

ASSESSMENT OF THE MATERIAL MANAGEMENT AND CONTROLLING PRACTICE
IN CASE OF WOLKITE UNIVERSITY



WOLKITE UNIVERSITY

COLLEGE OF BUSINESS AND ECONOMICS

DEPARTMENT OF MANAGEMENT

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ABSTRACT

The research was conducted on Wolkite University to deal the assessment of the material management and controlling practice in case of Wolkite University with different function. The main objective of the study was to analyze the existing materials management and controlling practice in Wolkite University. To meet this objective, the necessary primary data would have conducted by distributing questionnaires using samples respondents. This is a quantitative study a questionnaire would use to assessment of the material management and controlling practices to provide service and support to operate functions by making available and an interrupted flow of materials. Finally, after analysis conclusions, suggestion, ideas, feedbacks would state as a recommendation

ACRONOMY

- BA.....bachelor degree
- JIT..... just in time
- MRP.....material requirement planning
- BOM..... bill of material

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CHAPTER ONE

1. INTRODUCTION

1.1 Background of the Study

The evolution or history of material management starts with the United States and World Wars. Before 1st World War, people were unaware about the importance of material management. The concept of material management has strong connection with the research paper published by Harvard University. **The need of material management gives rise to the entirely new approach and idea in the management field.** This new approach is material management extensive studies in the industrial purchasing practices by Prof. Howard and Lewis, 2003.

Material management, as a discipline, was rather slow to evolve as compared to production and marketing material control. (Dressler, 2001)

Material management is an organizational activity that design to enhance and keep the control of material function as a purchasing, storing and also control the movement and flow of material in an organization in order to get competitive advantage and creating different types of utility to the organization and to the **customer respectively.** (Datta 2004)

The main objective of material management is how to wisely use property, utility and maintenance of different types of material. In addition to this, it is also important in controlling the material effectively and efficiently to contribute to the organizational goal. To achieve this goal, the organization can use different mechanisms of controlling inventory including purchasing, storing and disposing. (Datta 2004)

1.2. Statement of the Problems

Material management, in the 21 centuries, has been the center for information that the rise in economic environment and recently management intelligence was required to give the most effective use of the total resources of the organization. Material resource management has a great

role for the achievement of organizational goal by providing quality service and optimizing profitability through effective and efficient utilization of it. According to Edone effective and efficient materials functions contribute to the improvement of performance, leads to a significant reduction in the total materials cost, and help to enhance the profitability of organization. On the other hand, lack of funds, lack of accurate statistical data of the teaching resources, poor maintenance culture and the likes were challenges to effective management and utilization of resources. According to Annual Budget plan of Wolkite University in 2018/19, huge budget was allocated for purchasing of material resources. Like any other aspects of organizational activities, material management and controlling practices could be prone to a number of problems, since acquiring material resources is consuming substantially large amount of money. Its management and utilization require considerable attention. So, investing significant amount of money; Wolkite University need to know if its material resource management and utilization practices are properly implemented or not. As some studies show, there are a number of problems related to material management practices; this leaves a room for organization to question about their material resource management and utilization practices. For instance, a study conducted at public technical vocational education and training colleges of southern zone of Tigre revealed that the insufficient budget, most of the store men are less qualified, obsolete materials are not disposed, identified and coded, and inefficient utilization of resources was the problems of the college.

To sum this up, the problem is how we are going to manage material, purchasing performance, where to house, how to store material, where and when material is needed and the disposal also.

1.3. Research Questions.

- ✓ What are the systems that the organization should use to handle material management issues?
- ✓ When and where to the materials should be disposed?
- ✓ What are the problems that the organization faced in purchasing, procedure and practice?

1.4. Objective of the Study

1.4.1 General objective

The general objective of this study is to Assessment of the material management and controlling practice in Wolkite University.

1.4.2 Specific objective

The specific objectives of this study include;

- To explore the major systems that is used to handle material management.
- To evaluate the place where the disposal of materials should be disposed.
- To examine the problems that the organization faced in purchasing procedure and practice.

1.5. Significance of the Study

The research study is expected have the following importance. It helps to the management of organization to locate problem and consequently take the remedial action for future important. It may serve as the stepping stone for future, in depth, in the area under investigation and helps the researcher as partial fulfillment of BA degree as well as enables to develop knowledge of study that was established the base line data for future study by another researcher.

