. This infers that the organization has poor staff competence and gives less attention for knowledge and skills development of employees and weak in preparing them for different complex activities and situational changes. Item one of this variable has mean of 3.28 this shows employees are agree and strongly agree by educational qualification of procurement staff. This infers the organization hire employee with adequate educational qualification. They are able to understand regulations and procedure with little induction and orientation.

However, respondents are disagreed by training offered for employees with mean of 2.64. This indicates that the organizations are not providing training to employee this make them incompetent to solve different complex issues and reluctant to situational changes.

As researcher assured by interview with procurement managers, the organization try to give short training for staffs as when they hired in the organization focus on procurement rules and regulations for short period of time, this help employee to do routine and operational activities. As response of managers assures that it is not adequate for employees to carry their duties expertly, to reduce budget wastage and achieve value for money as well as creating competent staff to ensure goods, services and works are procured as and when the need is expected.

Besides, report of the organization indicates that, in 2010 to create good awareness about procurement rules and regulations to employees, the organization was prepared 24 regular training as a plan. From this only 9 regular training are conducted in the organization. This indicates adequate and regular training is not provided to employees to improve their performance.

In addition, item six of the table states about commitment of employee for their activities have a mean of 3.28 indicate that procurement staffs are agreed by the commitment and belongingness of their job. From this the researcher concludes that they are sincere to scarify their time for the achievement of organization goals. Hence, the commitment of employees helps the organization to move forward and creates value for money.

However employee are agreed by the commitment they have, they disagreed by staff competence achieve value for money with a mean of 2.56. This indicates procurement employee are not competent to perform procurement expertly and not satisfactorily contributed to value for money.

Table 4.6 Descriptive analysis of accountability

No.	Item	N	Mean
1	Procurement unit are able to justify the decisions made and actions taken	137	3.34
2	There are accurate documented records for each purchases that demonstrate proper ethical standards are observed	137	3.13
3	The documented procurement records provide an audit trail of procurement process	137	3.24
4	There is an adequate review of the conducts of employees by the management of procurement unit	137	3.20
5	Employees are committed to high standards for professional conduct	137	3.28
6	The procurement decision making process is based on transparent criteria	137	3.13
7	There is an adequate system in place to prevent fraud and corruption	137	3.33
8	There is an accessible and secure process for bidders to report bribes by others	137	3.23
9	Accountability ensures value for money	137	3.14

	overall average mean		3.59
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Source:

own survey, 2019

The above table 4.6 concerns on description of accountability shows over all of mean 3.59 this indicates all respondents are agree by the accountabilities existed in the organization. This infers that the organization has good level of accountability, clear chain of responsibility with controlling mechanism. Item one of this variable had a mean of 3.34 indicates respondents are agree on procurement units are able to justify action made and decision taken. This implies that procurement employees are answerable for once own question related on procurement and reasonable for their activities. The existence of accurate documented record that suitable for audit trail, employee commitment and adequate system in place to prevent fraud and corruption. This makes employees committed to their action and helps to fight against the expansion of corruption. Item two of the table concerns on documented records for each type of purchases, respondents are agreed with a mean of 3.13.this indicates the organization are able to reduce corruption by applying concrete documentary records for each types of purchases. Since this helps as good controlling mechanism and leads fairness and suitable condition for auditing any transactions.

Item six of the variable has a mean score of 3.13 this indicates respondents are agreed by the procurement decision making process is based on transparent criteria. This infers that every decision in the organization are made based on predetermined official rules and regulations this indicates openness and one criteria's that help to enhance accountability.

In item seven Regarding with adequate system in place to prevent fraud and corruption respondents are agreed with a mean of 3.33 this indicates that the organization apply special systems to control fraud and corruption in procurement process.

On the other hand, item eight of the questions with mean of 3.14 shows respondents are agreed by accessible and secure process for bidders to report bribes by others. This indicates that the organization is tried to control the fraud and corruption of bidding system, through gathering of information among bidders themselves by using a secret means's.

Finally employees are agreed by the contribution of accountability to achieve values for moneys. It means application of controlling mechanism and makes employees answerable for ones question reduce unnecessary purchase practice and budget expenses

Table 4.7 Descriptive analysis of transparency

No.	Item	N	Mean
1	The user department involved in purchasing process	113 7	3.47
2	The user department has participated in checking the quality of the product	137	2.59
3	Law and regulations concerning procurements are easily accessible to the public	137	2.48
4	The Institution holds regular meetings with the business community to discuss public procurement issues	137	2.91
5	Bid/procurement opportunities are adequately publicized	137	2.32
6	Standard Bidding Documents are used for all types of procurement	137	2.82
7	All successful and unsuccessful bidders are promptly informed about the results of the bid at the same time through written notification	137	2.80
8	Clear and Comprehensive bidding documents are published in standard form and made available to the public	137	2.71
9	Notices concerning the award of procurement contracts are usually published by the organization	137	3.31
10	All advertised bidding were opened in front of the concerned bodies	137	2.77
11	There is appeals handling system	137	3.58
12	The legal and regulatory framework for procurement, including tender and contract documents, includes provisions addressing corruption, fraud, conflict of interest, and unethical behavior	137	2.68
13	Information on procurement is easily accessible	137	2.70
	Average mean		2.85

Source: own survey, 2019

The last variable of the study transparency is presented in the above table with overall mean of 2.85 this shows respondents are disagreed by the level of transparency existed in the organization. This implies that the organization is not fairly disclosed all procurement information and decisions to the public.

Item one of these variables has mean of 3.47 describing that respondents are agreed on the concept of participation of user sectors in purchasing process. This infers that procurement department is grant room for user department to add their interference and involvement in purchasing process. For this matter user sectors are participant from need identification up to checking quality of purchases. However, according to response of user sector manger on open ended question, user sector are not participant in major activities of procurement process. Users involve only in preparing procurement request, even most of specification of items are filled by procurement department themselves. They simply give requisition form and ask us to fill the quantity and type of purchase that we are needed to purchase. Procurement staffs always try to persuade user sectors, procurement procedure itself doesn't allow user sector to describe the specification of different purchases. The responses of managers also assure that absence of clearly description of specification leads less quality goods, service and works for user sectors.

In item three the respondent are agreed by the addressing of procurement rules and regulations to the public with a mean of 2.48. This indicates that the organization is not address procurement rules and regulations to user sectors and publics.

In addition, the researcher asks open ended question to user sector managers concerning on the addressing of procurement rules and regulations to the public.

The responses of managers indicate that, procurement rules and regulations are not adequately addressed for user sectors and to other publics. They try to address in annual meeting and report to top managers and planning officers but other concerned bodies exist in user sector are not aware about procurement rules and regulation. They also assure that lack of publicity lead, reduce the number and willingness of suppliers to that are participated in bidding system. This creates high cost, less quality purchases and delayed and non delivery at all.

Managers also stressed that in order to create good transparent working condition openness, as well as building trust with suppliers and publics, every procurement matters should be addressed through print Medias and different meetings. If it is publicized every individual are raise question about procurement matters and stands for reduction of corruption. It also increase number of suppliers leads good procurement performance. Therefore, to enhance transparency addressing rules and regulations is a critical activity and need attention by the concerned bodies

Table 4.8 Descriptive analysis of public procurement performance

Item No.		N	Mean
1	The organization offers timely deliveries of requisitions	144	3.16
2	Procurement staff deliver the required amount of purchase	144	3.61
3	The organization deliver quality purchases for user sectors	144	3.26
4	There are minimal complaints from user sectors on procurement matters	144	3.19
5	The procurement process has led to cost reduction in the Organization	144	3.28
	Overall average mean		3.30

Source: own survey, 2019

As indicated in table 4.8 concerns on dependent variable (public procurement performance) has average mean of 3.30 respondents are agree by the procurement performance. This indicates those procurement departments implement plans in well manner and reaches to the required amount of performance in all matters. In item one of this variables the respondents are agreed on timely delivery of purchases. This infers that they deliver goods, services and work as and when users are needed. However the interview of procurement managers depicted that, different type of complains are raised by user sectors on procurement matter from these delay delivery is one large complains routinely come to our organization

The possible factors affect timely delivery of purchase listed by procurement managers are: -
-user sectors are not raised their procurement need on time; lack of staff competence to prepare bidding and follow up system; sectors are not ask purchase based on their budget due to this their request return back and prepare for the second time; users are not request purchase collectively in one time; bidders are not fulfill their technical qualification on time in this case the form is return back and filled again by them, after bidding system suppliers are not able to deliver required materials, most of the time suppliers deliver low quality product after inspection it return back to them this needs preparation of bidding for one more times and bureaucracy level of procurement procedure and absence of supplies in local market.

In addition researcher collect data from user sector managers through open ended questions. They indicate that user sectors are suffered by delay and non delivery of purchases for unrestricted period of time. Even purchases are not performed and delivered until third quarter of the year. This affects timely delivery service of and an interruption of different activities.

