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GRADUATE STUDIES**

**ASSESSMENT OF FACTORS INFLUENCING PUBLIC
PROCUREMENT PRACTICES IN THE CASE OF GURAGE ZONE
FINANCE AND ECONOMY DEVELOPMENT DEPARTMENT**

**A THESIS SUBMITTED TO THE DEPARTMENT OF MANAGEMENT
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This is to certify that this research titled as “Assessment of factors influencing public procurement practices in the case of Gurage zone finance and economy development department”. It is submitted to College of Business and Economics at Wolkite University in partial fulfillment of the requirement for the degree of Master of Business Administration in Management. The thesis written by Mechal Andie Sira is an authentic study carried out by her own effort Approved by Board of Examiners

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DECLARATION

I declare that my study, entitled "Assessment of factors influencing public procurement practices in the case of Gurage Zone Finance and Economy Development Department ", is the result of my own in-depth research. This study has not been submitted for a degree at any other university. It was submitted to the College of Business and Economics at the University of Wolkite to partially fulfill the requirement for a Master of Business Administration degree. All sources of materials used for research are properly accepted, cited and referenced.

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Acronyms

EB	Educational back ground
EPAR	Ethiopian Procurement Assessment Report
EMPE	Employee procurement Ethics
FDRE	Federal Democratic Republic of Ethiopia
FPPAA	Federal Public Procurement and Property Administration Agency
FEDD	Finance and Economy Development Department
GDP	Gross Domestic Product
GZFEDD	Gurage Zone Finance and Economy Development Department
ICT	Information Communication Technology
IFMIS	Integrated Financial Management Information Systems
INTOSAI	International Organization of Supreme Audit Institutions
MAPS	methodology for assessing procurement systems
OECD	Organization for Economic Co-operation and Development
PROPRA	Procurement practices
PROPRO	Procurement procedure
PROPOL	Procurement Policy
PPAA	Public Procurement and Property Administration Agency
PPAM	Public Procurement and Asset Management
PPPDS	Public Procurement and Property Disposal Services
PSCM	Procurement Supply Chain Management
SBD	Standard Bidding Document
SDGs	Sustainable Development Goals
SNNPR	South Nations, Nationalities Peoples Region
SPSS	Statistical Package for Social Science
UNDP	United Nation Development Programme
VIF	Variance Inflation Factor
WOP	Work place

Abstract

Many procurement activities still suffer from neglect, lack of proper direction, poor coordination, slow with a lot of bureaucracy, lack of open competition and transparency, differing levels of corruption and not having trained and qualified procurement specialists who are competent to conduct and manage the procurement process in a professional, timely, efficient and cost effective manner. The aim of this study is investigate assessment of factors influencing public procurement practices in the case of Gurage zone finance and economy department. The study employed descriptive and explanatory research design along with quantitative and qualitative approaches. Comprehensive sampling technique, a technique that considers all population as study subjects, was used to select the whole population size 176. A structured questionnaire and semi – structured interview were used to collect primary data. Secondary data, document about public procurement practice were reviewed. Procurement planning, staff competency, information communication technology, procurement procedure, procurement policy, and employee procurement ethics were served as explanatory variables for procurement practice. The quantitative data were analyzed using descriptive statistics, multiple linear regression model and Pearson correlation coefficient by using a Statistical Package for Social Sciences (SPSS) version 20. The findings of the study revealed that of the influence the six explanatory variables were high and implementation of procurement practice was at moderate status. Except staff competency, strong and positive correlation between information communication technology, procurement procedure, procurement policy, and employee procurement ethics and procurement practice were observed. The regression analyses result revealed that 74.2% of the variation in the procurement practice was explained by the six explanatory variables, where procurement procedure has greatest effect among the other factors. Therefore, the study recommended that Gurage zone public financial organizations has to work in these influence's factors so that it can increase high quality service, delivery time target delivery services, reduced cost of service delivery, increased types of service delivery and procurement efficiency.

Key words: competency, information communication technology, legal procurement procedure procurement policy, procurement ethics

CHAPTER ONE

INTRODUCTION

1.1. Background of the Study

Procurement is a core activity that has implications on the operations of an organization together with being an activity which cuts across all the departments in the organization. It is an activity that forms part of the key operations within the organization since it is through procurement that the organization acquires the various resources that ensure its continued existence. Every day and every moment, organizations are constantly involved in the process of procurement for goods, services, assets and/or works (Wachira, 2013).

Public procurement is a key tool to promote objectives of an economic, environmental and social nature gaining much attention globally over the past decades. 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 immensely contribute to best utilization of public resources. These budgets account for about 20 percent of government expenditure globally and many governments have embarked on reforms in their procurement systems to streamline and harmonize legal and institutional framework (Mlinga, 2009). However, according to Wanyonyi (2015), procurement is the nerve center of performance in every institution, whether public or private, and thus, needs a serious attention and tight system to be adopted and followed. In many developing countries, huge amounts of domestic and foreign resources spend on public procurement. However, public procurement systems are very weak and effective governance of the public sector is at the center of strong challenges (Thai 2009). Moreover, in developing country, many procurement activities still suffer from neglect, lack of proper direction, poor coordination, slow with number of bureaucracies, lack of open competition and transparency, lack of accessibility, differing levels of corruption and not having a cadre of trained and qualified procurement officer, who are capable to conduct and manage the procurement process in a professional, timely and cost effective manner (Wanyonyi, 2015).

Studies revealed that great share accounts in gross domestic products in most of developing countries. Public procurement accounts for 15-30% of the gross domestic products (GDP) for many countries in the world (United Nations Office on Drugs and Crimes (UNDOC), 2013). In developing countries, public procurement is increasingly recognized as essential in service

delivery and it accounts for a high proportion of total expenditure. For example, public procurement accounts for 60% in Kenya (Akech, 2005), 58% in Angola, 40% in Malawi and 70% of Uganda's public spending (Basheka & Bisangabasaija, 2010). In Ethiopia context, more than 60% of the total public expenditure has been spent through public procurement in a year. It is a huge amount of money that public bodies spent via public procurement. The expenditure on public procurement is increasing from year to year. However, the resource spent on public procurement is not used properly and in an economical manner and in the current Ethiopian public procurement process, the compliant on public procurement process shows increment from year to year. Efficiently and effectively handling this size of procurement outlay has been a policy and management concern as well as a challenge for governments (PPA Annual Report, 2014).

Even if the rules and regulations have been enacted, successive review of the public procurement regimes in Ethiopia reveal a lot of 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 required in the management of the public procurement process (World Bank CPAR, 2002).

Improving this system will obviously influence substantially on the growing economy of Ethiopia which will result in budgetary savings and efficiency in government expenditures, thereby creating wealth and reducing poverty (Tesfahun, 2011). The basic element involves in performing the procurement function are obtaining the proper equipment, material supplier and service in the right quality, in the right quantity, at the right price and from the right source in simple terms as Alijan (1973) described in his scholarly article for the issue at hand.

Therefore, the focus this study is examined the procurement practices as how they are conducted and what kind of challenges had occurred and has been occurring during procurement practices and the resultant procurement efficiency. In addition, it attempted to identify assessment of factors influencing public procurement practices in the case of Gurage zone finance and economy department that draw backs procurement practices in achieving the overall objective of the Gurage zone finance and economy development department.

1.2 Statement of the Problem

Procurement is perceived as prone to corruption; occasioning waste and affecting quality of service and life improving opportunities. There is a need to reverse this worrying trend and win public confidence. Despite Government efforts to improve the procurement system, it is still marred by shoddy works, poor quality goods and services (Chimwani, Iravo & Tirimba, 2014).

Many procurement activities still suffer from neglect, lack of proper direction, poor co-ordination, slow with a lot of bureaucracies', lack of open competition and transparency, differing levels of corruption and not having a cadre of trained and qualified procurement specialists who are competent to conduct and manage the procurement process in a professional, timely and cost effective manner. According Kenya (2011) dissatisfaction among stakeholders brought about by loopholes left by the regulations which may be used by dishonest people to make the process inefficient. Further mention revealed that even after the enactment of the Regulations, there are losses of public funds that can be attributed to public procurement. A descriptive study by Makori (2017) on factors affecting procurement practices on the performance of devolved parastatals in Kissi County in Kenya found out that procurement is both a driving force to competitive strategy selection and an important resource to achieving improved organizational performance. It was found that if procurement practices are employed effectively, then it is expected to improve firm-customer relationship, preserve the environment, motivate and improve the coordination of staff. However, one of the limitations of his study is that the researcher measured only the operational side of procurement and considering the early stages of procurement implementation on the organizations.

According to Abebe (2012) it is important to maximize effective and efficient management of the procurement function in an entity. Effective and efficient public procurement systems are essential for the realization of Sustainable Development Growth (SDGs) such as maintaining a fast growing economy, but unfortunately, procurement systems in many developing countries are particularly weak and serve to spend scarce domestic and foreign resources (OECD, 2005). It is critical to note that most African countries have already taken a number of steps to improve their public procurement systems. However, ensuring efficiency, accountability and transparency in undertaking the national, regional and international public procurement processes are challenging (Samson et al., 2016).

A survey carried by the Kenya publishers association on booksellers indicates how book distributors collude with school principals to embezzle money set aside for free education in public secondary schools in Kenya Wanyama (2010). Public procurement has important economic and political implications by ensuring that the process is efficient and economical. Because, effective procurement process is one in which efforts are made at all times to have a transparent and corruption free process and use of good practices (Ombaka, 2003).

In Ethiopian context, empirical studies have shown that inefficient procurement practice has been seen in different government organizations/sectors. For instance, explanatory study by Tirualem and Amanpreet (2020) on factors affecting the effective functioning of public procurement in Public Universities of Ethiopia revealed that, public procurement policy, legal environment, organizational structure, employee ethics, ICT and management of suppliers have positive and significant effect on the effective functioning of public procurement practice. However, budgetary allocation has insignificant and negative effect on the effective functioning of public procurement practice. Another study by Wossene (2019) on factors affecting public procurement performance in Addis Ababa City, taking a case of Gulele Sub-City administration and the finding indicated that all independent variables were statistically significant and positively affects (influences) the whole procurement performance of the administration. Procurement planning and staff competency were the highest significant factors affecting public procurement performance, ICT utilization and internal control respectively. On the other hand, Abebe (2017) in assessing factors affecting public procurement performance in Ethiopia: the case of public procurement and property disposal services and the results of this study indicate that the independent variables: procurement planning, competency of staff, procurement procedure and information communication technology were positively affected the dependent variable - procurement performance to a significant extent. These factors explained 85.9% of procurement performance.