1.6. Scope of the study

The study would have geographically, conceptually and time frame dimension. Geographically, the study will be conducted at Wolkite University. Conceptually, the study would use to show Assessment of the material management and controlling practice. Timely, the research would use the most recent data of the organization that is up to five years of recording because recent data are more suitable for decision making

1.7. Organization of the study

The study paper has three successive chapters. The first chapter includes the background of the study, statement of the problems, objectives of the study, significance of the study, scope of the study and organization of the study. The second chapter includes review of related literature, review about the material management and controlling practice. The third chapter deals with research methodology which includes research design, sample technique and sample size, source of data and method of data collection, method of data presentation and analysis.

CHAPTER TWO

2 LITERATURE REVIEW

2.1. Introduction

This chapter aims to explore the practice, principle and problems of material management that are commonly experienced by many organizations. It does not address all areas of material management. It focuses only on concept or definition, an integrated functional approach usually

Enjoying the advantage of better coordination's accountability and performance concepts as well as material management functions such as purchasing, ware housing and disposal.

2.1. Definition: material handling and management

Material management can be defined as a body of knowledge which helps the manger to improve the productivity of capital by reducing material cost by preventing large amount of capital that locked up for long period and by improving the capital turnover ratio.

Material management, as a function, is responsible for the coordination of planning sunray purchasing, moving, storing and controlling material in an optimum manner so as to provide decided services to the customer at a minimum cost (Gopala Krishnan, 2003).

The international federation of purchasing and materials management accepts the definition of material management as a total concept having definite organization to plan and control all types of materials. Its supply and flow from row stage to finished stage so as to deliver the service to customer as per his requirements in time. This involves materials, planning, purchasing, receiving, storing, inventory control, and scheduling and production distribution. Marketing material management is a part of business logistics and refers to overseeing the

location and movement of physical item or product. There are three main elements associated with such management; purchasing, spare parts quality and control inventory management. Material management is important in large manufacturing and distribution environment such as ware house, where there are multiple parts, location and many invested items (William J. Stevenson, 2007).

Material management is a process of arranging material for the task associated with production all over the organization in manner that the organization coordinated manner (Nair, 1990).

2.1.1. Material handling

There are many ways by which material handling has been defined but one simple definition is Material handling is the movement and storage of material at the lowest possible cost through the use of proper method and equipment” (khan M.S. 1996).

“Material handling embraces all of the basic operations involved in the movement of bulk, packaged, and individual products in a semisolid or solid state by means of machinery, and within limits of a place of business” (khan M.S. 1996).

Material handling is a necessary and significant component of any productive activity. It is something that goes on in every plant all the time. Material handling means providing the right amount of the right material, in the right condition, at the right place, at the right time, in the right position and for the right cost, by using the right method. It is simply picking up, moving, and lying down of materials through manufacture. It applies to the movement of raw materials, parts in process, finished goods, packing materials, and disposal of scraps. In general, hundreds and thousands of tons of materials are handled daily requiring the use of large amount of manpower while the movement of materials takes place from one processing area to another or from one department to another department of the plant. The cost of material handling contributes significantly to the total cost of manufacturing. In the modern era of competition, this has acquired greater importance due to growing need for reducing the manufacturing cost. The importance of material handling function is greater in those industries where the ratio of handling cost to the processing cost is large. Today material handling is rightly considered as one of the most potentially lucrative areas for reduction of costs. A properly designed and integrated material handling system provides tremendous cost saving opportunities and customer services improvement potential (khan M.S. 1996).

2.2. Objective of material handling and Management

2.2.1. Objective of material handling

Hermes, N., & Lensink, R. (2003). Are the following primary objectives being as follow;

The primary objective of a material handling system is to reduce the unit cost of production. The other subordinate objectives are:

- ❖ Reduce manufacturing cycle time
- ❖ Reduce delays, and damage
- ❖ Promote safety and improve working conditions
- ❖ Maintain or improve product quality
- ❖ Promote productivity
 - Material should flow in a straight line
 - Material should move as short a distance as possible
 - Use gravity
 - Move more material at one time
 - Automate material handling
- ❖ Promote increased use of facilities
 - Promote the use of building cube
 - Purchase versatile equipment
 - Develop a preventive maintenance program
 - Maximize the equipment utilization etc.
- ❖ Reduce tare weight
- ❖ Control inventory Reduce Cost of Handling
 - ❖ The total cost of material handling per unit must decrease. The total cost per unit is the sum of the following:
 - ❖ Cost of material handling equipment – both fixed cost and operating cost calculated as the cost of equipment divided by the number of units of material handled over the working life of the equipment.
 - ❖ Cost of labor – both direct and indirect associated cost calculated in terms of cost per unit of material handled.