In similar way with procurement mangers those user managers also describe the factor factors affect timely delivery of purchase. These are: procurement department are want to collect needs from different sectors and procure all purchases at one time, budget are not timely approved to each sectors due to this user sector cannot prepare purchase requisition with in required time bureaucracy level of procurement procedure and lack of awareness creation to suppliers lead absence of goods or services in the market this needs additional time wastage. All the above factors raised in two sides are main points that hinder timely delivery of purchases. Therefore assessing these problems and putting possible solution contributes for timely delivery of purchases. Regarding with delivery of needed quantity to user sectors respondents are show their agreement with a mean of 3.61. In this case procurement department are deliver right quantity purchase based on request of user sectors.

Item three of this variable has a mean of 3.26 show respondent agreement by delivery of quality purchase. In addition to procurement officers, researcher conduct interview to procurement managers. They respond that mostly users are not satisfied on purchases delivered by procurement department they repetitively complain about quality of products this indicates the existences of some gaps related with quality of purchases these gaps are faced due to:- inflation of market price force us to purchase low quality product because budget and users need are not balanced with this inflated market this leads purchasing of low quality products or works, lack of skilled personnel to check quality of materials due to this forged materials are purchased and delivered to user sectors and lack of employees skill to conduct effective market studies. This factor contributed to low quality purchases.

In addition, researcher collects data from user sector managers. Based on this they try to specify some problems affect quality of purchases: - specification are not clearly described by user sectors it simply determined by procurement department itself; cheating on the side of suppliers, after winning the bid suppliers are not honest to deliver the predetermined types of product and procurement department purchase other type of products similar with the product required by

user sectors. Therefore, qualities of purchases are contributed by all the above factors and it is series problem that leads user dissatisfaction.

On Item four of these variable respondents are agreed by few numbers of complaints are raised by user sectors with a mean of 3.19. As per the response of respondents the number complains are minimal to the organization. The last item of this variable has mean of 3.28 this indicates respondents are agreed by the contribution of procurement process on cost reduction. This indicates that procurement practice and process of the organization leads unnecessary expense to the government. Based on those agreement procurement procedure reduce unnecessary expense to the organization.

To get additional data regarding with cost reduction researcher conduct interview to procurement managers. They specify main points that set as a strategy to save budget of the organization these includes: prepare skilled and competent staff that help to conduct effective market study, procure high volume items in one time and purchase in open bidding method. As mangers response even though these actions are put as means of cost reduction satisfactory level of result are not achieved due to technical skill of procurement staff to conduct accurate market study, user sectors doesn't send collective request in one time rather they request at any as they needed due to this procurement takes place many times in a year this affects cost reduction of procurement process. Although, collective bidding is one point that was included in the plan of the organization to reduce the cost of purchases, as the annual report of 2010 budget year indicates that all Woreda, Town and Zone Administration conduct bidding for 544 times. This implies that the organization incurs unnecessary cost of different operational activities to conduct all of these bids. This repetitive procurement is conducted due to user sectors are unable to send collective request at the same time. Therefore, collective open bidding system with accurate market study helps for creating value for money.

Table 4.9 Overall descriptive statistics for public procurement factors

	N	Mean	Std. Deviation
Procurement planning	137	2.96	1.099
Procurement procedure	137	3.02	1.055
Staff competence	137	2.88	.799
Accountability	137	3.59	0.962
Transparency	137	2.85	1.146

Source: own survey 2018

As depicted in this Table 4.9, among the factors affect public procurement performance accountability had high mean score of 3.59 where as transparency had the least mean value of 2.85 and the remaining variables are exist between the two low and high mean scores. This indicates that respondents are disagreed by procurement planning, staff competence and transparency and agreed by accountability and procurement procedure.

4.5. Inferential statistics for factors of public procurement performance and procurement performance

As indicated before the purpose of the study is to examine the effect of independent variable (procurement planning, procurement procedure, staff competence, accountability and transparency) on dependent variable (procurement performance). Thus so as to know the relationship between independent and dependent variable, the researcher use Pearson correlation coefficient and multiple regression use to see cause and effect relationship between them.

4.5.1 Correlation analysis between independent variable and procurement performance

The primary objective of correlation analysis is to measure the strength or degree of linear association between two variables. The correlation coefficient measures this strength of (linear) association. It is a measure of linear association or linear dependence only; it has no meaning for describing nonlinear relation (Guajarti, 2004).

Pearson correlation coefficients reveal magnitude and direction of relationships (either positive or negative) and the intensity of the relationship (-1.0 to +1.0). Correlations are perhaps the most basic and most useful measure of association between two or more variables (Marczyk, Damatteo, & Festinger, 2005).

Table 4.10 Correlation analysis

		Procurement planning	Procurement procedure	Staff competence	Accountability	Transparency	Procurement Performance
Procurement planning	Pearson Correlation	1	.611**	.506**	.413**	.435**	.719**
	Sig. (2-tailed)		.000	.000	.000	.000	.000
	N		137	137	137	137	137
Procurement procedure	Pearson Correlation		1	.638**	.383**	.479**	.673**
	Sig. (2-tailed)			.000	.000	.000	.000
	N			137	137	137	137
Staff competence	Pearson Correlation			1	.567**	.565**	.664**
	Sig. (2-tailed)				.000	.000	.000
	N				137	137	137
Accountability	Pearson Correlation				1	.444**	.491**
	Sig. (2-tailed)					.000	.000
	N					137	137
Transparency	Pearson Correlation					1	.570**
	Sig. (2-tailed)						.000
	N						137
Procurement performance	Pearson Correlation						1
	Sig. (2-tailed)						
	N						

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

Source: own survey, 2019

The above table finding shows that, there is a positive correlation between the independent variable (procurement planning, procurement procedure, staff competence, accountability and transparency) and dependent variable (procurement performances). If the correlation between two variables is from 0 to 0.19, very weak, from 0.20 to 0.39, weak, from 0.40 to 0.59, moderate, from 0.60 to

0.79, strong and from 0.80 to very strong (Evans, 1996). As a result of this study there is strong correlation between procurement planning, staff competence and procurement procedure with public procurement performance and accountability and transparency have moderate relation with procurement performance. The relationship between independent variable is also weak positive and moderate. When considering the correlation between the independent variables and dependent variable (procurement performance), the larger the magnitude of the correlation, the stronger the linear association. This implies the variables are significance at $p = 0.000$ significance at 99% confidence level which is $p \leq 0.05$ and Pearson Correlation result for all variables are positive. Multi co linearity is not a threat if a correlation value is less than 80% (Kline, 1998). so, the correlation between independent variable is positive and less than 0.8 and no multi co linearity problem exist.

4.5.2 Assumption of multiple regression

The assumptions of multiple regression that are identified as main concern in research includes, multi Co linearity, normality, Homoscedasticity test of independence and linearity assumptions.

Testing Multi-co linearity Assumption

Multi co linearity, it exists when two or more of the predictor variables in a regression model are highly correlated. Multi co linearity test was taken in this study with tolerance and VIF/variance inflation factor/ values. There is no multi-co linearity between two or more predictor variables when the tolerance value is greater than 0.1 and VIF is less than 10 (field, 2013 and Liu, 2010) respectively. According to Guajarti (2004) Multi co linearity occurs when the independent variables are too highly correlated with each other or multi co linearity exists when there is a strong correlation between two or more predictor in the regression model. Multi co linearity poses a problem only for multiple regressions because it involves more than two predictors. Perfect co linearity exists when at least one predictor is a perfect linear combination of the other. Based on the result depicted in table 4.11 this study has no multi co linearity relation between independent variables.

Table 4.11 Test for multi co linearity assumption

Model	T	Sig.	Co linearity Statistics	
			Tolerance	VIF
(Constant)	-3.023	.03		
Procurement planning	6.120	.000	.576	1.736
Procurement procedure	2.676	.008	.473	2.115
Staff competence	2.897	.004	.432	2.313
Accountability	0.983	.325	.640	1.563
Transparency	2.459	.015	.628	1.593

Normality test:

The normality distribution is can be detected using skewness and kurtosis values. A commonly used rule-of-thumb test for normality is to run descriptive statistics to obtain skewness and kurtosis. Normality is used to describe a symmetrical, bell-shaped curve, which has the greatest frequency of scores around in the middle combined with smaller frequencies' towards the extremes Pallent (2005). If the dependent variable of this study public procurement is not normally distributed, performance there is little point in performing regression analysis because a major assumption of the model is violated. Therefore normality test is computed and there is no normality problems in this study see [Appendices F] and Appendices [G].

The other methods used in this research to test the normality by checked skewness and kurtosis to determine whether the data were normally distributed. According to Donna (2009), variables with skew index absolute value greater than 3 and kurtosis index absolute value greater 10 has problematic level of skewnees and kurtosis. However, in this analysis as presented in the in the table below and appendix F and appendices G, there is no variable and an item has problematic level of skewness and kurtosis.