In Ethiopia, more project works are being affected due to the loose legal framework, lack of an effective procurement process, weak capacity of procurement staff, unclear institutional and organizational arrangements for processing procurement and decision making in award of contracts, which is the main cause of insufficient service delivery in all public sectors (Getahun, 2015).

In spite of having various studies undertaken on procurement practice in public procurement, there are still gaps that need to be addressed such as the previous studies were not clearly explain the influence level (contribution) of procurement planning, staff competency, ICT utilization on

procurement performance, and they did not consider the effect of internal control on public procurement performance. Similarly, they measure the procurement performance of public entities by focusing on the process with little emphasis on achievement of procurement objectives. On the other hand, assessment of factors influencing public procurement practices in the case of Gurage zone finance and economy development department, in Gurage Zone has not been adequately studied empirically.

Thus, based on the above scenario, this study sought to assess factors influencing procurement practice in case of public sector offices in Gurage Zone considering that effective procurement practice affected by staff competency, information communication technology, legal procurement procedure, procurement policy, and employee procurement ethics.

1.3 Research Questions

The study attempted to address the following research questions.

1. To what extent does staff competency influence procurement practices in the case of Gurage zone finance and economy department?
2. What is the influence of information communication technology on procurement practices in the case of Gurage zone finance and economy development department?
3. How do procurement procedures influence public procurement practices of Gurage zone finance and economy development department?
4. What is the influence of procurement policy on public procurement practice in the case of Gurage zone finance and economy development department?
5. How do employee procurement ethics influence procurement practices in the case of Gurage zone finance and economy development department?

1.4. Objectives of the Study

1.4.1 General Objective

The general objective of this study was to assess factors influencing public procurement practices in the case of Gurage Zone finance and economy development department (GZFEDD).

1.4.2. Specific Objectives

The specific objectives of the study are:

- ❖ To determine the extent to which staff competency influences procurement practices in the case of Gurage Zone finance and economy development department.
- ❖ To assess how information communication technology (ICT) utilization influences the procurement practices in Gurage Zone finance and economy development department.
- ❖ To assess the influence of procurement procedure on procurement practices in Gurage Zone finance and economy development department.
- ❖ To assess the influences of procurement policy on procurement practices in the case of Gurage zone finance and economy development department.
- ❖ To identify the effect of employee procurement ethics on procurement practices in the case of Gurage zone finance and economy development department.

1.5 Significance of the Study

The study will be significant for Gurage zone finance and economy development department to improve its procurement practices by focusing the findings of this study. The outcomes of this study are in the form of procurement managerial implications which will be useful to the top leadership as well as politicians, in both woredas and Town organizations in Ethiopia, of the benefits that will value add from improved procurement practice in the Gurage zone finance and economy development department. It will be used as an input for policymakers to develop ways for effective procurement practices in finance and economy development department. Additionally, also the findings of the study will be used as a literature and it can be used as a reference point and give direction for different future researchers.

1.6 Scope of the Study

The study was geographical, methodological and content scope. Geographically, the study was delimited on selected public sectors such Gurage zone finance and economy development department. This is because in order to make the collected data manageable. Methodologically, it is mixed approach so as to consolidate the findings of the study and for triangulation purpose. The content or conceptually the study was delimited on influential factors such as staff competency,

information communication technology, legal procurement procedure, procurement policy employee procurement ethics, and affecting procurement practices.

1.7 Limitations of the Sstudy

The research limits itself to information provided by the staff in the procurement directorate and finance departments and woreda finance offices. This information was used as the accurate information reflecting what exactly happened when undertaking the public procurements. Confidentiality regarding data to be collected was also another obstacle in conducting the research. The researcher did as much as he could to encourage the members of woreda, town and zone staff to disclose the information.

In addition lack of finance was the major limitation of this study which interrupts the researcher from an in depth investigation of the issue. Further, busyness of the key procurement committee, director and procurement officers and the working place of the respondents were forced the researcher to cancel lots of appointments and it took longer than expected time for the completion of the research.

1.8 Definitions of Key Terms

Procurement: Procurement is defined as obtaining goods, works, consultancy or other services through purchasing, hiring or obtaining by any other contractual means (The Ethiopian Federal Government Procurement and Property Administration Proclamation, 2009).

Procurement Performance: Procurement performance is defined by how ‘well’ its process is conducted and how ‘good’ the outcome is. It covers a number of quality and quantity-enhancing benchmarks, which narrows down transaction costs, time spent, and the quality and quantity of goods delivered (Sabine et al., 2009).

Staff competency: is the application of employee’s knowledge and skills, performance delivery, and the behavior required to get things done very well (Armstrong & Baron, 1995).

Information Communication Technology (ICT): IT procurement is the series of activities and procedures necessary to acquire information technology (IT) products and services.

Procurement policy: the procurement policy sets out the principles that shall govern the procurement of goods and services of international idea.

Procurement Procedures: The procurement process includes the preparation and processing of a demand as well as the end receipt and approval of payment. Comprehensively, this can involve purchase planning, standards, specifications determination, supplier research, selection, financing, price negotiation, and inventory control.

1.9 Organization of the Study

The study is organized by five chapters- chapter one contains background of the study, statement of the problem, research questions, general objective, specific objective, significance of the study, delimitation or scope, operational definitions of key terms and organization of the study. Chapter two is review of related literature from different sources; the third chapter deals the methodology applied for the research. The fourth chapter involves results of data analysis, interpretation and discussions. The fifth chapter contains summary of major findings, conclusions, recommendations and direction for feature researchers.

CHAPTER TWO

REVIEW OF LITERATURE

2.1. Theoretical literature review

This section specifically focuses on the theoretical foundation of the study, where the key purpose is to underscore all the important theories that help to explain the concept under study. Generally, theoretical literature focuses more on the theories and hypotheses but does not necessarily include practical application.

Hart (2018), defines a literature review as a variety of pre-existing documents, both published and unpublished, relating to the subject (in this case, the public procurement rules, results), which contain information, ideas, arguments, and evidence written from a particular perspective, in order to achieve certain goals, or to express certain views on the nature of the subject, and the right to study, and then the effective price of these documents are related to the research suggests. In this chapter, we will provide a comprehensive overview of the information from the secondary evidence, sources, and topics of interest. The research section provides a theoretical review, empirical review, the gap of the research, and the conceptual framework. In other words, a theoretical introduction, a number of journals and other scholarly publications, such as the average, Books, databases, doctoral theses, scientific papers, and on-line databases. The widely accepted theories in this research were procurement and supply chain discipline theory, agency theory and institutional theory. The theory describes among those terms that are provided by the corresponding theory. In addition to this, the theory of the executive summary provides a brief overview of that, buying factors, and their impact on the purchase of the efficiency of public procurement.

An empirical examination, describe the study variables and to consider because they represent the basic point of departure for the study, and are expected to have a broader knowledge of the subject and once again, we have highlighted the key findings and gaps. Finally, the article discusses the conceptual foundations of the study and summarizes the structure of the study which is composed of independent and dependent variables. The six independent variables are to be discussed. The study is hinged on some of these factors are the procurement policy of the country, the procurement planning, the staff competency, procurement policy the ethics of employees, ICT, and the way of legal procurement procedures.

2.1.1 procurement and supply chain discipline Theory

Toufik (May, 2021), the primary purpose of this article is to address the question regarding the principal theories and conceptual models used to understand, explain and guide procurement and supply chain practice

We start with the definition of theory given by Kerlinger and Lee (2017, p.5) as “set of interrelated constructs (concepts), definitions, and propositions that present a systematic view of phenomenon by specifying relations among variables, with the purpose of explaining and predicting phenomena”.

When reflecting on the findings of a number of existing literature reviews, it is obvious that the procurement and supply chain management literature is theoretically diverse and fragmented and draws on a very broad span of underpinning disciplines. Sanderson et al. (2015) reviewed findings from extant literature reviews in their endeavor to synthesize the principle theories applied in the purchasing and supply chain management discipline. Due to the diverse and fragmented nature of the purchasing and supply chain management literature, they opted for a process-based categorization of the literature using the purchasing and supply chain management process adopted from Corry.

In these efforts, they proposed four layers categorization of PSCM broad literature and associated each category to particular theories, we call it “Theories Categorization I”. The first category concern the organizational buying behavior literature which is grounded in organizational decision-making theories, second category is related to the economics of contracting literature grounded in transaction cost economics (TCE) and agency theories, the third category is linked to the networks and inter-organizational relationships literature grounded in resource dependency theory, social exchange theory and aspects of industrial economics and the fourth and last category is the integrated SCM literature grounded in systems theory and behavioral economics (particularly game theory).

2.1.2 Agency theory

The agency theory is an attractive cognitive research tool. The agency theory from either classical or neoclassical perspectives provides contributions to accepting the role of the procurement function. Agency theory has been applied to various activities associated procurement including, outsourcing (Logan, 2000; Loebbecke & Huyskens, 2009), sourcing (Shooket al., 2009), and

supply chain collaboration (Kwon & Suh, 2004). In procurement, the top management herein assumed to be the principal contracts the procurement process to the procuring entity herein referred to as the agent to carry out the process. The management of the process is the most critical part of this study hence the agency theory forms one of the best theories to analyze the whole concept of procurement in government ministries. From the earlier part of this study, Kenya has regulatory framework PPDA (2015) that are in charge of managing and regulating the whole procurement process. In this kind of arrangement the process has been separated from the government to the committee, and if keenly followed, the process was initially within the realms of tendering committees before the same being done away with. The relationship here between the agent and the principal will form the basis of this study.