- ❖ Cost of maintenance of equipment, damages, lost orders and expediting expenses, also calculated, in terms of cost per unit of material handled

2.2.2. Objective of material management: Objectives, Scope and Functions!

Materials management is concerned with management functions supporting the complete cycle of material flow, from the purchase and internal control of production materials to planning and control of work in process, to warehousing, shipping and distribution of the finished product. An effective materials management process ensures that the right kinds of materials are at the right place whenever needed.

Materials management is concerned with planning, directing and controlling the kind, amount, location, movement and timing of various flows of materials used in and produced by the process
Hermes, N., & Lensink, R. (2003).

❖ **Materials management objectives are categorized into:**

- . Primary objective
- Secondary objectives

1. Primary Objectives:

“Making available (supply) of materials in specified quantity and quality at economic cost and maintaining the continuity of supply. Minimization of investments in materials and inventory costs, and assuring high inventory turnover.”

2. Secondary Objectives: Secondary objectives help to achieve the primary objectives. The secondary objectives can be stated as: 1. purchasing the items from a reliable source at economic price. 2. Reduction of costs by using various cost reduction techniques such as variety reduction, standardization and simplification, value analysis, inventory control, purchase research etc. 3. Co-ordination of the functions such as planning, scheduling, storage and maintenance of materials. Scope of Materials Management: Materials management encompasses all the aspects of the materials i.e. material costs, material supply and material utilization. Materials management is concerned with material planning and materials control activities. The details of planning and control activities are represented in

2.2.3. Integrated Materials Management:

Materials required for production purpose are normally procured and stored in the plant and issued to manufacturing when there is a requisition. Materials are to be purchased in advance and stored to ensure uninterrupted supply. There should be a proper co-ordination and co- operation among different functional heads of materials department to optimize the operations of materials management. The materials function to be effective; the objective must be to maximize materials productivity. An integrated approach to materials management i.e. materials planning and control must look in to the problem areas in a co- coordinated manner in order to maximizes the effectiveness of material management (Roache, 2006).

❖ **An integrated materials management will result in the following advantages:**

- ✓ Better accountability for materials and material concerned costs.
- ✓ . Better co-ordination within the materials functions and also other functional areas of business.
- ✓ Better performance and effectiveness.
- ✓ Adaptability to automated and computerized systems

2.2.4 The important areas to improve materials planning and control are:

- Value analysis and purchase price analysis.
- Materials planning and control (Inventory Control)
- Stores control.
- Waste management.
- Materials handling. Various elements of integrated materials management are represented

2.2.5. Elements of Integrated Materials Management Flow of Materials in Manufacturing:

In any manufacturing organization, there is a flow of materials at various stages of manufacturing i.e. from input to output. The flow of tangible materials from input through manufacturing to output of a manufacturing operation is represented in the fig

The flow with reference to inputs involves such activities as purchasing, traffic control and receiving. The activities associated with flow within the factory include the material handling activities at different workstations as per the order of processing. Output related activities include packaging, shipping and distribution (Roache, 2006).

- The type of the organization, the basic material related functions performed at the organization are:

- ✓ Purchasing
- ✓ Inbound traffic from suppliers to company
- ✓ Receiving:
- ✓ Inventory Control
- ✓ Production control
- ✓ in plant storage
- ✓ Material handling
- ✓ Warehousing and distribution

2.3. Scope of Material Management

Material management covers all aspects of materials, costs, material supply and utilization. It covers the whole or range of functions involved in converting raw materials and ancillary supplier into finished products and also cover the aspect of individual's management which concerned with the activities involved in the acquisition, storage, and flow of all material directly and indirectly employed in the production and marketing of finishing goods (Jacobs, 2004).