Table 4.12. Normality Test of Skewness and Kurtosis

		procurement planning	Procurement performance	Staff competence	Accountability	Transparency
N	Valid	137	137	137	137	137
	Missing	0	0	0	0	0
Skewness		-0.342	-.952	-.482	-.662	-.715
Std. Error of Skewness		.207	.207	.207	.207	.207
Kurtosis		-.188	.967	.092	.476	.009
Std. Error of Kurtosis		.411	.411	.411	.411	.411
Minimum		1.00	1.00	1.00	1.00	1.00
Maximum		4.71	5.00	4.75	4.89	5.00

Source: own survey, 2019

Linearity assumption

Linear regression needs the relationship between the independent and dependent variables are considered linear. Stevens, (2009); Tabachnick and fidell (2006) stated that When the two variables are consistent and directly proportional to each other. Multiple regressions can accurately estimate the relationship between dependent and independent variables when the relationship is linear in nature (Osborne & Waters, 2002). If linearity is violated all the estimates of the regression including regression coefficients, standard errors, and tests of statistical significance may be biased (Keith, 2006).

In addition the linearity assumption can be tested through the visual examination of residual plots and this residual plot portraying a clustering of residuals along the horizontal can best be tested (kivilu, 2003 & Stevens, 2009). in this study all variable have linear relationship and the result is computed and displayed see [Appendices H] .

Homo scedasticity:

The assumption of homo scedasticity refers to equal variance of errors across all levels of the independent variables (Osborne & Waters, 2002). This means that researchers assume that errors are spread out consistently between the variables (Keith, 2006). Homo scedasticity can be checked by visual examination of a plot of the standardized residuals by the regression standardized predicted value (Osborne & Waters, 2002). This is evident when the variance around the regression line is the same for all values of the predictor variable. Specifically, statistical software scatter plots of residuals with independent variables are the method for examining this assumption (Keith, 2006). Homoscedasity assumption has been met, the residuals will present as being randomly around the horizontal $r=0$ (Osborne & Waters, 2002). observed, so no hetero scedasticity in the data is confirmed see [Appendices I].

Testing the independence Assumption:

According to Stevens (2000) multiple regressions assume that the errors, which are the residuals between the actual score and the estimated score obtained through the regression equation, are independent and there is no serial correlation. Having no serial correlation between the residuals implies that the size of the residual for one variable has no impact on the size the residual for another variable. According to him independent assumption requires that the variables and residuals are independent and the subjects are reporting independently of each other. The Durbin-Watson is a statistic test which can be used to test for the occurrence of serial correlation between residuals. The value of Durbin-Watson statistics range between 0 and 4, however, the residuals are considered not correlated if the Durbin-Watson statistics between 1.5 and 2.5. Table 4.12, depicts a Model summary table which includes a Durbin-Watson statistic. The Durbin-Watson statistic is 1.996 indicating that the residuals uncorrelated therefore, the independence assumption is met for this analysis.

Table 4.13 Durbin-Watson statistic independence test

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
	.824	.679	.667	.53182	1.996

Source: Own survey, 2019.

4.5.3 .Multiple Regression Analysis

Multiple regression analysis is a statistical analysis technique used to establish the linear relationship between a single dependent variable and two or more independent variables and to test the proposed hypotheses (Cooper & Schindler, 2006). The regression outputs from the statistical analysis system (SPSS version 20) statistical computer program include an analysis of variance (ANOVA), a model summary, and the coefficient estimates. The following table presents the results of multiple regression analysis

Table 4.14 ANOVA analysis

Model		Sum of Squares	D f	Mean Square	F	Sig.
1	Regression	78.374	5	15.675	55.421	.000 ^b
	Residual	37.051	131	0.283		
	Total	115.425	136			

- a. Dependent Variable: procurement performance
- b. The result of the Predictors: (Constant), procurement planning, procurement procedure, staff competence, accountability and transparency

Source: own survey, 2019

Analysis of ANOVA in table 4.14 shows the overall significance / acceptability of the model from a statistical perspective. The significance value of F statistics (78.374) and its associated p value were 0.000 which is less than 0.05 ($p < 0.05$). This implies that the model is significant and fits with the data in predicting to what extent procurement planning, procurement procedure, staff competence, accountability and transparency affect procurement performance

Table 4.15 Regression model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.824 ^a	.679	.667	.53182	1.996

- a. Predictors: (Constant), procurement planning, procurement procedure, staff competence, accountability and transparency

b. Dependant variable, procurement performance

Source: own survey; 2019

In multiple regression model summary of table 4.13 indicated that the regression coefficient R square =.679 can be interpreted as 67.9% of the variation in the dependent (public procurement performance) can be explained by variation in independent variable (procurement planning, procurement procedure, staff competence, accountability and transparency) and the remaining 32.1 % are attributed by other variables.

Table 4.16 Regression coefficients

Model	Un standardized Coefficients		Standardized Coefficients		Sig.	Co linearity Statistics	
	B	Std. Error	Beta	T		Tolerance	VIF
(Constant)	-.800	.265		-3.023	.003		
Procurement planning	.515	.084	.399	6.120	.000	.576	1.736
Procurement procedure	.245	.091	.193	2.676	.008	.473	2.115
Staff competence	.273	.044	.218	2.897	.004	.432	2.313
Accountability	.080	.082	.061	0.983	.327	.640	1.563
Transparency	.222	.090	.154	2.459	.015	.628	1.593

a. Dependent Variable: procurement performance

Source: own survey, 2019

From this regression result this liner mathematical model is developed:

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \beta_5X_5 + \varepsilon$$

Where $\beta_0 = -.800$ $\beta_1 = .515$ $\beta_2 = .245$ $\beta_3 = .273$ $\beta_4 = .080$ $\beta_5 = .222$ $\varepsilon = .321$

So, $Y = -.800 + .515X_1 + .245X_2 + .273X_3 + .080X_4 + .222X_5 + .321$

4.6. Result and discussion

The result of regression equation above indicates that taking all factors in to account (procurement planning, procurement procedure, staff competence, accountability and

transparency) are zero dependent variable procurement performance is -0.800 . This implies that taking all the dependent variables 0, procurement performance is become less than zero. The negative intercept in the linear model predicts the result of procurement performance (y) when subscribers (x) are 0. Concerning on the dependent variable, a negative value for a constant / intercept should not be a cause for concern. This simply means that the expected value of the dependent variable will be less than 0 when all predictor variables are set to 0. Even if your dependent variable is typically/always positive mean value), it would not necessarily be surprising to have a negative constant (Gassousmis, 2017).

Furthermore, the result indicates at 5% level of significance and 95% level of confidence procurement planning had 0.000 significant values and (beta=0.399) value this means procurement increase by 1% procurement performance increase by 0.399% this indicates procurement planning is the most important factor. Hence, Ha1: procurement planning has significant effect on procurement performance is accepted. Secondly, the result indicates procurement procedure had 0.008 significant value and (beta= 0.193) value this means 1 % increase of procurement procedure increase procurement performance by 0.193. So, Ha2: procurement procedure has significant effect on procurement performance is **accepted**.

The third factor is staff competence are significant with 0.004 and had (beta=0.218) value. From this, Ha3; staff competence has significant effect on procurement performance is **accepted**.

Moreover, the result indicates accountability are insignificant by 0.327 and had (beta=0.061) value. Hence, Ha4: accountability has significant effect on procurement performance is **rejected**. Finally, transparency is significant at 0.015 significant value and (beta=0.154) value. Therefore, Ha5: transparency has significant effect on procurement performance is accepted. Procurement planning is the most predictor followed by staff competence and procurement procedure.

As regression results indicates on independent variable of this procurement planning is important that affect procurement performance with beta=0.399) value. Hence, Proper procurement planning had a potential contribution to the success of public procurement effectiveness and efficiency and improved service delivery. Due to this the organization must give strong attention to accurate preparation and implementation of planning. And spending government expenditure

without plan is the manifestation of the organization has lead to unnecessary budget wastage and going on opposite on achieving value for money.

This result is consistent with kaige (2013) he states that good plans result to effectiveness and efficiency in attaining projected results. He also indicates that preparing annual procurement plans with the participation of departments and setting goals in a participatory manner helps for achieving organization objective. The result also agree with Kennard (2006) indicating that procurement plan has the potential to cut costs, shorten timescales and enhance stakeholder relationships, reduce risks and improve overall performance.

The finding of the study further revealed that staff competence has positive ($b=0.218$) value and significant ($p<0.05$) effect on performance is a vital point needs for experience and good knowledge for procurement rules is a very important factors. This study also agree with Mulugeta & Habitamu (2017) Assigning competent and skillful persons to the procurement department and familiar with rules & regulations can be improved the effectiveness of public procurement practice and also staff competency has positive and strong significance impact on effectiveness of public procurement performance. Kirai & Kwasira (2016) also concluded that the organization valued employee skills and experiences and that the organization deployed staff based on relevant skills. Since, it is one of the key factors influencing procurement performance of the organization must work towards enhancing staff competence through staff training schemes, consistent motivation and merit based performance measures.