Wroclaw (2019) reviewed three further assumptions are made in the agency theory: (a) the efficiency of the principal's operations depends on the agent's acts and decisions; (b) decisions are made by the parties to the relationship under conditions of uncertainty and risk³ ; (c) the principal and the agent have conflicting objectives to some extent⁴ .

2.1.3 Institutional theory

Institutionalization affects the behavior of individuals who are members of the organization. In the example of the research seminar, the activity may affect individuals' behavior by creating a commitment to participate and contribute to the function. Being of some relatively shared values, norms, and understanding among the institutional members, the new institutional theory has been illustrated as an open system perspective in contrast to the rational system as described by Scott (2003). The open system view of procurement encourages the attention to the role of environment in the behavior of organization, its components and its members. From the institution theory perspective, procurement should pursue two main goals namely monitoring the environment for collaborative opportunities and identifying the best practices in the industry and comparing the organizational operation with best practices, for continuous development (Scott, 2003; Movahedi et al., 2009). According to the institutional theory, "external pressure" plays a major role in shaping organizational strategies associated with procurement.

2.1.4 Planning, Market survey and Specifications of goods

Once the needs have been identified, the procurement directorate should develop or communicate a plan on how to deliver the service or goods required. The plan developed in different directorates with the other functions of private sectors within the organization, so that it is integrated into the

organization's strategy and therefore provided for adequately Shaw, (2010). To be able to purchase the right goods or services, the specifications of what the organization needs must be clear. These specifications are used to communicate to the supplier what is needed and what should be supplied. It is therefore important to have clear, precise and accurate specifications especially electronics. Most organizations have standard specifications for the most regularly procured items and services such as medical, electronics and construction Shaw, (2010). Thai, Araujo, Carter and Callender (2005) provide that a specification is a detailed description of the design, the service, or materials. It describes in detail the requirements to which the supplies or services must conform. The basic requirement of a good specification is to clearly identify the service or product to stakeholders. The specifications must be clear to all parties. That is the user, procurement and the supplier. Factors to consider in specifying a product include physical attributes, technical specification, and intended use Thai et al, (2005).

2.2. Procurement Legal Frameworks

A framework is basically an umbrella agreement which sets out all or some of the terms on which the parties to the agreement will enter into contracts ("call-offs") in the future. Frameworks come with certain restrictive rules as to their use, for example:-

- ✚ The framework term must generally not exceed 4 years.
- ✚ Substantial changes must not later be made to any terms of the framework agreement/call off contracts that were agreed at the outset.
- ✚ The purchasers entitled to benefit from the framework must be identified definitively at the outset (either individually by name or by meaningful generic description (e.g. "all Central Government Departments") When the time comes for "calling-off" a contract from the framework there are two alternative means of choosing suppliers:
 - ✚ Holding a mini competition held amongst the suppliers on the Framework; or
 - ✚ By applying the terms of Framework itself (e.g. the framework may allocate all business of a certain type to supplier X, and of another type to supplier Y, or it may provide for business to be allocated in strict rotation between the suppliers).

2.2.1. Legal framework of public procurement reforms in Ethiopia

As (proclamation No 649/2009) under civil Service Reform Program, the Expenditure Control and Management was launched in 1996 by the Government of Ethiopia with the aim of improving the

overall public financial management in Ethiopia. Public procurement was one component of the expenditure control and management. In 2009, the Government of Ethiopia enacted procurement and property administration proclamation No 649/2009 and it has established the Public Procurement and Property Administration Agency (PPA) accountable to the Ministry of Finance and Economic Development to manage the public procurement activities (Getnet and Tilahun, 2014).

Table 2.1 Legal Framework of public procurement in Ethiopia Proclamation No. 649/2009

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

Source: PPPA Regulations (2010 cited in Getnet and Tilahun, 2014).

2.2.2. Regulatory Framework of Procurement practices in Ethiopia

The CPAR has reviewed the Ethiopian procurement system against the generally accepted international principles of sound procurement fiduciary management, meeting the criteria of transparency, economy and efficiency necessary for an optimal use of scarce public funds. These criteria are: (i) existence of a comprehensive and transparent legal framework, including a clear, well defined organizational structure to ensure the application of procurement laws with adequate monitoring; (ii) the use of modernized procurement procedures and practices; (iii) a proficient and evenly distributed procurement staff; (iv) existence of an independent control mechanism, including a functioning system to treat bidders' complaints and carry out independent audits, and

(v) anti-corruption measures with effective sanctions. Using these benchmarks, the team has found that these criteria are only partially satisfied in Ethiopia, and that improvements are necessary.

2.3. Public procurement practices Directives in Ethiopia

Public procurement in Ethiopia is guided by the Public Procurement directives. This directive is issued by the Ministry of Finance and Economic Development Pursuant to Article 78/2 of the Ethiopian Federal Government Procurement and Property Administration Proclamation no 649/2009 and Article 19 of the definition of powers and duties of the Executive Organs of the Federal Government of Ethiopia Proclamation No 471/2005/6 (as amended). The directive defines procurement as the “acquisition by purchase, lease, hire purchase, license, tenancy, franchise or by any other contractual means of any type of works, asset, services or goods including livestock or any combination.”

The role of supervision of the public procurement process is carried out by the Public Procurement Oversight directors (PPOD). This body has also prepared and circulated other related guidelines to public procurement that define how the process needs to be carried out within various entities. These guidelines are industry or situation specific. Procurement in public sector is guided by one such set of guidelines referred to as the Procurement Manual for departments and public sector offices. There are also other guidelines which together should make the interpretation and implementation of the Directives easier and more uniform across various procuring entities. Since this study will relies on procurement practices currently in Gurage zone public sectors, procurement in such sectors will be studied in relation to the use of and adherence to the requirements of the Ethiopian state regulations. According to Lewa (2007), public procurement is the act of a public body or entity purchasing or procuring goods, works and/or services from the market place. This definition brings to light the many aspects that have to be considered whenever the issue of public procurement will be discussed or even practiced. Some of these aspects include a clear understanding of whether a given entity is public sectors, the whole process of purchasing and the procedures involved, as well as the legal considerations in such practices. When the whole process is practiced as required, it contributes to the overall goal of proper utilization of the available resources in such public sectors.

2.3.1. Procurement planning

According to Zeineba (June, 2021) Procurement planning is the act of procuring goods through which companies procure goods and services from external providers. (Burt et al, 2004) A

procurement plan describes and documents the details of purchases from suppliers needed for a particular division. According to Basheka (2008), procurement planning is the major function that sets the phase for successive procurement activities. Similarly, James (2004) describes that the doctrines of planning can be executed in an atmosphere of entire harmony. The same author states that, as a function, procurement planning activities to answer the questions as to what one wants to procure; when & where to procure it from; when the budgets be obtainable; the approaches of procurement to be used; How the timely purchase or failure of products affects the consumer; procurement and disposal unit; Efficiency in the procurement process; And people join in the Procurements. There are three types prospects are involved in the procurement of the organizations, namely long term, medium term and short term. A long - term planning process supports decisions about capacity provision and is normally ten years cycle, a medium- term panning process deals on how to match with supply and demand within three years and short-term planning process is a strategy to less than a year demand as it explains (Harrison and Hoek, 2008).

Peter (2012) identifies that excellent procurement plan should define the process in detail to appoint relevant suppliers contractually. At the commencement, the items needed to procure are defined, and then the process for acquiring those items is explained in detail. Finally, the timeframe for delivery is scheduled.

2.3.2. The Procurement practices Framework in SNNPR

According to The Southern Nations, Nationalities and Peoples Regional State (SNNPRS) Procurement and Property Administration Proclamation No.146/2012 (New) "The legally accepted procurement methods as per the proclamation are , open bidding, request for proposals, two stage tendering, restricted tendering, request for quotation, and direct procurement. The threshold for each procurement method is stipulated in the procurement directive & procurement is decentralized and each public body is required to submit performance report to the supervisory body, the regional PPPAA.

2.3.3. Public procurement practices in Gurage Zone

According to The Southern Nations, Nationalities and Peoples Regional State Procurement and Property Administration Proclamation No.146/2012, Public procurement has been identified as the government activity most vulnerable to corruption.

According to McDonald (2009), lack of accountability, transparency and integrity has long been associated with public procurement. As a major interface between the public and the private sectors, public procurement provides multiple opportunities for both public and private actors to divert public funds for private gain. For example, according to McDonald, bribery by international firms in different countries is more pervasive in public procurement than in utilities, taxation, judiciary and state capture, according to the 2005 Executive Opinion Survey of the World Economic Forum. Public procurement is also a major economic activity of the government where corruption has a potential high impact on tax payers' money.

According to an OECD (2005) report, in the European Union, public procurement equaled approximately EUR 1.5 trillion in 2002. In OECD countries, existing statistics suggest that public procurement accounts for 15 percent of Gross Domestic Product. In addition, in the Dominican Republic, 20 percent of government expenditure is spent on procuring goods and services; in Malawi and Vietnam it is 40 percent; and in Uganda it is as much as 70 percent. According to Nebiyu¹, out of the total public spending, more than 60 percent goes to procuring public goods and services according to the Ethiopian Procurement and Property Administration Agency (PPA) report. Efficiently and effectively handling this size of procurement outlay has been a policy and management concern as well as a challenge for governments.

The Ethiopian Public Procurement and Property Administration Agency has been established under proclamation № 649/2009 (very recent amendment). The Agency, which is directly responsible to the Ministry of Finance and Economic Development (MoFED) have the following duties and responsibilities. Advising the Federal Government on all public procurement and property administration policies, principles and implementation; Monitoring and reporting to the Minister the performance of the public procurement and property administration systems in the Federal Government; Prepare, update and issue authorized versions of the standard bidding documents, procedural forms and any other attendant documents pertaining to procurement and property administration; Review and decide on complaints submitted by public bodies on the conduct of bidders or suppliers, and send copies of such decision to the concerned organs; Conducting audit to ensure that procurement and property administration activities of public bodies are in accordance with the Proclamation are few among the many others. Though public procurement shares 60 percent of the total public spending, it hasn't been given due attention so far in the country. Until recent years, oversighting public procurement has been the responsibility of a smaller department under the Ministry of Finance and Economic Development.