2.4. Purchasing

Purchasing defined as the process of buying the material and resell amount needed to create products and services. Any purchasing activity starts with the recognition of a need the function of purchasing. The requisition of material is necessary proper authority to initiate its purchase (James and Evans, 2007).

To select proper supplier for the materials requested before planning an order. To negotiate about the price of the material from the supplier, and it well be purchased at the cheapest price. The quality of material must be assured and should not be compromised with the cost of the material. The material should be purchased of right quantity and right quality at proper time at the cheapest cost. Purchasing: Purchasing plays a crucial role in the materials management because it is concerned from input stage up to the consumption in manufacturing. Purchasing functions as a monitor, clearing house and a pipeline to supply materials needed for production.

Dr. Walters defines scientific purchasing as: “Procurement by purchase of the proper materials, machinery and equipment and supplies of stores used in manufacturing of the product, adopted to marketing in the proper quantity and quality at the proper time and at the lowest price consistent with quality desired.” Purchasing Cycle:

The purchase procedure followed varies from company to company and also from one industry to other.

2.4.1. The basic elements in purchasing are:

- The origin of demand for materials and components based upon the requisitions made to purchase department by user departments with all the details like descriptions, quantity and quality specifications.
- Specifications are checked and verified and purchase plan is made for items demanded
- Selection of source of supply.
- Preparation of purchase order by supplier (order acceptance) and acceptance of terms and conditions.
- Follow up to ensure prompt delivery of right quality and quantity of materials.
- Incoming inspection of materials (both to check quality and quantity) to ensure correct material as per specification.
- Checking supply invoice against purchase order and goods received and payments are made

Just in Time (JIT) Purchasing: Just in time purchasing is a major component of JIT manufacturing system. The basic concept of JIT purchasing is to establish agreement with vendors to deliver small quantities of materials/parts just in time for production. This approach is quite contrast to traditional approach of bulk buying (JASPA, 1992).



❖ The features of JIT purchasing are:

- Reduced lot sizes
- Frequent and. reliable delivery schedules.
- Reduced and highly reliable lead times.
- High quality level of purchased parts.

The JIT purchasing aims at a single reliable source for each item and consolidation of several items from each supplier.

❖ **JIT purchasing has the following advantages:**

Consistent quality, Minimum investment and resources such as buyer's time, travel and engineering, focused attention on vendors, Savings on tooling, Establishment of long-term relationship.

- For making JIT work, the following conditions are put on purchasing department:
 - ✓ Reduction in number of suppliers.
 - ✓ Locating the suppliers who are nearby.

The success of JIT purchasing depends on how well the firm establishes the strategy of single sourcing. The suppliers should be seen as “Outside” partners who can contribute to the long run well fare buying firm.

2.5. Materials Requirement Planning (MRP)

The Materials Requirement Planning (MRP) is technique used to plan the material starting from the raw materials to finished, parts components, sub-assemblies and assemblies are per Bill of Materials (BoM) to procure or produce them to support aim after production schedule. Materials Requirement Planning (MPR) is used on computer productive by any company that uses a Materials Requirement Planning MPR to manufacture product that requires assemblies, components and materials to produce the final products.

Inventory planning is that the materials should be purchased and brought in the stores just before it enters the production or sold out so that inventory cost is negligible. There are three types of inventories raw material purchased goods finishing parts and components (Todaro1977).

2.6. Ware housing

The stores function should be organized as follower to receive raw materials, components, equipment and etc. to meet the demand of user department by issuing the same account the transaction correctly minimize obsolescence surplus and scrap by proper identification and using correct preservation methods and ensure good housekeeping, comprising receipt issuer, handling

and storage the concept store is money should be understood by everyone in the organization (MYSC 2004).

2.7. Benefits of the integrated system approach

(Gopalakrishnam and Sudarshan 2003) noticed in many organizations any analysis of the financial statement of a large number private and section organizations indicates the material account for nearly 60% of the total expenditure. The integrated material management usually enjoying the following advantage; better accountability, better coordination and better performance.

2.8. The Inventory Control System

According to AK data (2004), there are two basic inventory control systems

1. Periodic review system and
2. Fixed order quantity system

1. *Periodic Review System*

This is a time bound system when requires the periodic review of the stock amount level of all times. Here, periodic of review is fixed as one time set by the company.