This study is further consistent with Belaynew & Bedilu (2018) staff competencies have a significant influence on procurement performance in Public Universities in Ethiopia. Their study concludes that staffs attained professional qualification; that organization undertake regular training for procurement department staff to enable them update their skills and knowledge and that organization undertake regular training for procurement department staff to enable them update their skills and knowledge and that procurement staffs are conversant with Public Procurement directive. Therefore, competent staff helps for achieving commercial benefits to the organization includes efficiency, effectiveness, and helps to create good will and strong relation with the public.

Furthermore, the study indicates that procurement procedure had positive ($\beta=0.193$) value and significant at $p<0.05$ effect on procurement performance. Implementing Procurement procedure helps to reduce confusion of procurement staff and reduce unnecessary expenses to the

organization. The procedure provides the framework and direction for achieving the most economical supply of materials with the maximum efficiency. It also helps as means of processing information from user to supplier and other parties

The study is agreed with Koech & Namusonge (2015) that procurement procedure had a positive effect on procurement performance in the National treasury in Kenya. Organizations that follow procurement procedures have improved procurement performance. This study is further agreed with Senait et al.(2016) procurement procedure has positive relation with procurement performance and helps in solving legal problem and enhances transparency.

In addition, accountability had positive and insignificant effect on procurement performance with (beta =0.065) and insignificant at $p < 0.05$. Management or individual's justification and rationality for their activity had insignificant effect to efficient and effective public procurement performance. This study is consistent with Getenet & Tilahun (2014) accountability has positive and insignificant effect on effective procureemnt implementation .

Finally, transparency has positive (beta= 0.154) and significant ($p > 0.05$) effect on public procurement performance. In public procurement the contribution of fairness, competition and economic value are principal points to achieve organizational objective. To capitalize these contributions, effective and efficient procurement processes must be established. This includes setting adequate controls to promote competition and minimize the risk of fraud, corruption, waste, and the mismanagement of public funds. This study is consistent with Getenet & Tilahu (2014) transparency in public procurement processes had a positive and significant impact on effective public procurement implementation. Abe be (n. d.) public procurement is play a role of economic development and utilization of public resources, to meet this goal assurance of transparency is a decisive requirement.

This indicates that publishing procurement opportunities, advance publication of procurement plans, advertisement of tender notices, disclosure of evaluation criteria in solicitation documents, publication of contract awards and establishing appropriate and timely complaint/dispute handling mechanisms will have a great contribution to ensure effective public procurement performance.

Table 4.17 Hypothesis testing summary

No	Hypothesis	Result
1	HI: Procurement planning has significant effect on public procurement performance	Beta=0.399 P<0.05 Ha1=accepted
2	HI: Procurement procedure has significant effect on procurement performance	Beta0.193 P<0.05 Ha2= accepted
3	HI: Staff competence has a significant effect on public procurement performance	Beta=0.218 P<0.05 Ha3= accepted
4	HI: Accountability has significant effect on public procurement performance.	Beta=0.061 P>0.05 Ha4= rejected
5	HI: transparency has significant effect on public procurement performance	Beta =0.154 P>0.05 Ha5= rejected

CHAPTER FIVE

SUMMARY OF FINDING, CONCLUSION AND RECOMMENDATION

5.1. INTRODUCTION

This section presents conclusions and recommendations that were drawn from the result of the study. The purpose of the study is to examine factors affecting public procurement performance in East Gojjam Zone Administration. The main independent variables included in the study are (procurement planning, procurement procedure, staff competence, accountability and transparency) and dependent variable public procurement performance. Based on the result of the study the researcher put conclusion and forward recommendation.

5.2. Summary of Finding

Descriptive statistics analysis result of factors of procurement performance indicates accountability had high mean score of (3.59) followed by procurement procedure (3.02), procurement planning (2.96); Staff competence (2.88) and the last transparency had (2.85) least mean score among variables. This indicates there is poor procurement planning, staff competence and transparency in the organization. In addition accountability and procurement procedure are practice in well manner in the organization.

As the result shows procurement performance had a mean score of 3.30. This indicates procurement performance is good in the organization. However, there is a problem of delay delivery and quality of purchases and complain by user sectors.

In addition the result shows, delay delivery of purchases is attributed by delaying to prepare procurement need by user sectors; lack of staff competence; sectors are not ask purchase based on their budget due to this their request return back and prepare for the second time; users are not request purchase collectively in one time; bidders are not fulfill their technical qualification on time and, after bidding system suppliers are not able to deliver required materials, bureaucracy level of procurement procedure and absence of supplies in local market.

The result of correlation analysis indicates, there is positive and significant relation between independent variable (procurement planning, procurement procedure, staff competence,

accountability and transparency and dependent variable (procurement performance) at $p < 0.01$ significant level. From these variables procurement planning, procurement procedure and staff competences have strong and positive relations with value of 0.719, 0.673 and 0.664 respectively and accountability and transparency have moderate correlation with procurement performance.

The result of regression analysis shows that the value of $R = 0.824$ infers that there is strong relationship between independent and dependent variable and the result of R square 0.679 implied that 67.9% the variation of procurement performance determined by procurement planning procurement procedure, staff competence, accountability and transparency. And the remaining 32.1 % is determined by other variables not included in the study.

The regression result of all independent variable indicates that, procurement planning had positive (beta= 0.399) value and significant at $P < 0.05$, staff competence had (beta=0.218) value and significant at $P < 0.05$ confidence level, transparency had (beta=0.154) value and significant at $P < 0.05$, procurement procedure had (beta=0.193) and significant at $P < 0.05$ and the last variable accountability had (beta=0.061) value and insignificant at $P < 0.05$ confidence level. This indicates all variable have positive effect on procurement performance. From this procurement planning are most indicator followed by staff competence and procurement procedure.

5.3. Conclusion

The main purpose of the study was to investigate factors affecting Public procurement performance in East Gojjam Zone Administration. Public procurement is the main instrument of service delivery and proper utilization of public resource. In spite of this role, procurement performance is a function of different internal and external factors. In this study the researcher incorporates procurement planning, procurement procedure, staff competence, accountability and transparency.

The study assesses theoretical, empirical and conceptual review of related literature of factors affecting public procurement performance. Both primary and secondary source used to meet the purpose of the study. Primary data were collected from all procurement staffs and user sector managers and secondary data's were collected from journals, proclamations, reports, and documents of the organization.

In the study census was used to take procurement staff and user managers were selected by using purposive sampling method. Research approaches used in the study were both quantitative and qualitative with descriptive and explanatory designs with cross sectional design. To determine the relationship between dependent and independent variable Pearson correlation coefficient used and the effect of independent variables on dependent variable was determined by multiple regressions.

As explained in descriptive statistics before, procurement procedure and accountability high mean score. In addition, staff competence procurement planning and transparency have low mean score this result indicates the existence of poor staff competence, procurement planning and transparency in the organization.

As the result indicates that, there is poor procurement planning due to user sectors are not raised their need on time, poor integration of procurement department and user sectors during preparation of plan and user sectors prepare need request without plan and beyond their budget. This indicates that procurement planning is not accurately prepared and implemented and needs great attention and focus in East Gojjam Zone procurement units.

Staff competence is also another critical point in public procurement, but in the organization there is poor staff competence due to inadequate training and less familiarity employees about procurement related issues. The result indicates that, in East Gojjam Zone Administration there is no adequate training is provided to improve the performance of employees and to handle different strategic issues. This leads poor quality, delay delivery and complains by user sectors.

Moreover, in the organization there is problem of transparency indicated by procurement rules and regulation are not address to the public due to this small number of suppliers in the market and corruption and most of the time specifications of item are prepared by procurement staffs this creates low quality of purchases and dissatisfaction on user sectors .This indicates that in East Gojjam Zone Administration there is no adequate transparency that means user sectors and other publics are not aware about rules, regulations and procurement concerned issues.

In the organization there is high problem related with timely delivery of purchases. The possible factors for this delays are user sectors are not raised their procurement need on time; lack of staff competence; sectors are not ask purchase based on their budget due to this their request return

back and prepare for the second time; users are not request purchase collectively in one time; bidders are not fulfill their technical qualification on time and, after bidding system suppliers are not able to deliver required materials, bureaucracy level of procurement procedure and absence of supplies in local market. Therefore, in East Gojjam Zone Administration delay delivery of purchases is a series problem that is attributed by the above factors and it needs possible remedies.

Furthermore, the result indicates that there is a problem of low quality of purchases. This is due to inflation of market price, lack of skilled personnel to conduct market study and lack of organized committee to check quality of purchases resulted cheating by suppliers. This implies that the purchase performed by East Gojjam Zone Administration procurement units have high quality related problem that need improvement by the organization.