2.3.4. The current Public procurement practices in SNNPR Gurage zone

The current Public procurement method in FDRE According to the new PPPAA No. 649/2009 there are six types of procurement methods are practiced.

Table 2.2: SNNPR, Gurage Zone current procurement methods

No	Procurement methods	Explanation
1	Open Bidding/tendering	This method is used where the items are unclassified, simple and straight forward to define. These items range from clothing, foodstuffs, stationery, work Services, repairs, etc. In this case advertisements are placed in the daily papers, notice boards, televisions and the firms are invited to tender.
2	Two stage bidding /tendering	Two stage tendering is a method of tendering which involves firstly through a competitive exercise based on outline pricing and quality the identification of a preferred contracting organization; the second stage includes negotiation and working with the preferred contractor in order to arrive at a final price for the scheme
3	Restricted bidding / Tendering	This method is used where the goods or services are of a specialized nature or can only be supplied by a limited number of firms. Here the security implications of the procurement are taken into consideration. The firms are identified through a confidential due diligence research by a competent
4	Request for proposal	Public bodies may engage in procurement by means of request for proposals when it seeks to obtain consultancy services or contracts for which the component of consultancy services represents more than 50% of the amount of the contract.
5	Request for Quotation	A request for quotation is a document issued when an organization wants to buy something and chooses to make the specifications available to many other companies so they can submit competitive bids.
6	Direct Procurement	This is used where there is no competition due to technical and security reasons or one firm can only supply the goods or services. Direct procurement can also be used in the event of a national emergency or disaster

Source: Gurage Zone FEED Procurement Directorate

2.3.4.1 Procurement monitoring practices frame work

The legal framework for procurement of the regional government is stipulated in the Public Procurement and Property Administration Proclamation No. 146/2012. Other directives and guidelines that regulate the procurement function include, revised public Procurement Directive No. 28/2019 Procurement Manual & Guideline to handle complaint on public procurement and property disposal 133.

The proclamation is applicable to all public bodies fully or partially funded by the regional government, zones, woredas, city administration, and Town municipalities. This proclamation shall not be applicable if agreement with DPs requires using separate project procurement guidelines. The procurement function is decentralized at each public body. Every public body has an established procurement unit that handles all the procurement for the organization. The regional PPPAA is responsible for overall supervision and follow-up of the procurement throughout the region. Every public body submits procurement plan and performance report to the agency. The agency, as per the authority given by the proclamation Article 15 (10) that reads “Set up, develop, maintain and update a database that covers the entire spectrum of the public procurement and property administration,” maintains a consolidated database of procurement plans and actual performance. The database includes information such as type of goods, name of supplier, procurement method, amount, date of award; bidders participated, and so on. No findings were reported in the internal and external reports on the accuracy of the database. However, an assessment by the World Bank procurement team identified serious data gaps in regional public sector.

2.3.4.2 Procurement Complaints Management Practices Framework

The Public Procurement and Property Administration Proclamation No. 1464/2012, the revised Procurement Directive No. 25/2011, and the Guideline to Handle Complaint are the three tiers of complaint mechanism. The head of the procuring public body, Independent complaints board, Court of law.

A supplier shall make complaints within five working days to the head of the public body. If the supplier is not satisfied with the decision or did not receive response within 10 days, then s/he can lodge the complaint to the independent complaints board. The members of the board are, BoFED Head, Regional Chamber of Commerce President, Design and Construction Enterprise Manager,

PPPAA Director General, and, Trade and Industry Bureau Deputy Head. One representative from PPPAA is assigned as secretary.

A supplier who is not satisfied with the decision of the board can go to the court and follow for independent complaint system. The complaints board is an independent body which reviews complaints if suppliers are not satisfied with the decision of the head of the procuring public body.

2.3.4.3 The Public Access Procurement Practices Information Framework

This dimension reviews the level of public access to complete, reliable and timely procurement information. PPPAA does not operate its own website but uses six notice boards in the town for publication of information and the laws and directives are posted in the website of BoFED. Table 3.20 presents the requirements or elements for public access and whether these are met. Three key procurement information elements are made available to the public.

2.4 Interaction between factors influencing procurement practices: Hypotheses Development

2.4.1 Staff Competency

Knowledge and skills, performance delivery and behaviors required to perform tasks well are referred to as efficiency (Armstrong & Baron, 1995). Furthermore, efficiency refers to the competence of knowledge and skills that allow one to demonstrate in many situations (Akech and Karanja, 2013). According to Russell (2004), lack of knowledge on collection issues can lead to serious consequences for violating the code of conduct. Several firms do not have employee with the correct competence crucial to better procurement process management (Banda, 2009). Consequently, substantial and continual investment is incurred in training and development (Sultana, 2012) and there is a need for wide-ranging external training for human resources to be able to increase and contribute to the efficiency of companies (Appiah, 2010). Moreover, Saunders (1997) recommends that multi-skilling offers employees with a variety of skills and should be developed comprehensively. Hence, all staffs need broad and unceasing learning and exercise. The core of provision of any service on value for money principle is carrying out a procurement function professionally (Berger & Humphrey, 2007). Furthermore, Japheth Ocharo (2013) the study reveals that procurement staff competencies affect procurement performance both for procurement unit and to the whole ministry in other words the study reveals that experienced staffs carry out duties in a professional manner and reduces wastage of resources.

Creswell (2014) asserts that empirical perspective draws from past studies that are relevant to the topic with a view to bringing understanding on the previous work done by scholars and form basis for the discussion of the topic at hand. Nderitu and Ngugi (2014) conducted a study on staff competencies, the effects of green procurement on organizational performance in the manufacturing sector. The target population was 600 staff and the study sampled 37 which were 30% of the population. The findings were that green procurement was influenced by the level of staff competence, application of ICT, green procurement policy and capital expenditure. A study by Odero and Ayub (2017) on the effect of procurement practices on procurement performance of the public sugar manufacturing firms in Western Kenya used a census and distributed 62 questionnaires. It had a response rate of 72 %.The study revealed a high degree of correlation ship between staff competency, procurement planning and procurement practices.

Wosen Mesele (May, 2019) mention about employee competency, the top management should develop a retention mechanism of existing qualified and to attract qualified employees. Hamza et al. (2017) conducted a study on factors affecting procurement performance in Awassa Textile Share Company. The main objective of the study was examining the impacts of staff competency, procurement procedure and resource allocation on procurement performance. Additionally, staff competencies at the procurement unit affect greatly the efficiency of the procurement function. The main problem of having unskilled and inexperienced staff is that the turnover rate of skilled and experienced staff is high in a public institution due to low salaries and benefits.

H₀ (1): Statistically, staff competency has no significant influence on procurement practices in the case of Gurage zone finance and economy development department

H_a (1): Statistically, staff competency has significant influence on procurement practices in the case of Gurage zone finance and economy development department.

2.4.2 Information Communication Technology (ICT)

As the procurement function of several companies is becoming more strategic, procurement technology permits for a process re-design. This makes the procurement process open with enhanced accountability, transparency and reporting capabilities; thus, speeding up the procurement cycle and delivering better access to more opportunities for providers (Charles, 2008). Procurement technology aids companies speed up procurement practices by assimilating suppliers and inventory management in order to increase on stock level performance. Information

communication technology delivers new ways to store, process, dispense and exchange key information with clients and suppliers in the whole procurement system.

Thomas and Rainer (2005) discoursed that procurement systems have long been supported by information communication technology. With the execution of Enterprise Resource Planning systems in the 1990s, Electric Data Interchange networks with suppliers were established through automation of delivery schedules by connecting user materials management system with supplier systems. Information communication technology allows companies to decentralize activity procurement processes and focus on strategic ones due to high information transparency. Prior to e-procurement, strategic procurement often dealt with routine activities, namely individual transactions. Strategic aspects were frequently ignored, with the purchaser having minor impact over the choice of suppliers and purchased products. Internet technologies simplify quicker and more efficient operative procurement procedures allowing administrators to focus on strategic tasks. Information communication technology aids as the linking between various phases of the system, allowing them to co-ordinate and maximizes total supply profitability.

Information communication technology (ICT) is a part of technological issues in which most companies are now using it widely. It helps to give excellent service and easy access of information. However, it makes procurement processes less time taking, cost effective, reduces quality problems and minimizes the chance of corruption. Using ICT in pubic organizations specifically in procurement directorate also affects its implementation. Recently ICT has a big role in facilitating procurement; it helps to get adequate information, lowers cost for buyers, and avoids distance barriers to receive products and to get service.

H₀ (2): Statistically, information communication technology (ICT) utilization has no significant influence on procurement practices in Gurage zone public finance and economy development department.

H_a (2): Statistically, information communication technology (ICT) utilization has significant influence on procurement practices in the case of Gurage zone finance and economy development department.

2.4.3 Procurement Procedures

Shaw (2010) points out that the procurement process can be wrapped into three steps. These are need identification, planning and specification of goods or services required, and sourcing, awarding and supplier management to facilitate timely delivery.

(Abebe Aberu, May, 2017) recommends that within administrative procedures evaluate the entire procurement procedures in order to identify service delivery point of breakdown with a view to re-engineer the procurement process. The contract management procedures should be improved to increase the performance level of procurement process by reducing delays in finance process and delivery of goods/services by improving contract management procedures. The procurement process should be administered by qualified and experienced procurement professionals.

As Zeineba Yesuf June, 2021) stated that procedures provide direction to employees what to follow in the implementation of activities put constraints on behavior and demonstration how the procurement activities should work to attain strategic objectives. As Oumaand & Jennifer, (2014) discussed companies need standard procurement procedures which cover all aspects of the procurement cycle, encompassing supplier selection, contract negotiations, order placement and payment. Procedural procurement ensures orderliness and efficiency in any procurement division. Baily et al (2005) discussed that public procurement procedures incline to be characterized by high levels of bureaucracy independent of order value; poor communications and emphasizing on unit price rather than lasting relations. Ineffective procurement procedures would end up with failure of the aims of government policy. Burt et al. (2004) stated that every firm is expected to develop procedures to permit its personnel implement policies and strategies; designed to meet objectives. Lacking elaborate and effective procurement procedures, government policy aims would fail to meet the required objectives (Moncska, et.al, (2010).