2. *Fixed order Quality System*

Under this system, the quantity that was order is constant but time gap or the lead time is varied. This system recognizes the fact that each item is the inventory process in its own unique characteristics and optimum order quantity (Burt, 2002).

CHAPTER THREE

3. RESEARCH METHODOLOGY

3.1. Research Design

A research design is the way in which one can pass through to answer a **research question**. As a research design, this study adopts descriptive survey research design, which was used to assess and identify the challenges of material management practice in Wolkite University. The research design aids to check the state affairs as it exists at present or not. The research design was designed to use mixed approach quantitative and qualitative techniques.

The researcher was use descriptive type of design to assessment of the material management and controlling practice in Wolkite University. The reason why the researcher uses descriptive method are the following

- ✓ Because of such a method is simple and an appropriate way of conveying the message of the research to the users
- ✓ It is the best way to create the mental picture of the idea on the mind of the users those uses the research

The reason that the researcher was intend to use descriptive study is, as Anderson (1990) stated, descriptive study provide information about condition and event occurred at present and in soles collecting data in order to answer questions concerning the current status of the participants of the study and also it is better to analysis and interpretation data which was obtained from participants.

3.2. Sampling technique and sample size

3.2.1 Sample technique

This paper aim to assessment of material management and controlling practices in Wolkite University purchasing and material management department employees. The Sample size of the study is 39.

Samples are made up of some of the members of the organization. Selecting a sample is a fundamental element for the study. In this study, the researcher was use simple random sampling and all employees have equal chance of being selected.

3.2.2 Sample size

The researcher was use census methods because the number of the population is small which is 39.

3.3 source of data and method of data collection

3.3.1 Source of data

The data is obtained from primary and secondary sources. The primary sources of this study were the users of material management both administrative and academic staffs, and property administration staffs, store keepers, while the secondary sources were document regarding material management resource and utilization practices.

3.3.2 Method of data collection

In this research process two instruments were used. These were questionnaire and semi structured interview. The questionnaire was used to know the attitude of employees in the utilization of material management. The interview was used to assess the questions, which need more explanations. Document analyses used to know deeply the experience of material management utilization practice with regard to maintenance practice of resource and their management system, storage and disposal.

3.4 methods of data presentation and analysis

The data is summarized and analyze using descriptive method. Moreover, information and opinion that were report by respondents though close-ended question questionnaires, structured interview and document analysis were considered in data interpretation and analyzing by supplementing those data gained through questionnaires. The study used multivariate regression to analyze the effect of dependent variables stated by using the following regression.

CHAPTER FOUR

4. DATA ANALYSIS AND INTERPRETATION

This chapter deals with the analysis and interpretation of data. The questionnaires were distributed for 39 sampled employees in the organization. Even though the questionnaires were distributed for 39 employees only 30 were filled in appropriate manner. So, data analysis and interpretation were on 30 employees and the remaining 9 questionnaires were uncollected. The interview questions were prepared by focusing in manager to get detailed information about the material management and controlling practice. The result of questionnaires survey and interview were processed and analyzed mostly using descriptive data analysis methods.

Table 1 background of the respondent

No	Characteristics	Response	Frequency	
			No of respondent	Percentage (%)
1	Sex	Male	23	76.7%
		Female	7	23.3%
		Total	30	100%
2	Age	18-25	10	33.3%
		26-50	16	53.3%
		Above 50 year	4	13.4%
		Total	30	100%
3	Experience	Below one year	9	30%
		1-5 year	12	40%
		5-20 year	7	23.3%
		20-40 year	2	6.7%
		Total	30	100%
4	Education level	10 th /12 th completed	3	10%
		Diploma/certificate	2	6.7%
		First degree	24	80%
		Second degree and above	1	3.3%
		Total	30	100%

Source: own questionnaire survey, 2019

According to the above table 4.1 item 1, the sex index of the respondents indicates that 76.7% were males and the remaining of 23.3% were females.

This indicates the numbers of female employee in the organization is very small. so, the manager of the organization should have to balance the number of workers so as to improve the productivity. Through encouraging and giving special support in organization and offering affirmative for female worker's action during recruitment and selection process.

According to the above table 4.1 item 2, the age index of the respondent indicates that 53.3% of the employees were between 26_50 years, 33.3% of the employees were between 18-25 year and finally 13.4% of the employees were above 50 years.