Additionally, the researcher can be concluding that in East Gojjam Zone Administration customers are not satisfied by procurement department, different complains are raised by user sectors on procurement related issue like; price of each item are not faire, delay delivery of purchases, low quality purchase and procurement staff are not allowed to user sectors to participate in some procurement process, this creates dishonest working environment between the two sides.

The correlation analysis result shows that procurement planning; procurement procedure and staff competence have strong and positive relation with procurement performance. This indicates that preparation and proper implementation of procurement plan, improve the competence of employees and performing procurement under the compliance of procurement procedure help to achieve good procurement performance East Gojjam Zone Administration.

The result of regression analysis shows that all independent variable are statistically significant to predict dependent variable except accountability. Along with this analysis, all factors affect dependent variable (procurement performance) positively. Regarding with the strength of influence, procurement planning had high effect on procurement performance. Therefore, procurement planning is critical activity provides meaning to the cost of the organization and improve general procurement performance of East Gojjam Zone Administration procurement units.

Staff competence is also the second most important factor of procurement performance. Hence staff competency is the base for procurement activity that needs knowledge, skillful, empowered,

and motivation in East Gojjam Zone administration. The third and fourth important factors are procurement procedure and transparency. Therefore, preparing procurement planning with integration of user department, developing good staff competence through training and cooperative learning and familiarity and compliance with procurement procedure and publicize procurement related issues are the critical issues that improve the procurement performance in East Gojjam Zone Administration. But accountability had insignificant effect on procurement performance.

5.4. Recommendation

In light of the finding the researcher forwards the following possible suggestions to the concerned bodies.

For higher officials and procurement managers

As indicated in finding, there is a problem in procurement planning inadequate description of the specification of items by user sectors and unbalance between needs and budget of each user sector. In line with this problem procurement managers and other concerned bodies should create awareness and help user sectors to prepare the requisition with clear specifications and balance their need with the amount of budgets allocated to each user sectors.

Bureaucratic level of procurement procedure is another problem affect timely delivery of purchases as a result of this the PPPA agency should improve procurement directives and manuals by discussing with procurement practitioners. As the finding revealed that there was poor staff competency in the organization, employees are not skilled and lack of adequate training to improve the competence of them. Staff competency can be improved by providing continuous training for procurement staffs by inviting professional expertise in procurement, motivate and empowered employees and also should train and create awareness about procurement directives, manuals and procedures, enhancing the purchasing professionalism by improving technical knowledge and adhering to the highest ethical standards since, it is an important and critical element to improve procurement performance.

Moreover, the finding indicates there is problem of transparency indicated by procurement rules and regulations and different procurement related documents are not adequately addressed to the public. In order to create transparency between user, suppliers and procurement department all

information should be disclosed and addressed to those publics concerning on activities, decisions and performance of public procurement. Procurement managers and other related officials should sustain situation and create awareness about rules and regulation to the public through different meetings, conference and by preparing procurement related documents.

For procurement department

Along with procurement plan, procurement department should make need identification and annual procurement plan in integration with user sectors, announce them to identify and prepare their requirement on timely and collective way, select and apply procurement method by assigning skill full and experienced persons, review plan with situational changes, develop action and contingency plan for proper implementation of the main plan, this results on perform purchase in line with plan, avoid unplanned purchases and give meaning to the expenditure of the organization.

In order to reduce skill gap of procurement professionals, procurement staff should develop confidence rather than frustration on their work by reading public procurement manual and directives and empowered themselves through discussion with staffs about difficult issues related with procurement activities.

Whereas procurement procedure has bureaucracy level, to reduce problems related with this procurement professionals should try full fill precondition in advance like searching of suppliers, publicized biding opportunity to all local suppliers and adequately follow up bidding system and make clear contract with suppliers and try to avoid conducting one more bidding this leads fast delivery and the problem related with bureaucracy level.

In the organization there is high problem related with timely delivery of purchases. This is contributed by lack of staff competence, users are not request purchase collectively in one time; and, after biding system suppliers are not able to deliver required materials, bureaucracy level of procurement procedure and absence of supplies in local market. To increase timely delivery of purchase, the organization should train procurement staffs to assess local market and create relation with outsiders; prepare collective bids with technical market studies this help them to get good quality purchase this leads reduce the number of returned items to suppliers on quality related problems and avoid the preparation of one more bids. In addition, create good relations with suppliers and follow them to deliver purchases with in a predetermined time results facilitation timely delivery and increase customer satisfaction.

Quality of purchase is also the main problem that repetitively complained by user sectors. To improve qualities of purchases it is better to organizing competent quality assurance committees, ,conduct efficient market studies, reduce the cheating of suppliers on qualities of purchases through make clear contract with them and it is better to make user sectors participant in some activities of procurement process especially in checking quality of product and preparation of specifications. These points help the organization to achieve quality to all type of purchases.

For internal users:

As much as possible reduce unplanned purchasing request and also should request their needs in accordance with annual budget and whenever the work plan changes they should communicating with procurement department to find solution to situational issues. And user sector try to prepare collective procurement request on time this leads timely delivery and reduce cost of purchases

The internal users should know the type of materials that requested the existence of them in the market and clearly describe specification of items in accordance with the prevailing market.

Recommendation for further researcher

The factors included in this study are: procurement planning, procurement procedure, staff competence, accountability and transparency. Other internal and external factors affect public procurement performances are not included. It will be better if further researcher conducted study by including other factors affecting public procurement performance such as working environment, resource allocation, ICT adoption, ethics and external factors like: legal, political, economical culture and technological factors.

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Appendices

Appendices-A: Questionnaire for procurement staffs

Debre Markos University

College Of Business and Economics

Department of Management

Master of Business Administration

Questionnaire filled by procurement staff

Dear respondents:

This questionnaire is prepared by a student in Debre Markos University College of Business and Economics department of management master of business administration. As part of the requirement, the thesis will conduct entitled on “Factors affecting public procurement performance: in the case of east Gojjam zone administration”. Your organization is one organization selected for this study and this questionnaire is prepared purely for academic purpose. Please spend a few minutes of your precious time to fill up this questionnaire, and try to answer as truthfully as you can. All the information you provided will remain strictly confidential and will be used for the intended purpose only. Your cooperation to fill this questionnaire is highly appreciated.

Thank you!

Instructions

- Read each question carefully and put your answer by tick (✓) sign inside the boxes and cells in the table corresponding to the response that most accurately represents your views and/or level of agreement.
- Please put your answer in the provided box only.
- Write your opinion for open questions in the provided space only.
- No need of writing your name

Part I: Demographic Information of the Respondents

1. Sex :
 - A. Male
 - B. Female
2. Age :
 - A. 25 or below
 - B. 26-35
 - C. 36-45
 - D. 45-55
 - E. Above 56
3. Marital status
 - A. Single
 - B. married
 - C. divorced
 - D. widowed
4. Educational level
 - A. high school completed
 - B. Certificate
 - C. Diploma
 - C. First Degree
 - D. Master And Above
5. How many years work experience do you have in the organization?
 - D. Below 1 year
 - E. 1-5 years
 - F. 5-10 years
 - G. Above 10 years
6. Indicate your position/job title in the organization
 - A. Procurement manager
 - B. procurement officer

Part: II Main information about factors affecting procurement performance.

Main factors affect public procurement performances are listed below. Please read each statement and show your agreement toward each factor by putting (✓) sign on the provided cells in the table below. Refer the description of each rating scales described above.

Rating score description

1	2	3	4	5
strongly disagree	Disagree	neutral	Agree	strongly agree

1. Procurement planning

Procurement planning

S.NO	Items	Rating scale				
		1	2	3	4	5
1	User sector are raised their procurement need on time					
2	user sectors provides clear specification for the procurement items that are going to be procured					
3	The procurement unit carried out need identification based on the need of the sectors					
4	The sectors request purchases based on budget					
5	The sectors requests procurement unit without plan					
6	Procurement plan are prepared through involvement and participation of concerned bodies					
7	Procurement planning contributed for timely procurements					

2. Procurement procedure

Procurement procedure related questions						
S.NO	Items	Rating scale				
		1	2	3	4	5
1	There are clear procurement procedure which employees understand					
2	The procurement unit procured material compliance with procurement procedure					
3	Tender evaluation conducted according to predetermined set criteria in the bid document					
4	Procurement procedure has high bureaucracy level					
5	The procurement procedure contribute for cost reduction in procurement					
6	Procurement procedure helps for fast delivery of purchase					
7	Procurement procedure increase service delivery					
8	Procurement procedure enhances transparency					

3. Staff competence

Staff Competence related questions		
S.NO	Items	Rating scale

		1	2	3	4	5
1	Employees hired in procurement unit is based on relevant educational qualification					
2	Employees hired in procurement unit have relevant work experience					
3	Employees in the procurement unit understand procurement regulations and procedures					
4	Trainings are offered for employees to improve their performance					
5	Procurement staffs have the necessary skills and competence to handle complex and strategic procurement issues					
6	Employees in the procurement unit have commitment to do their job					
7	Procurement professionals helps for creating value for money					