H₀ (4): Statistically, procurement procedure has no significant influence on procurement practices in Gurage zone public finance and economy development department.

H_a (4): Statistically, procurement procedure has significant influence on procurement practices in the case of Gurage zone finance and economy development department

2.4.4 Procurement Policy

Procurement policies are the preliminary and mandatory instruments that guide procurement specialists for the fulfillment of organizational needs. Procurement by its nature is a very complex

function that must have a comprehensive procurement policy manual that guides procurement staffs, the agency staffs and all the concerned study by Red Cross in Kenya found out that organizational structure has insignificant effect on the performance of procurement in Kenya. However, descriptive results revealed that procurement department is highly recognized in the institutions. The considerable attention to procurement workers in decision making and the existence of team works in the organization has been playing the biggest role towards ensuring efficiency in the procurement practices.

Zeineba Yesuf (June,2021) confirms that, among many other factors, such as the impact of public procurement performance, only the use of information and communication technologies there may be a significant impact on the procurement performance. But procurement policies are a hindrance and obstacles to the organization's services during the procurement policies are ineffective in solving the procurement challenges within the organization (Grace & Fridah, 2015).

According to the effectiveness of sources can be achieved based on the best procurement policies, procurement ICT adoption, procurement accountability and procurement professionalism of procurement since their implementation. The results showed that all the rules on public procurement policies, procurement ICT adoption, procurement accountability and procurement professionalism of procurement had a positive character value when tendering in the notice. Proposed changes to policy makers implementing procurement policies to improve the efficiency and productivity of procurement (Florence and Michael (2017).

H₀ (3): Statistically, procurement policy has no significant influence on procurement practices in the case of Gurage zone finance and economy development department

H_a (3): Statistically, procurement policy has significant influence on procurement practices in the case of Gurage Zone finance and economy development department.

2.4.5 Employee Procurement Ethics

Public money and public scrutiny can be achieved through effective ethical processes. Further, employee ethics makes the procurement process more accountable and transparent. This in turn provides confidence for suppliers to actively partake in each and every bidding offered by buying institutions. Ethics can also reduce cost of purchasing by minimizing the chance of deception, robbery and bribery. It also builds high confidence on employees by the public administrator. Empirical evidence by in Kenya public sectors indicates that ethics highly affects procurement

practice by making the procuring party more compliance with the procurement rules and regulations.

According to (Getinet Amdework & Tilahune Aemiro, 2014) Ethics is all about what is morally right and morally wrong, so procurement ethics is concerned with what is morally right in procurement as profession.”. Ethical behavior includes avoiding conflicts of interest, and not making improper use of an individual's position. Public officials should always behave ethically and fairly, including in their business undertakings (Wood as cited by Ngugi & Mugo, n.d.).

As (MAPS) (2018 mentioned, trust is broadly understood as holding a positive perception about the actions of an individual or an organization. Trust gives us confidence that others will act as we might expect in a particular circumstance. While trust may be based on actual experience, in most cases, trust is a subjective phenomenon, reflected in the eyes of the beholder.

H₀ (5): Statistically, employee procurement ethics has no significant influence on procurement practices in the case of Gurage Zone finance and economy development department.

H_a (5): Statistically, employee procurement ethics has significant influence on procurement practices in the case of Gurage zone finance and economy development department.

2.5 Empirical Studies Review

Abundant researches have been carried out on issues related to factors influencing public procurement practice in different sectors in worldwide as well as locally. In this study some of the empirical studies related to subject are presented.

A descriptive and explanatory study by Zeineba (2021) the study examines the variables Procurement planning; Staff competency, Utilization of information communications technology, Procurement procedures, Procurement policy, Resource allocation that affect the performance of public procurement Case of Akaki Kality Sub-City Administration, Addis Ababa. The sample size of the study was 197 respondents. The targeted groups of the study were managers, staff's employees and procurement staffs who are related to the process, function and decision making of procurement which above two years' Work experience for the selected 13 sectors. Findings indicated that all procurement planning, staff competency, ICT utilization, procurement procedure, procurement policy and resource allocation are the major factors that significantly affect public procurement and they have a significant positive effect on procurement performance. Moreover,

public procurement factors have statistically significant effect on procurement performance of Akaki Kaliti Sub-city Administration.

Tirualem and AmanPreet (2020) aimed at identification of the basic factors that affect the proper functioning of public procurement practice in Public Universities. Analysis was made based on 351 selected respondents from 9 of the public Universities. Those employees who have direct relationship with public procurement were selected from top, middle and lower levels. Specifically, procurement workers, procurement and audit committee and internal auditors were participated. The regression results revealed that, public procurement policy, legal environment, organizational structure, employee ethics, ICT and management of suppliers have positive significant effect on the effective functioning of public procurement practice.

Wossene (2019) conducted a study on factors affecting public procurement performance in Addis Ababa City, taking a case of Gulele Sub-City administration and both descriptive and inferential methods of analysis were used. The study was driven by the Institutional Theory, Technology, Organization and Environment Theory, and Legitimacy Theory. The findings of the study indicated that all independent variables were statistically significant and positively affected the whole procurement performance of the administration. Procurement planning and staff competency were the highest significant factors affecting public procurement performance, ICT utilization and internal control respectively. The study has established that procurement performance in the administration is poor in terms of achievements of the procurement objectives. In addition, the study has revealed that there was no proper linkage between demands to the budget, unplanned purchasing, fraud and corruption were other factors that hinder procurement performance of the administration.

A descriptive study by Mukuru and Moronge (2018) on factors influencing procurement practices in government ministries in Kenya found out strong positive relationship between the independent variables: staff competency, ICT, top management support, quality management system and dependent variable – procurement practice as shown by R value (0.787). Moreover, the regression analysis result revealed R square value of 0.619. It showed that the independent variables in the study were able to explain 61.9% variation in the procurement practices. Furthermore, the study findings implied that staff competency, ICT, quality management systems and top management support played a significant role on the procurement practices in the government ministries in Kenya.

Wachira (2013) on factors influencing procurement practices in public secondary schools in Mathioya found out the problem of transparency of the process indicating that in most cases there is external influence and failure to adhere to the ethics of procurement. The research also found that the procurement process failed in timeliness perhaps because of complexity of the process or because more often than not, suppliers were supplying on credit. This led to frequent situations where those involved in the process take shortcuts to overcome the problem of delays and length of the standard process.

2.6 Research Gap

As mentioned in empirical studies research's are done widely in the rest of the world related to procurement in different sector. With reference to procurement practice, very few studies have been done and focused its attention on effects of centralization, buyer seller relationship, resource allocation, procurement service operation process, procurement performance measurement on organization and public procurement practice specifically. This study differs from previous work in that it focuses on zonal procurement operational efficiency, high quality service delivery, and time target delivery service, increase value of money and consistence procurement planning. However, there are few studies has been conducted in Ethiopia particularly in public procurement practice on higher education institution, town and sub city administration, educational institutions, telecommunication company and cement factories.

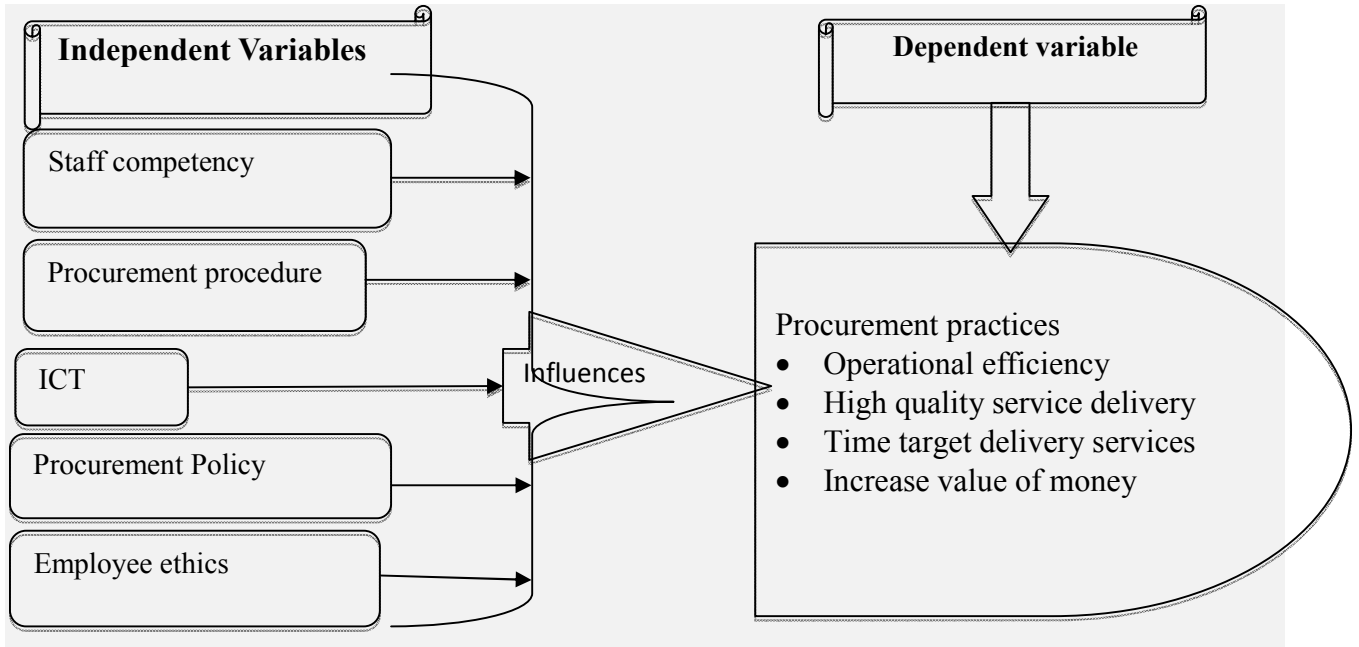
Due to this, the researcher is interested to investigate all the issues related to procurement zone finance and economy development department, especially in procurement directorate practice and influential factor to get a pictorially assess on the gap and potential of in implementation of public procurement legal frameworks. The research gap cited about, staff competency, Information communication technology, procurement legal procedure, procurement policy and employee procurement ethics, their practical trends and relationship.