According to the above table 4.1 item 3, the experience index of the respondents indicates that the majority 40% of employees are between 1-5year work experience. This indicates that employee of the organization was good experienced or familiar to the organization and also 23.3%, 30%, 6.7% are proportion are work experience.

According to the above table 4.1 item 4, the education level index of the respondents indicates that 10% are 10th /12th class 6.7% are diploma/certificate, 80% are first degree the other 3.3% are second degree and above when we compare the proportion for first degree are the highest. This show the employees were partially well educated. This was an opportunity for the organization to enhance its strategy and goal to achieve in a well manner. The personal background generally shows those respondents had sufficient work experience to give relevant information because majority of than who have diploma and lowest.

Table 2 martial management system

Item	Response	Frequency	
		No of respondents	Percentage (%)
1. Does your organization have unique material management system?			
	Yes	15	50%
	No	10	33.3%
	I don't know	5	16.7%
	Total	30	100%

Source: own questionnaire survey 2019

The above table indicates majority of the respondent that means 50% said "Yes" the organization have material management system, 33.3% of the respondent said "No" the organization have no material management system and the rest 16.7% of the respondent said "I don't know" about the organization material management system in this organization.

Table 3 rule and regulation for material management

Item	Response	Frequency	
		No of respondents	Percentage (%)
2. Are there any clear rules and regulations for material management?	Yes	15	50%
	No	8	26.7%
	I don't know	7	23.3%
	Total	30	100%

Source: own questionnaire survey 2019

The above table indicates majority of the respondent that means 26.7% said “No” there is any clear rules and regulations for material management, 50% of the respondent said “Yes” there is any clear rules and regulations for material management and the rest 23.3% of the respondent said “I don’t know” there is any clear rules and regulations for material management. Generally, the organization need clear rule and regulation in order to achieving the objective.

Table 4 Integration and between related department

Item	Response	Frequency	
		No of respondents	Percentage (%)
3. How do you evaluate the integration between related departments within the organization?	Good	15	50%
	Very good	6	20%
	Low	5	16.7%
	Bad	4	13.3%
	Total	30	100%

Source: own questionnaire survey 2019

The above table indicates majority of the respondent that means 20% said “Good”, 16.7% of the respondent said “low” and the rest 21.5% of the respondent said “Very good” and were as 13.3% of the respondent said “bad”. Generally, majority of the respondent that means 50% said “Good”. This shows the organization has integration between related department.

Table 5 Relationship between users with organization

Item	Response	Frequency	
		No of respondents	Percentage (%)
4. How could you	Very good	10	33.3%

describe the relationship between users with organization?	Good	12	40%
	Bad	7	23.3%
	very bad	1	3.3%
	Total	30	100%

Source: own questionnaire survey 2019

The above table indicates majority of the respondent that means 23.3% said “bad” whereas 40% of the respondent agreed “Good” and the rest of the respondent 33.3% and 3.3% “Very good” and bad respectively. This show the organization has relationship with users.

Table 6 material spoilage

Item	Response	Frequency	
		No of respondents	Percentage (%)
5. If there is material spoilage without relation/reasonable time does the management takes report of such the material?	Yes	15	50%
	No	8	26.7%
	Sometimes	7	23.3%
	Total	30	100%

Source: own questionnaire survey 2019

From the above table 50% of the respondent said “Yes” 26.7% of the respondent said “No” and the rest 23.3% of the respondent said “Sometimes”. This implies that majority of the respondent said “No”. so the researcher concluded that to overcome this defects the organization must regard to material spoilage.

Table 7 responsibility of store keeper

Item	Response	Frequency	
		No of respondents	Percentage (%)
6. Are management and the store keeper responsible to check and administer the new	Yes	15	50%
	No	5	16.7%
	Sometimes	10	33.3%

purchased material?	Total	30	100%
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Source: own questionnaire survey 2019

From the above table 50% of the respondent said "Yes". on the other hand, 16.7% of the respondent said "No" and 33.3% the rest of respondents said "Sometimes". It indicates the management and the store keeper lack of good habit regarding register new material that is purchased by the organization.