4. Accountability

S. No	Item	rating scale				
		1	2	3	4	5
	Procurement unit are able to justify the decisions made and actions taken					
	There are accurate documented records that demonstrate proper ethical standards are observed					
	The documented procurement records provide an audit trail of procurement process					
	There is an adequate review of the conducts of employees by the management of procurement unit					

	There is an accessible and secure process for bidders to report bribes by others					
	The procurement decision making process is based on transparent criteria					
	Employees are committed to high standards for professional conduct					
	There is an adequate system in place to prevent fraud and corruption					
	Accountability ensures value for money					

5. Transparency

No	Item	Rating scale				
1	The user department involved in purchasing process					
2	The user department has participated in checking the quality of the product					
3	Law and regulations concerning procurements are easily accessible to the public					
4	The Institution holds regular meetings with the business community to discuss public procurement issues					
5	Bid/procurement opportunities are adequately publicized					
6	Standard Bidding Documents are used for all types of procurement					
7	All successful and unsuccessful bidders are promptly informed about the results of the bid at the same time through written					

	notification					
8	Clear and Comprehensive bidding documents are published in standard form and made available to the public					
9	All advertised bidding were opened in front of the concerned bodies					
10	There is appeals handling system					
11	Notices concerning the award of procurement contracts are usually published by the organization					
12	The legal and regulatory framework for procurement, including tender and contract documents, includes provisions addressing corruption, fraud, conflict of interest, and unethical behavior					
13	Information on procurement is easily accessible					

6. Procurement performance

S.NO	Items	Rating scale				
		1	2	3	4	5
1	The organization offers timely deliveries of requisitions					
2	Procurement staff deliver the required amount of purchase					
3	The organization deliver quality purchases for user sectors					
4	There are minimal complaints from user sectors on procurement matters					
5	The procurement process has led to cost reduction in the organization.					

Appendices –B: Questionnaire for user manager

Debre Markos University

College of business and economics

Department of management

Questionnaire filled by user sector managers

The purpose of this questionnaire is to get relevant data which can be used to investigate “Factors affecting public procurement performance” in on perspective of user sector managers in east Gojjam zone administration. Please spend a few minute to write your answer in the provide space. Your time in completing this questionnaire is greatly appreciated.

1. Whether procurement rules and regulations are addressed to the public? If is not addressed what is the effect on procurement performance?

2. Whether user department are participant in procurement process? Specify the issues you participate and not participate

3. Whether procurement department deliver quality purchase to user sectors? If not what are the factors affect quality of purchases?

4. Does procurement department deliver purchases timely? If not specify possible factors affect timely delivery of purchases

5. Write general opinion about procurement department

Appendices -C: Interview questions

Debre Markos University

College Of Business and Economics

Department of Management

Interview for procurement managers

- 1 Do you think procurement procedure affects timely delivery of purchases? Please tell the reason for your answer
- 2 Does your organization give adequate training to procurement employees? If it is addressed what kind of training and how you address it? If is not address what are the reasons behind this?
- 3 What are the possible actions your organization use to save cost of purchase?
- 4 Does your organization timely deliver purchase to user sectors? What are the factors affect timely delivery of purchases?

Appendices- D: Amharic questionnaire

ደብረ ማር ቆስ ዩኒቨርሲቲ

ቢዝነስና ኢኮኖሚክስ ኮሌጅ

ማኔጅመንት ትምህርት ክፍል

በግዥ የሥራ ክፍል ሃላፊዎችና ባለሙያዎች የሚሞላ መጠይቅ

ወድ የዚህ መጠይቅ ተሳታፊዎች

ይህ መጠይቅ የተዘጋጀው በደብረ ማር ቆስ ዩኒቨርሲቲ በማኔጅመንት ት/ት ክፍል በቢዝነስ አተዳደር ሁለተኛ ዲግሪ ማሟያ ሲሆን የመጠይቁ ዋና አላማ የመንግስት ግዥ አፈፃፀምን ወጤታማነትን የማዎስኑ ነገሮች በምስራቅ ጎጃም ዞን የሚል ነው። ስለሆነም የናንተ ድርጅት ለዚህ አላማ የተመረጠ ስለሆነ ከወድ ጊዜዎት ላይ የተወሰነ ደቂቃዎች በመወሰድ እና ትክክለኛ መረጃ በመስጠት ይህን መጠይቅ እንዲሞሉልኝ እየጠየቅሁ የሚሰጡት መረጃ ለመመረቂያ ሃላማ ብቻ የማይወልና ማስጠራቂያ ብቻ የተጠበቀ መሆኑን ልናረጋግጥልዎ እወዳለሁ።

ውድ ጊዜዎን ሰውተውይህን መጠይቅ ለመመላት ፍቃደኛ በመሆንዎ በቅድሚያ እና መሠግናለን፡፡

መመሪያ

- ☞ እያንዳንዱን ጥያቄ በጥንቃቄ በማንበብ በሰጥን ውስጥ የተቀመጡ ቁጥሮችን የመረጡትን (✓) ምልክት ያስቀምጡ
- ☞ ባዶ ቦታ ለተሰጣቸው ጥያቄዎች መልስዎን በተሰጠው ቦታ ላይ ያስቀምጡ
- ☞ ስም መጻፍ አያስፈልግም

ክፍል አንድ፡ - የተሳታፊዎች ግላዊ መረጃ

1. ጾታ፡ ሀ. ሴት ለ. ወንድ
2. እድሜ
 ሀ. 25ና በታች መ. 46-55
 ለ. 26-35 ሰ. ከ 56 አመት በላይ
 ሐ. 36-45
3. የትዳር ሁኔታ
 ሀ. ያላገባ/ች ሐ. በፍች የተለየ/ች
 ለ. ያገባ/ች መ. የትዳር አጋሩን/ሯን በሞት ያጣ/ች
4. የትምህርት ደረጃ
 ሀ. ሁለተኛ ደረጃ ትምህርት ያጠናቀቀ/ች ም. የመጀመሪያ ዲግሪ
 ለ. ስርተፊኬት ሰ. ማስተርና ከዛ በላይ
 ሐ. ዲፕሎማ
5. በድርጅቱ ውስጥ ያሉት የስራ ልምድ
 ሀ. ከ 1 አመት በታች ሐ. 5-10 አመት
 ለ. 1-5 አመት መ. ከ 10 አመት በላይ
6. በመስሪያ ቤቱ ያለህ የስራ ድርሻ ምን ድዉይግለፁ-----?

ክፍል ሁለት፡ - የመንግስት ግዥ አፈፃፀም ወጤታማነትን የማወስኑ ነገሮች

ከዚህ በታች በሰንጠረዥ ውስጥ የተቀመጡ መጠይቆችን በጥንቃቄ በማንበብ የእርስዎን ሀሳብ በትክክል ይገልጻል ብለው ያሰቡትን ቀጥሎ በተቀመጠው መግለጫ መሰረት (✓) ምልክት በማድረግ ያስቀምጡ፡

የደረጃ አሠጣጥ መግለጫ

1	2	3	4	5
በጣም አልሰማም	አልሰማም	ገለልተኛ	እስማማለሁ	በጣም እስማማለሁ

1. የግዥ እቅድ

ተ.ቁ	የግዥ እቅድን የሚመለከቱ መጠይቆች	የደረጃ መስጫ				
		1	2	3	4	5

1	ተቋማት የግዥ ፍላጎታቸውን በጊዜ ወይልካሉ					
2	የግዥ ክፍሉ የተቋማትን ፍላጎት መሰረት በማድረግ የግዥ ፍላጎት የመለየት ስራ ይሰራል					
3	ተቋማት ፍላጎታቸውን ሲያሳወቁ ተገቢውን መግለጫ (specification) ያቀርባሉ					
4	ተቋማት በጀትን መሰረት ያደረገ የግዥ ጥያቄ ያቀርባሉ					
5	የግዥ እቅዱ በሚመለከቱ ታቸው አካላት ተሳትፎ ይዘጋጃል					
6	ተቋማት ለግዥ ክፍል ከእቅድ ወጭ የሆነ የግዥ ጥያቄ ያቀርባሉ					
7	የግዥ እቅድ ወቅቱን የጠበቀ ግዥ እንዲካሄድ አስተዋፅኦ ያደርጋል					

2. የግዥ አፈፃፀም ሂደት

ተ.ቁ	የግዥ አፈፃፀም ሂደትን የሚመለከቱ መጠይቆች	የደረጃ መስጫ				
		1	2	3	4	5
1	ባለሙያዎች ሊረዱት የሚችሉት ግልፅ የሆነ የግዥ አፈፃፀም ስርዓት አለ					
2	ግዥ በመመሪያው መሰረት ይፈፀማል					
3	ተቋማት የተገዙ ቁሳቁሶችን ወቅቱን ጠብቀው ይረከባሉ					
4	የግዥ አፈፃፀም ሂደቱ ወጣወረድ የበዛበት ነው					
5	የጨረታ ግምገማ ከጨረታ ሰነድ በተቀመጠው መሰረት መሰረት ይካሄዳል					
6	የግዥ አፈፃፀም ስርዓቱ ግዥ በተመጣጣኝ ዋጋ እንዲፈፀም በማድረግ በኩል አስተዋፅኦ አለው					
7	የግዥ አፈፃፀም ስርዓቱ ቀልጣፋ ግዥ እንዲኖር አድርጓል					
8	የግዥ አፈፃፀም ስርዓቱ ግልፅነትን አስፍኗል					