2.7. Conceptual Framework

Van Weele (2005) presents a basic model of the procurement process. To carry out the research, the researcher will identify six variables that had a bearing on the procurement practices in the Gurage Zone finance and Economy Development Department. Under each of the broad variables will become factors relating to the variable that will part of the process involved in the procurement practices. Together the six broad aspects of procurement and the factors there in formed the independent variables for the research. Coupled with these were intervening factors

that though not under the direct control of the people in the procurement practices, will tend to influence to some extent the way the practices will be carried out. The dependent variable will be the nature of the practices and whether it constituted best practice.

Figure 2.1: Conceptual Framework of procurement



Source: Adapted from Abebe(2017)

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Description of the Study Area

This study was conducted in Gurage Zone found in Southern Nations, Nationalities, and Peoples' Region (SNNPR) of Ethiopia. Gurage zone is bordered on the southeast by Hadiya and Yem special woreda, on the west, north and east by the Oromiya Region, and on the southeast by Siltie. Its highest point is Mount Gurage. Wolkite is the administrative center of the Gurage Zone, which is located between 7°76' and 8°45' N latitude and 37°46' and 38°71' E longitude and has 16 woredas and 6 administrative towns. It covers an area of about 5932 km². There were 403 rural and 20 urban kebeles (the smallest administrative units with a population of 5000 on average) in this zone. Based on the information obtained from the SNNP Bureau of Finance and Economic Development, in this Zone a total population of 1,673,441, of whom 854,029 were women and 819,412 were men; with a total area of 109,015 square kilometers. The density person/sq. km. is 181. The elevation in meter is 376-3500 (BOFED, 2016).

3.2. Research Design

In this study descriptive and explanatory research design was employed in order to investigate the extent of the influences of the six factors on procurement practices in public procurement directorate in Gurage zone finance and economy development department. This is because it is believed that descriptive survey design helps to examine the what, where, and when of a phenomenon. Moreover, it makes possible the prediction of the future based on findings on the prevailing conditions. In line with this, Creswell (2006) stated that descriptive research gives a better and deeper understanding of the existing phenomenon, which helps as a fact-finding method with adequate and accurate interpretation of the findings. Furthermore, it also helps to gather data at a particular point in time with the intention of describing the nature of the existing condition.

Regards to explanatory design, it captures the causal relationship between variables (Saunders et al., 2007). In explanatory study a situation or problem leads to the explanation of the relationship between variables, i.e., it seeks answers to why and how types of questions by identifying causal

factors and outcomes of the target phenomenon (Bhattacharjee, 2012). Therefore, in this study the data in quantitative method through inferential statistics such as correlation and regression was used in order to get clearer view of the relationship between the dependent variable – procurement practices and the independent variables – the five independent variables: staff competency, procurement policy, information communication technology, employee procurement ethics, and legal procurement procedure and were explained in detail and supported by qualitative data.

3.3. Research Approach

In this study, mixed approach was employed. Mixed method research resides within the middle of this continuum because it incorporates elements of both qualitative and quantitative approaches. Mixed methods design is a method that includes both qualitative and quantitative data collection and analysis in parallel form (concurrent mixed method design in which two types of data are as collected and analyzed in sequential form). It also defined as this method of mixed data (numerical and text) and alternative tools (statistics and analysis), but apply the same method. It is a type of research in which a researcher uses the qualitative research paradigm for one phase of a study and a quantitative research paradigm for another phase of the study (Boru, 2018).

Therefore, the study was carried out by examining the influences of the independent variables on the outcome variable. These variables were measured typically using instruments so that numbered data was analyzed using statistical procedures (Clark & Creswell, 2008). The qualitative data were analyzed and narrated systematically using content analysis approach to support the quantitative analyses.

3.4 Target Population

The target population of the study was 84 procurement committee, 63 purchasers, and 21 procurement directorate directors Gurage zone finance and economy development department. In Gurage Zone, there are sixteen woredas and six administrative towns.

3.5 Sampling Techniques and Sample Size Determination

The sampling technique which was used in this study is census sampling technique (a technique that considers all population as study subjects). Because available sampling involves choosing the nearest individuals to serve as respondents until the required sample size has been obtained. On the hand, since the population size of the study subject was 176 and it did as

such create significant difference between the sample and the whole population, the researcher decided to take the whole population to conduct the study. Therefore, for the purpose of this study, all 88 procurement committee, 66 purchasers, and 22 procurement directorate directors in the sixteen woredas and six administrative towns of Gurage zone finance and economy development department were taken as respondents, and since the participants of the study is not outsized, the obtained data could be manageable to interpret.

3.6 Methods of Data Collection and Instruments

In order to get valid data regarding the procurement practices and its influential factors in Gurage zone finance and economy development department of Gurage Zone, both primary and secondary data sources was used. Questionnaire were prepared which consists of both open and close-ended questions, semi - structured interview also were used. In addition to questionnaire and interview, data were collected from different published and unpublished materials.

3.6.1 Sources of Data

In this study both primary and secondary sources of data were used. For the realization of this study, the researcher, therefore, collected primary data for the study from members of procurement committee ,purchasers and procurement directorate directors who are found in Gurage zone town, woreda & finance and economy development department .

The secondary data, on the other hand, are those which have already been collected by someone else and which have already been passed through the statistical process. The secondary source of information that the researcher used in the study includes books, internet search, articles, reports, plans and journals and others material which are relevant to this study.

3.6.2 Data Collection Instruments

The tools of data collection depend on the nature, the objective, and the method of data analysis and the scope of the study. The availability of data, time, personal and other facility also assess factor influence the selection of tools used for the study. In order to get valid data regarding assessing factors influencing public procurement practice in Gurage zone finance and economy development department, questionnaire and interview will serve as data collection instruments.

3.6.2.1 Questionnaire

Questionnaire is quite popular method of data collection tool to obtain primary information from large sample within limited cost and time (Kothari, 2004). Therefore, questionnaire used in order to obtain primary data from the sample group concerning participants view on factors influencing public procurement practice in Gurage Zone finance and economy development department. The researcher will prepare and use questionnaire as the main data gathering tools because questionnaire is believed to be better to get large amount of data from respondents relatively in short period of time with least expenditure. Structured questionnaire prepared which includes both Closed and open- ended type of questions; the close-ended will be prepared in the form of 1-5 point Likert-Scales: 1 = strongly disagree; 2 = disagree; 3 = undecided, 4 = agree and 5 = strongly agree.

3.6.2.2 Interview

In this study, interview was conducted with procurement directorate directors on to what extent does procurement is practiced and what factors influences the implementation. This tool is chosen, because interviewing is essentially in a qualitative research methodology (Creswell, 2006). It offers an opportunity to gather information upon respondents' attitudes, perceptions, opinions, and experiences systematically and simultaneously for a certain purposes. This approach helps the interviewer to have more opportunity to explore beyond the answer and so as to enter into discussion with the interviewee to get valid information for cross checking and supplementing quantitative data.

3.6.2.3 Document Review

In this study documents which were related to assessing factors influencing public procurement practice in Gurage Zone finance and economy development department were reviewed, because, it was relevant to enhance the quality of the findings through quantitative methods. Therefore, reports related to public procurement practice at administrative Zone, town and woreda level were reviewed.

3.7 Validity and Reliability of the Instruments

3.7.1 Validity

Validity is “the extent to which the measuring instrument measures the characteristics or dimensions that the researcher intends to measure” (Twycross & Shields, 2004). It is the degree

to which results obtained from the analysis of the data actually represents the phenomena under study. It is concerned with how well the concepts are defined by the measure(s). It also refers to the extent to which an empirical measure adequately reflects the real meaning of the concept under consideration. Data collection instruments, questionnaire and interview will be designed by taking in to consideration of the basic research questions and all items included in the questionnaire and interview are directly derived from review literatures and consistent with the objectives of the study. Finally, based on the definition and different perspectives of validity, the items in the questionnaire were reviewed by the advisors.

3.7.2 Reliability

The reliability of an instrument is the degree to which measurements are free from random error and, therefore, provide consistent data. In other words, as Hair, Black, Babin, Anderson, and Tatham (2007) define reliability is the extent to which a variable or a set of variables is consistent in what it is intended to measure. The researcher this tests to ensure the internal consistency of the items in the questionnaire for closed – ended items. To ensure the internal consistency of the instrument, Cronbach alpha coefficient used, which was developed by Lee Cronbach in 1951. The Cronbach alpha provides a coefficient of inter-item correlations. This is a measure of the internal consistency among the items in the tool. In this regard, in order the analysis to be valid and the statistical analyses explore the influence of each of the items in the six explanatory variables on procurement practices; it should satisfy the reliability test. Therefore, the reliability of the items checked using pilot test before running the actual study. The reliability test for the whole items in the questionnaire for pilot test done using SPSS version 20 is presented below in Table 3.3.

Table 3.3: Reliability Test Results of the Study Variables

Variable	Descriptions	Cronbach's Alpha	N of Items
Independent	Staff competency	.839	6
	Information communication technology	.876	6
	Procurement procedure	.869	7
	Procurement legal policy	.865	6
	Employee procurement ethics	.861	5
Dependent	Procurement practice	.814	6
The overall item reliabilities		.873	36

Source: Author construct from SPSS output, 2022

Since from the above Table 3.3 the minimum Cronbach alpha value is .814, it fulfilled the requirement of internal consistency result, at least .700 (Cohen & Sayag, 2010).

3.8 Method of Data Analysis

In this study, the collected data through the questionnaire were analyzed using descriptive and inferential statistics employing SPSS (Statistical Package for Social Sciences) version 20 software. Moreover, data gathered through interview as well as from document review were embedded to support the quantitative data analysis result in the discussion section and the content of the answers from the interviewees analyzed using inductive approach.

3.8.1 Descriptive Statistics Analysis

In this section the data collected through questionnaire were analyzed by using descriptive statistics to determine, describe and analyze the characteristics of respondents in terms of sex, age, educational background and working area of respondents experience frequency counts, percentage, mean and standard deviation will be implemented to analyze to what extent the assess factors influencing the procurement practices in Gurage Zone finance and economy development department (GZFEED).