Table 8 material management evaluation

Item	Response	Frequency	
		No of respondents	Percentage (%)
7. How do you evaluate the material management need and supply process in organization?	Successful	10	33.3%
	Somewhat successful	9	30%
	Not successful	11	36.7%
	Total	30	100%

Source: own questionnaire survey 2019

The above table indicates majority of the respondent that means 36.7% said Not successful that attention towards the evaluation of material management need and supply process in the organization is somewhat successful, 33.3% of the respondent said successful and the rest 30% The same respondent believes evaluation of material management need and supply process in the organization is successful and the majority of the respondent believe not successful.

Table 9 challenges regarding ware housing

Item	Response	Frequency	
		No of respondents	Percentage (%)
8. Is there any functional process challenge regarding ware housing your organization?	Yes	15	50%
	No	8	26.7%
	I don't know	7	23.3%
	Total	30	100%

Source: own questionnaire survey 2019

This table shows that 50% of the respondent said "Yes" 26.7% of the respondent said "No" the others respondent said I don't know "23.3% there is functional process challenge ware housing.

Table 10 disposal problem in relation in material management

Item	Response	Frequency	
		No of respondents	Percentage (%)
9. Is there any disposal problem in relation to material management?	Yes	15	50%
	No	7	23.3%
	I don't know	8	26.7%
	Total	30	100%

Source: own questionnaire survey 2019

The above table show that 50% of the respondent said “Yes” on the other hand 26.7% of the respondent said I don't know and the result 23.3% of the respondent said “No”. It indicates there is disposal problem in relation to material management.

Table 11 purchasing performance

Item	Response	Frequency	
		No of respondents	Percentage (%)
10, What is the degree of the existing purchasing police performance applied in your organization?	Excellent	10	33.3%
	Good	11	36.7%
	Very bad	4	13.3%
	Bad	5	16.7%
	Total	30	100%

Source: own questionnaire survey 2019

The above table show that 13.3% of the respondent said very bad, where as 36.7% of the respondent said good, 16.7% of the respondent said bad and 33.3% of the respondent said excellent. In general, the purchasing performance of the organization is bad.

Interview Analysis

The interview made to the manager of organization and worker of organization revealed the following facts:

- ✓ Regarding to the material handling system of the manager of organization replied that there is one department in this organization which is responsible for handling materials through arranging stores and ordering the materials on self-according to their usage.

- ✓ Regarding to the material spoilage of the manager of organization replied that a material is disposed from the organization when materials become obsolescence and no longer live, broken and spoilage is happening before there expected life and when materials become expired.
- ✓ By understanding disadvantage of this broken, spoilage and obsolescence material management department remove the materials far away from the organization by taking in to consider the safety of the society and cleanness of the environment.

Regarding to the problem of purchasing system the manager of organization replied that there are many problems that is face during purchasing material among them.

- lack of effective bargaining power with the seller during they buy the materials for the organization,
- lack of expert who evaluate the quality and durability of the purchased equipment,
- lack of market information and lack of discount that the company gives during purchasing equipment.
- Lack of another department of handling materials and also lack of manpower

CHAPTER FIVE

5. SUMMARY CONCLUSION AND RECOMMENDATION

This chapter deals with the findings of the study and recommendations helpful to come up to problem. Therefore, the result obtained through various sources has been presented as follows.

5.1. Summary

From the respondents answer to the questionnaire and the manager response for the interview questions the researcher tried to summarize as follows:

- ❖ From the total study organization, majority (76.7%) of male, so female is not equal to males in the organization.
- ❖ From the respondent's response about the age distribution of the employees, most of the employees of the organization were categorized in productive age group, which means 53.3% of the organization employees were between 26-50 years.
- ❖ According to the respondent's response about the educational level of employees, most of the employees at the organization are well educated, this means 80% of the sample employees had got first degree.

- ❖ When we see the respondents answer about work experience with in and outside the organization of the sample employees, the majority of the organization workers have much experience.
- ❖ During the material management some problems are encountered, this study tried to analyze the problem of material management and also identified some initial factor and alternative solution.

5.2. Conclusion of Findings

- ❖ From the total of the employees 76.7% of workers are males. Almost males are more than of female employees in the organization. This indicates that males are dominantly employed in the organization and also according to the survey.
- ❖ As the researcher understand from survey the material management of the organization was not much satisfactory.

Under this conclusion some problem identified by the respondent which is mention below.