3. የባለሙያዎች ብቃት

ተ.ቁ	የባለሙያዎች ብቃትን የሚመለከቱ መጠይቆች	የደረጃ መስጫ				
		1	2	3	4	5
1	የግዥ ክፍል ባለሙያዎች የተቀጠሩት (የተመደቡት) አግባብነት ባለው የትምህርት ዝግጅት መሰረት ነው					
2	የግዥ ክፍል ባለሙያዎች የተቀጠሩት (የተመደቡት) አግባብነት ባለው የስራ ልምድ መሰረት ነው					
3	የግዥ ክፍል ባለሙያዎች የግዥ መመሪያውን አተገባበር በተገቢውን ሁኔታ ይረዳሉ					
4	የግዥ ክፍል ባለሙያዎችን አቅም ለማሳደግ ስልጠና ይሰጣል					
5	የግዥ ስራተኞች የተወሳሰቡ ስልት ማፈልገ ጉዳዮችን ለመፍታት በቂ እወቀት አላቸው					
6	የግዥ ክፍሉ ባለሙያዎች ተግባራቸውን ለመፈፀም ቁርጠኛ ናቸው					
7	የግዥ ክፍሉ ስራተኞች የሚወጣውን ዝብ ተገቢውን ጥቅም እንዲያስገኝ ያግዛሉ					

4. ተጠያቂነት

ተ.ቁ	የተጠያቂነትን የሚመለከቱ መጠይቆች	የደረጃ መስጫ				
		1	2	3	4	5
1	ተጠያቂነት ግዥ ወጪቶች እንዲሆን አስተወፅኦ ያደርጋል					
2	የግዥ ክፍሉ የሚወሰኑ ወሳኔዎችን እና እርምጃዎችን ማብራራት ይችላል					
3	ለእያንዳንዱ ግዥ ትክክለኛ የሆኑ የግዥ ሰነዶች ተቀምጠዋል					
4	የግዥ ሰነዶች የግዥ አፈፃፀም ሂደትን አዲት ለማድረግ የሚያስችሉ ናቸው					

5	ባለ መያዝ ወይንም ስነ-ምግባርን ጠብቆው በመስራት በኩል ቁርጠኛ ናቸው					
6	የግዥ ክፍሉ ባለ መያዝ ወይንም ስራን መሰረት በማድረግ ይገመገማሉ					
7	መስኖን እና ማጭበርበርን ለመከላከል የሚረዱ በቂ የሆኑ የአሰራር ስርዓት አለ					
8	የተጭበረበረ አካሄድን በተመለከተ ለተጫዎች ተደራሽ የሆነ እና ማህገፍ የተጠበቀ ሪፖርት የማድረግ ስርዓት ተዘርግቷል					
9	የግዥ አወሳሰን ሂደት ግልፅ የሆነ አካሄድ የተከተለ ነው					

5. ግልፅነት

ተ.ቁ	የግልፅነትን የሚመለከቱ መጠይቆች	የደረጃ መስጫ				
		1	2	3	4	5
1	ተቋማት/ተጠቃሚዎች/በግዥ ሂደት ወስጥ ተሳታፊዎች ናቸው					
2	ተቋማት የሚገዙ ቁሳቁሶች የጥራት አግባብነትን በማረጋገጥ ሂደት ወስጥ ተሳታፊ ናቸው					
3	የግዥ አዎጆችና መመሪያዎች ለህብረተሰቡ ተደራሽ ናቸው					
4	የግዥ ክፍሉ ከንግዱ ማህበረሰብ ጋር ቋሚ ስብሰባ በማድረግ ስለ ግዥ ስርዓት ይወያያሉ					
4	የጨረታ ማስታወቂያዎች በበቂ ሁኔታ ሁሉንም ያሳተፉ እንዲሆኑ ለተወዳዳሪዎች ግልፅ ይደረጋሉ					
5	ማንኛውም ግዥ በኤጀንሲው በተዘጋጀ የጨረታ መወዳደሪያ ቅጽ መሰረት ይፈጸማል					
6	የጨረታ ወጠት ላሽነት ፋም ሆነ ላላሽነት ፋም ተጫዎች በጽሑፍ እንዲያወቁት ይደረጋል					
7	ግልጽና የተሟላ የጨረታ ስነ-ድ ተዘጋጅቶ ለህብረተሰቡ ተደራሽ ይደረጋል					
8	ሁሉም የጨረታ ስነ-ድ የሚከፈቱት የሚመለከቱ ታቸው አካላት በተገኙበት ነው					
10	ቅሬታን የማስተናገጃ ስርዓት ተዘርግቷል					
11	የጨረታ ወጠት በማስታወቂያ ለህብረተሰቡ ይገለጻል					
12	በጨረታና በወል አስተዳደር ዙሪያ መስኖን፣ ማጭበርበርን፣ የጥቅም ግጭትንና የስነ-ምግባር ችግርን ለመቆጣጠር የሚያስችል ህጋዊ ስርዓት አለ					
13	በግዥ ስርዓት ዙሪያ መረጃዎች ተደራሽ ናቸው					

6. የግዥ ወጠታማነት

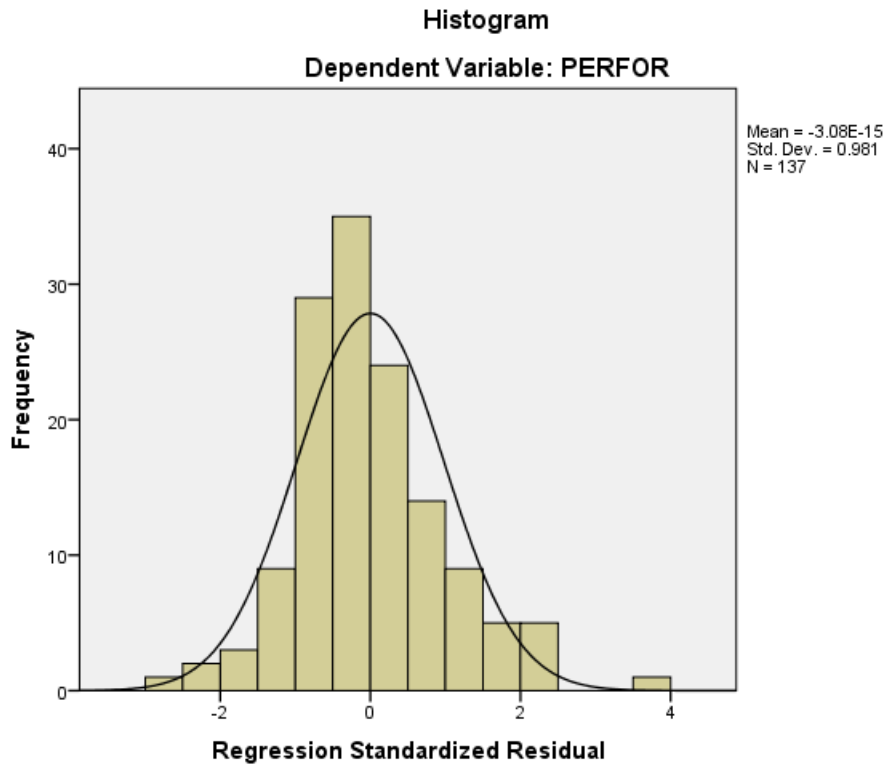
ተ.ቁ	የግዥ ወጠታማነትን የሚመለከቱ መጠይቆች	የደረጃ መስጫ				
		1	2	3	4	5
1	የግዥ ክፍሉ ወቅቱን የጠበቀ ግዥ ይፈጸማል					
2	የግዥ ክፍሉ ግዥን በሚፈለገው መጠን ያቀርባል					
3	የግዥ ክፍሉ ለተጠቃሚዎች ጥራት ያለው አገልግሎት ይሰጣል					
4	ከተጠቃሚድርጅቶች የሚመታው ቅሬታ አነስተኛ ነው					
5	የግዥ ስረዓቱ የበጀት ብክነትን ይቀንሳል					