3.8.2 Qualitative Data Analysis

The data gathered from respondents through interview from procurement directorate directors from the selected woredas and town's public FEED were summarized by grouping respondent's idea and described qualitatively in the interpretation of the data. The content of the collected qualitative data were analyzed using inductive approach. Using this method, the researcher was able to organize the data, break them into manageable units, and then supplement for quantitative data analysis.

3.8.3 Inferential Statistics

Inferential statistics is the mathematics and logic of how generalization from sample to population can be made and making statements about the population. Inferential statistical techniques are used to test hypotheses and on that basis it is decided whether the hypotheses are accepted or rejected. This process of analysis that follows description of data to provide conclusive results is called inferential analysis (Goel, Khandelwal, Pandya, & Kotwal, 2015).

The researcher was used inferential analysis to show causal relationship between the variables by using multiple linear regression models. The analysis was done using statistical package for social science (SPSS) version 20 software.

3.8.3.1 Model Specification

Model specification can be defined as the exercise of formally stating a model, i.e. the explicit translation of theory into mathematical equations and involves using all the available relevant theory research and information and developing a theoretical model. For this study, the researcher will use multiple linear regression models so as to determine the extent to which influential factors affect procurement practices. Multiple Linear Regression Models is a statistical tool that allows us to examine how multiple independent variables are related to a dependent variable (Abdel - Salam, 2008).

The model:

$$Y = \beta_0 + \beta_1STCOM + \beta_2ICT + \beta_3PROPRO + \beta_4PROPOL + \beta_5EMPE$$

is the Multiple Linear Regression Model with Y = Procurement Practices which is the dependent variable and the 5(five) independent variables which were taken and intended to explore how these explanatory variables with their respective items influenced the dependent variable, in the above equation, STCOM = staff competency, ICT = information communication technology, PROPRO = procurement procedure, PROPOL = procurement policy, and EMPE = employee procurement ethics.

3.9 Variables and their Measurements

Measurements refer to the formulae or scales to be used in the study. This was done in order to set ways of how each of the variables identified in the study was measured and carried out, because it is one strategy of increasing validity and reliability (Utamu, 2014). The operation of study variables is all about measurement of phenomena, which answers the research objectives and show concepts, variables, and variables measurement, (Wesene, 2019)

3.9.1 Dependent Variable

Unfortunately, there are no across the board metrics that can be used to measure government procurement. That means that an organization has its own unique way of how they measure public procurement and do not have a set of standards which to use for comparison. There are some broad

metrics that many do use, such as savings/cost avoidance, customer satisfaction, and small business/socio-economic metrics. Because these metrics seem to cut across industries, it is easy to see why these standards would be used to try and value public procurement. These metrics are also good indicators as to how efficient the customer/supplier relationship, Sewunet (May, 2018).

3.9.1.1 Procurement Metrics

Historically, cost savings was considered the only reliable measure of procurement performance. But spend savings can only go so far — at some point, it's simply not possible to reduce costs further, so procurement professionals need to reaffirm their value to the organization in other ways. Here we look at five proven ways to measure procurement performance, along with a few tips for improving the metrics.

3.9.1.2 Procurement Cycle Time

We define the procurement cycle time as the time elapsed from placing creating a requisition to receiving the goods. Decreasing the cycle times associated with procuring materials and services is an effective way to cut procurement costs. Research from the American Productivity & Quality Center's (APQC) found that top performers in procurement take fewer hours to place a purchase order and wait fewer days to receive materials from suppliers.

Automating the procurement process with suppliers can significantly reduce the time it takes to receive the ordered product. According to APQC's research, e-commerce/e-procurement software can cut an organization's cycle time from seven days to two. Not only does this mean you receive products needed for key projects sooner, but it can also help increase procure-to-pay efficiency.

Some ways to reduce procurement cycle time include:

- ✓ Minimize the time it takes to produce and approve a requisition
- ✓ Get approved purchase orders (PO) into the hands of vendors more quickly
- ✓ Proactively monitor open orders
- ✓ Provide vendor self-service portals empower vendors to enter their own invoices

3.9.1.3 Vendor performance

Vendor performance management refers to the monitoring and analyzing of the reliability, quality, and performance of your company's vendors. Monitoring vendors can help your company boost efficiency and profits, reduce stock levels and inventory costs, and improve (both internal and external) customer satisfaction. Some vendor performance metrics to monitor are:

- ✓ Delivery lead times
- ✓ Communication time lags
- ✓ Quality of the products supplied
- ✓ Pricing competitiveness
- ✓ The frequency of price changes
- ✓ Compliance with negotiated terms
- ✓ Substitutions made
- ✓ Number of back orders

3.9.1.4 Cost savings

Cost savings sounds simple enough, but how are companies successfully reducing costs? One direct way is to reduce the cost per purchase order, using techniques including:

- ✓ Investing in digital technology and process automation
- ✓ Incorporating vendor self-service
- ✓ Adding mobile requisition and approval capabilities
- ✓ Using guided buying catalogs and Punch Out tools

Cost savings remains a fundamental, pivotal metric to measure the success of the procurement functional practices.

3.9.1.5 Percentage of purchase orders that is catalog-based

This metric doesn't make everyone's list, but when used as a proxy to measure compliance with negotiated contracts and pricing it provides valuable insight. When a majority of routine purchases are made through approved vendors through which you have pricing agreements, prices are typically lower, service is generally higher, and errors are less frequent.

3.9.1.6 Procurement efficiency gains and measurement

Efficiency in the public sector involves making best uses of the resource available for the provision of public services. This review has defined as efficiencies those reforms to delivery process and resources (including work forces) utilization OGC service (April, 2022):

- ✓ Reduced number of inputs: (e. g. People or assets), whilst maintaining the same level of service provision or;
- ✓ Lower price for the resources needed to provide public services ; or

- ✓ Additional outputs, such as enhanced quality or quantity of services for the same level of inputs , or
- ✓ Improved ratios of output per unit cost of inputs

Changing the balance b/n different outputs aimed at delivering a similar overall objectives in a way which achieves a greater overall outputs for the same inputs (allocate efficiency)

Procurement calculation benefits

- ✓ Staff time : staff value should be calculated on the bases of full costs or 2x salary
- ✓ Stock reductions: stock reduction should be taken as a one –off benefits and calculation on the bases of the current replacement value stock reduced;

Procurement process improvement

For quality of improvement, for example, time reduced on procurement b/se an existing framework was used instead of understanding a separate procurement, the savings should calculate an estimate of actual staff time saved plus savings in transaction costs.

For e-procurement, the office of Government offices e-procurement assessment tool (e-PAT) is self-position. It also helps identify, plan and manage the transaction from traditional (predominantly paper – based) procurement systems to an entirely electronically based methods.

3.9.2 Independent Variables

As it has been mentioned in the earlier chapter, the objective of this study is to assess the factor influencing procurement practices of FEDDs in Gurage Zone. Based on the literature review the factors influencing the procurement practices of GZFEDD procurement planning, staff competency, Information communication technology, procurement legal procedure, procurement policy, and employee procurement ethics. As to the external factors; access to finance (budget), access political change , technological advancement, condition of market survey and socio cultural change influencing factors that will determine the procurement practices in GZFEDDs. In addition, demographic characteristics such as gender, age, educational background, family business background, age of the business, type of the business and Initial capital also the independent variables of the study. In general, the list of the variables and their measurement is depicted in Table 3.4 below

Table 3.4 : Study Variables and their Symbols, Measurements, and Codes

No	Variable	Symbol	Measurement	Category, Code and value
1	Dependent: procurement practice	PROPRA	Continuous	1 = Strongly Disagree (SDA), 2 = Disagree(DA), 3 = Undecided (UD), 4= Agree (A), 5 = Strongly Agree (SA)
2	Independent	IND	Continuous& Nominal	
2.1	Staff competency	STCOM		
2.2	Procurement procedure	PROPRO		
2.3	Information communication technology	ICT		
2.4	Procurement policy	PROPOL		
2.5	Employee ethics	EMPE		
2.6	Sex	S	Nominal	Male =1, Female=0
2.7	Age	A	Ordinal	≤ 25 = 1
				26 – 30 = 2
				31 – 40 = 3
				41 – 50 = 4
				Above 50 = 5
2.8	Educational background	EB	Ordinal	Diploma = 1
				Degree = 2
				Second degree = 3
2.9	Working place	WOP	Category	Below 5yrs = 5
				From 16 to 20 yrs = 2
				Above 20 yrs = 1

Source: Author Construct from review literatures, 2022

3.10 Ethical Considerations

Ethical conduct states that it is the responsibility of the researcher to assess carefully the possibility of harm to research participants, and to the extent that it is possible, the possibility of harm should be minimized (Bryman & Bell, 2007, p.128). To reach the respondents consent letter from Wolkite University will be provided to the selected woredas and towns public sectors. The respondents were given privileges of not writing their name and no respondents were forced to fill the questionnaire and as well as to respond to the interview unwillingly and without making the actual purpose of carrying out the research clear to him/her. The purpose of the study was disclosed in the introductory part of the questionnaire. Furthermore, misleading or deceptive statements tried to be avoided, in the questionnaires. Ethical clearance was obtained from ethics review board of school of graduate studies, College of Business and Economics, Department of Management, Wolkite University.

CHAPTER FOUR

RESULTS AND DISCUSSIONS

4.1 Introduction

The previous chapter discussed appropriate methodologies of evaluating public procurement practices and its influences. This chapter explains and discusses the results and findings based on the analysis done on the data collected. The results of the study are discussed by triangulating the different source results: questionnaire results, interview and document review results. The discussion attempts to accomplish the objectives of the study, and answer the research questions.

4.1 Response Rate

The researcher circulated 176 questionnaires, and 168 of the 176 sampled respondents completed and gave back the questionnaires, contributing to a 95% response. A rate of response greater than 60% is considered satisfactory and good for analysis (Mugenda & Rono, 2017). The lack of response for some of the questionnaires could be due to the lack of spare time in the busy environments the respondents operate in. Responses were obtained, analyzed and presented in tables, graphs and charts for ease of presentation.