- ❖ Lack of evaluation of material management need and supply process,
- ❖ Existing policy of purchasing performance is weaker and Stock system is not technological.
- ❖ lack of effective bargaining power with the seller during they buy the materials for the organization,
- ❖ lack of expert who evaluate the quality and durability of the purchased equipment,
- ❖ Lack of market information and lack of discount that the company gives during purchasing equipment.
- ❖ Lack of another department of handling materials and also lack of manpower

5.3 Recommendation

Based on the above conclusion the recommendations are given bellow.

- ✓ The organization should have adequate working capital and should be liquid to buy much materials by credit or cash from the supplier of material and also in order to get discount.
- ✓ The organization must to hire the experienced and expert manpower to evaluate the quality and durability of the purchased materials.
- ✓ Because of there are so many material seller exists in Ethiopia, the organization should have experienced and skilled man power.
- ✓ The top management of the organization should have to change the way that they evaluate the material management needs and supply process.
- ✓ The knowledge, skill and ability of purchasing is very vital so, the workers(employee) of the organization should be talented and they have to develop the purchasing power of customer by creating awareness about the product of the organization.
- ✓ The stock system should use updated accounting information system, and the inventory material should be disposed if and only if they lost their market value, if not; they should be sold or exchanged within their market value for economic benefit of the organization
- ✓ The organization should have another additional department that handle material to do work easily and properly.
- ✓ The organization should not be partial between the customers in giving services and it is better to do balance b/n man and women to get the equity of work and to facilitate the business operation of the organization.

- ✓ The organization policy of stock system must change by technological way and latest way to get more satisfaction on the work.

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Appendix A

Wolkite University

College of Business and Economics

Department of Management

‘A’ Questionnaire on assessment of the material management and controlling practice in Wolkite University

Dear respondents this questionnaire is prepared to conduct a research on the analyzing the material management and controlling Practice in Wolkite University you are kindly requested to give the right answer. This questionnaire would be used only for academic purpose.

Instruction

No need of writing your name

Please answer the according to the instruction given for this question that are open and close ended question and answer briefly on the space provided

Part One: Personal background

1. Sex A. Male ☐ B. Female ☐
2. Age A.18-25year ☐ B.26-50-year ☐ C. Above 50 year ☐
3. Experience A. below one-year ☐ B. 1-5-year ☐ C. 5-20-year ☐ D. 20-40 ☐
year
4. education level A. 10th/12th completed ☐ B. diploma/ certificate ☐
C.1ST degree ☐ D. 2nddegree and above ☐

Part 2: Research problem-based questionnaire

1. is there any functional process challenge regarding ware housing your organization?

- A. Yes B. No ☐ C. I don't know ☐

2. If your answer is "Yes" listing the challenge?-----

3. Are the management and the store keeper responsible to check and administer the new purchased material?

A. Yes ☐ B. No ☐ C. Sometimes ☐

4. How do you evaluate the material management need and supply process in organization?

A. Successful ☐ B. Somewhat successful ☐ C. Not ☐
successful

5. If your answer is not successful what do you think that the reason?

6. Does your organization have unique material management system?

A. Yes ☐ B. No ☐ C. I don't know ☐

7. Are there any clear rules and regulation for material management?

A. Yes ☐ B. No ☐ C. I don't know ☐

8. How do you evaluate the integration between related departments with the organization?

A. Very good ☐ B. Good ☐ C. Medium ☐ D. Bad ☐

9. How could you describe the relation between users with organization?

A. Very good ☐ B. Good ☐ C. Moderate ☐ D. very bad ☐

10. If the material spoilage without rational/reasonable time. Does the management take report of such the material?

A. Yes ☐ B. No ☐ C. Sometimes ☐

11. Is there any disposal problem in relation to material management?

A. Yes ☐

B. No ☐

C. I don't know ☐

12. If your answer is "Yes" what do you think that reason?

13. What is the degree of the existing purchasing policy performance applied in your organization? A. excellent ☐ B. good ☐ C. Bad ☐ D. very bad ☐

14. If your answer is "bad" list, the reason?

15. If you have any further comment or suggestion regarding to material management in your organization estate, it?

Appendix B

Wolkite University

College of Business and Economics

Department of Management

Interview questions

1. When and where materials are disposing if the material is spoilage?
2. Does your organization use material handling system?
3. What is the problem faced in the purchasing system?