Appendices- E: Population of the study

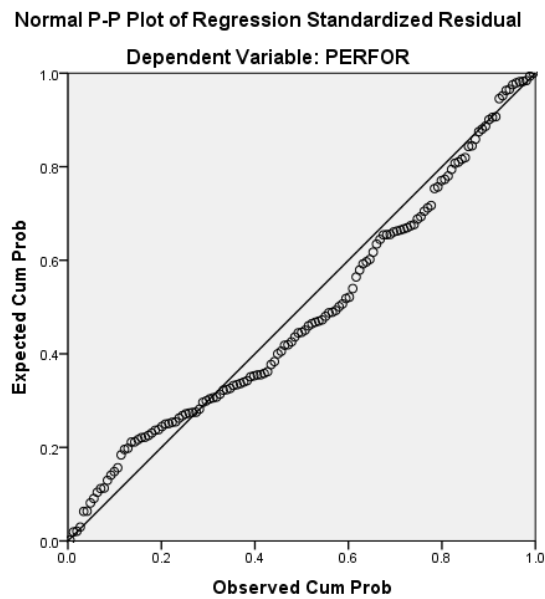
No	Name of woreda and town	Number of population
1	Enebise	7
2	Aneded	7
3	Enemay	7
4	Enarji	7
5	Awabel	7
6	Bibugn	7
7	Basoliben	7
8	Debaytilat	7
9	Debre elias	6
10	Dejen	8
11	Goncha	7
12	Gozamen	7
13	Huleteju enesie	7
14	Sede	7
15	Machakel	7
16	Sinan	7
17	Shebel	7
18	Mota town	3
19	D/markos town	5
20	Bichena town	3
21	Dejen town	4
22	Zone administration	10
	Total	148

Source: Human resource of East Gojjam Zone Administration

Appendices-F: Normality assumption

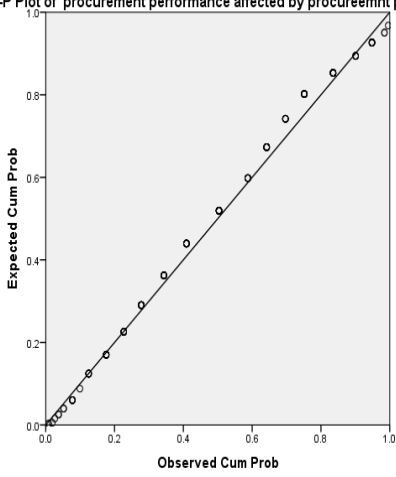


Appendices-G: normal p-p plot of regression standardized residual

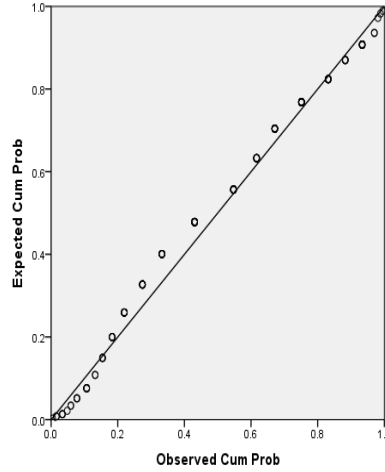


Appendices-H: Linearity assumption

Normal P-P Plot of procurement performance affected by procureemnt planning

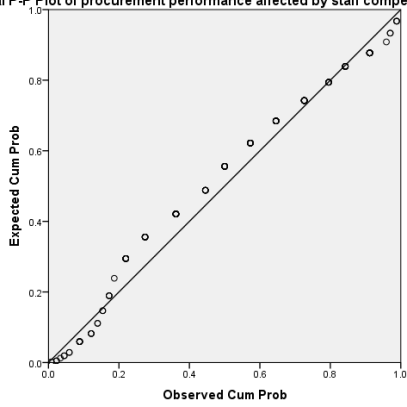


Normal P-P Plot of procurement performance affected by procurement procedure

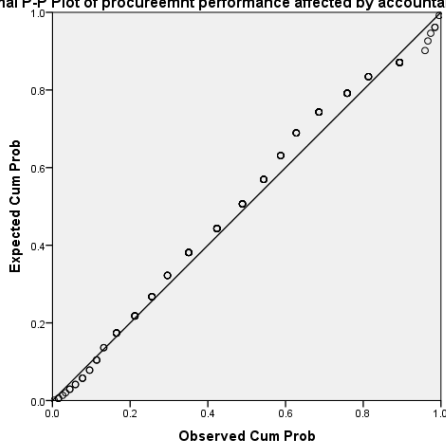


Source: SPSS out put of survey data, 2019

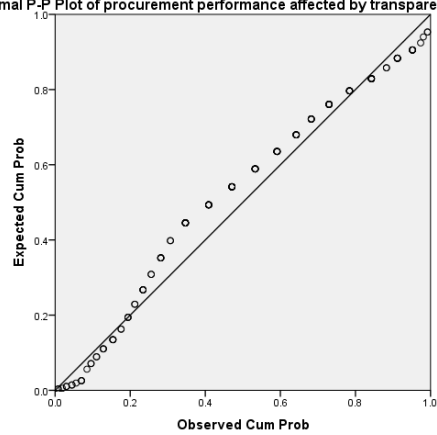
Normal P-P Plot of procurement performance affected by staff competence



Normal P-P Plot of procureemnt performance affected by accountability

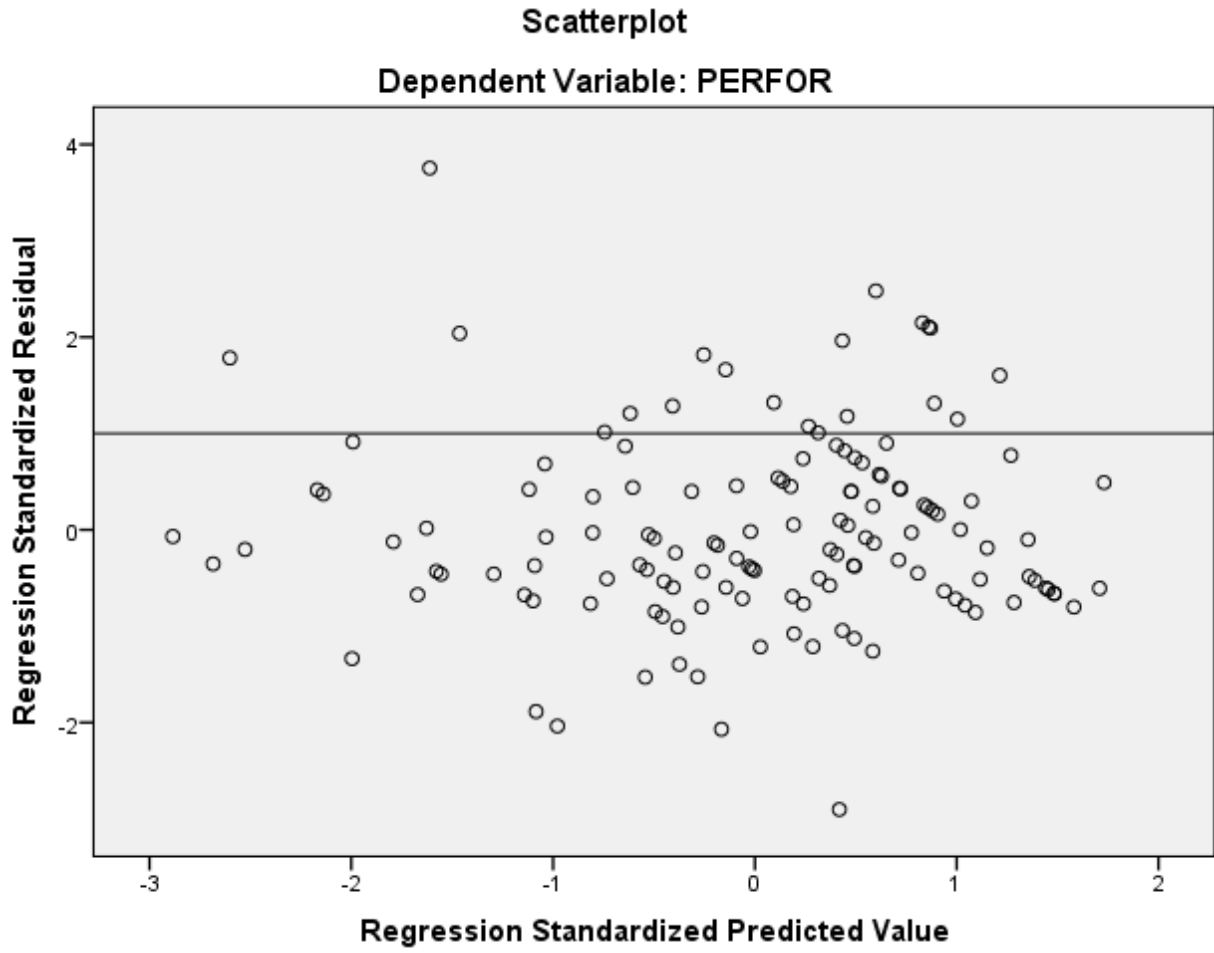


Normal P-P Plot of procurement performance affected by transparency



These P-P plots indicate that all the predictor variables have linear relationship with the predicted variable and thus assumption of normality is not violated

Appendices-I: Homo scedasticity assumption



Source: SPSS output of survey, 2019