Table 4.5 Response Rate

Category	Frequency	Rate of response percentage
Response	168	95
No response	8	5
Total	176	100

Source: Author (2022)

4.2 Demographic Characteristics

This section provides the demographic characteristics of the study respondents. These demographic characteristics are the gender, age, and education level, places of work of the respondent at GZFEED (Gurage Zone Finance and Economy Development Department).

4.1.1 Age of Respondents

Figure 4.6 shows that 27 percent of study respondents are in the age group 18 - 30 years. About 90(53.3%) of the respondents are in the age group 31 - 40 years, 54(32.1%) of are in the age group 41-50 years 19(11.3%) and 5(2.9%) are in the age group 51 - 60 years. This outcome signifies that majority (95 percent) of the study respondents are below 50 years.

Table 4.6 Respondents’ Demographic Characteristics

Variables		Frequency	Percent
Sex	Male	95	56.5
	Female	73	43.4
Total		168	100
Age	18 – 30 years	90	53.5
	31 – 40 years	54	32.1
	41 – 50 years	19	11.3
	Above 50 years	5	2.9
Total		168	100
Educational Background	Diploma	72	42.8
	First Degree	75	44.6
	Second Degree & above	21	12.5
	Total	168	100
Working area/ Places	Zone	6	3.5
	Woreda	118	70.2
	Town	44	26.2
Total		168	100

4.3 Descriptive Statistics on factors influencing procurement practices.

Descriptive analysis provided the mean and standard deviation for each variable in order to depict the level procurement practices in Gurage Zone Public finance and economy development department. The mean and standard deviation were calculated for the interval scale of independent variables (staff competency, Information communication Technology, procurement procedure, procurement policy, and employee procurement ethics) and dependent variable (public procurement practices). The mean indicates to what extent the sample respondents averagely agrees or does not agree with the different statements, whereas standard deviation shows the variability of an observed response from the mean score of the whole sample respondents.

All the questions related with both the dependent and independent variables of this study were prepared using a Likert scale in the form of ordinal scale. But for the sake of simplicity of the analysis the variables transformed into interval scale that led to obtain a single variable for the six constructs based on Al-Sayaad et al. (2006) which summarized in Table 4.2

Table 4.7 Scaled Likert Criterion

No	Variable	Scaled Likert Criterion		
		Mean Range	Response option	Interpretation
1.	Independent	1.00 to 1.80	Strongly disagree	Very low practiced
		1.81 to 2.60	Disagree	Low practiced
		2.61 to 3.40	Neutral	Moderately practiced
		3.41 to 4.20	Agree	Practiced
		4.21 to 5.00	Strongly agree	High practiced
2.	Dependent	1.00 to 1.80	Strongly disagree	Very low practiced
		1.81 to 2.60	Disagree	Low practiced
		2.61 to 3.40	Neutral	Moderately practiced
		3.41 to 4.20	Agree	Practiced
		4.21 to 5.00	Strongly agree	Highly practiced

Source: Al-Sayaad et al. (2006)

4.3.1 The influences of Staff Competency on the Procurement Practices.

Determination of the influences of staff competency on the procurement practices of Gurage Zone public finance and economy development department was the first objective of the study. In order to achieve the stated objective, respondents were asked questions on; competent procurement staff, relevant education background related to procurement practices, skills and experience, applies public procurement principles, HRM directorate recruits competent staff handle the procurement function, staff have the ability to understand users need and Suppliers capacity and Procurement staff officers get proper training on procurement and related issues. The subsequent descriptive analyses on the selected questions were conducted based on Table 4.8 below.

Table 4.8 Results of influences of Staff Competency on Procurement Practice at Gurage Zone public finance development department

No	STCOM Items	Scale/Frequency	SDA	DA	U	A	SA	M	SD
1.	The procurement activity of Zone/Woreda/Town is conducted by competent procurement officers.	F	-	7	60	94	7	3.60	0.639
		%	-	4.2	35.7	56	4.2		
2.	Employees at procurement directorate have the relevant education background related to procurement practices, skills and experience.	F	-	24	63	79	2	3.35	.735
		%	-	14.3	37.5	47	1.2		
3.	All the procurement staffs apply public procurement principles in the procurement directorates.	F	-	16	40	97	15	3.66	.773
		%	-	9.5	23.8	57.7	8.9		
4.	The HRM directorate recruits competent staff handle the procurement function.	F	-	17	33	111	7	3.64	.720
		%	-	10.1	19.6	66.1	4.2		
5.	All procurement staff has the ability to understand users need and Suppliers capacity.	F	-	-	44	124	-	3.74	0.441
		%	-	-	26.2	73.8	-		
6.	Procurement staff officers get proper training on procurement and related issues.	F	-	12	57	94	5	3.55	0.673
		%	-	7.1	33.9	56	3		

Source: Survey Data of output, 2022

According to Table 4.8 above, the majority 94(56%) of the respondents agreed on the statement that in Gurage Zone public finance and economy development department procurement activity practices is conducted by competent procurement officers, 60(35.7%) of the respondents were undecided, and the remaining 7(4.2%) of the respondents were disagree and 7(4.2%) of the respondents strongly agree. The findings above indicate that in the Gurage Zone public finance and economy development department the procurement activity was conducted by competent procurement staffs. Regarding the question employees at procurement directorate have the relevant education background related to procurement practices, skills and experience, more than half of

79(47%) of the respondents agreed that procurement staffs have the relevant education background related to procurement, whereas 63(37.5%) undecided and 24(14.3%) of the respondents disagreed respectively on the statement related to procurement staff profession. This indicates that the procurement staffs at procurement support processes have a relevant educational background related to procurement which is the major reason for good procurement recruit practices of the financial organizations. On the other hand, more than half of 97(57.7%) of the respondents agreed that all the procurement staffs applies public procurement principles in the procurement directorates, 40(23.8%) of the respondents were undecided, and 16(9.5%) of the respondents were disagreed. With these results, the study fairly ascertains that most of the procurement staff has ability to understand users need and supplier's capacity. In summary, all 599(59.4%) agreed,297(35.35%)of the six items of questions, in this variable demonstrated that staff competency having the greatest effects on public procurement practices of the Gurage Zone public finance and economy development department the procurement.

Cumulatively, this suggests that the public finance and economy development department procurement practices functions are conducted by competent procurement staffs, because most of the respondents agreed on each question. These findings were also supported by views given by directorates and some process officers during the face to face interviews. According to the interviewed respondents, if the procurement process is managed by well trained and professionally qualified personnel, then the levels of familiarity with regulations, rules, and procedures will be high with associated compliance with codes of conduct and ethics, all leading to sound procurement practices and increased organizational performance. But, the above descriptive analysis would suggest that in order to ensure staff competency in the procurement support processes, the Gurage Zone finance and economy development department may be haired procurement staffs having professional qualifications and skills but, not. These results are in agreement with the findings of the studies conducted by Bekele (2015); Kioko & Were (2014) who pointed out those individuals must possess a range of personal competencies along with task-specific competencies to perform procurement practicing activities effectively and efficiently. They suggested that staff competency greatly affects the performance of the procurement function in the public financial organizations. While this is further supported by the findings revealed in previous studies conducted by Aberu (2017) and Samson et al. (2016) who suggested that the performance of the procurement function in any organization requires that the individuals handling the procurement activity should have the necessary professional qualifications and competency so

as to be able to secure value for money for their employers and play their role of intermediaries between the user and the supplier.

4.3.2 The influences of ICT Utilization on the Procurement Practices of GZFEEDD.

The third objective of this study was to assess the influences of ICT utilization on the procurement practices of the Gurage Zone public financial organizations. In order to achieve the stated objective, respondents were asked questions related to the level of ICT utilization in the procurement processes such as; included ICT in its procurement work., effectively use the information technology plate forms, ICT infrastructure gets better information flow between the procurement department and users/ public service department/offices/suppliers., ICT have supported reduced paperwork in procurement, use of ICT on productivity and lowering costs, and increases the speed of doing procurement activities.

The subsequent analyses on the selected questions were conducted based on table 4.7 below.

Table 4.9: Results of influences of ICT Utilization on Procurement Practices at Gurage Zone finance and economy development department

No	ICT Items		SDA	DA	U	A	SA	M	SD
1.	The Zone/Woreda/Town has included ICT in its procurement work.	F	-	104	2	43	19	3.59	0.993
		%	-	61.9	1.2	25.6	11.3		
2.	All employees at the procurement directorates effectively use the information technology plate forms.	F	-	120	12	30	6	3.61	0.819
		%	-	71.4	7.1	17.9	3.6		
3.	The Zone/Woreda/Town ICT infrastructure gets better information flow between the procurement directorates and user/ public service department/offices/suppliers.	F	-	118	14	29	7	3.61	0.818
		%	-	49.4	19.6	10.7	20.2		
4.	The uses of ICT have supported reduced paperwork in procurement	F	-	83	33	18	34	3.79	0.888
		%	-	49.4	19.6	10.7	20.2		
5.	The use of ICT has eased the Zone/Woreda/Town lowering costs and increasing productivity.	F	-	20	25	111	12	3.68	0.775
		%	-	11.9	14.9	66.1	7.1		
6.	Computerization of procurement activities increases the speed of doing procurement activities.	F	-	39	58	61	10	3.25	0.881
		%	-	23.2	34.5	36.3	6		

Source: Survey Data of output, 2022

Based on the results as indicated in Table 4.9 above, the majority 104(61.9%) of the respondents disagreed that the Gurage Zone public finance and economy development department has clasp ICT in its procurement work, whereas only 43(25.6%) of the respondents were agreed and 2(1.2%) of the respondents were neutral. This indicates that there is no automated Information Communication Technology in the procurement support directorates to facilitate procurement activities. So, from this study, one can conclude that procurement directorate was making little use of Information communication technology in their public procurement practice. On the other hand, the majority 120(71.4%) of the respondents disagreed on the statement that all employees at the procurement directorates effectively use the information communication technology plate forms, and 30(17.9%) of the respondents were agreed. However, 12(7.1%) of the respondents were neutral. Therefore, this shows that employees at procurement directorate don't have the skills to use the IT platforms effectively.

Furthermore, the majority 118(49.4%) of the respondents disagreed that the Zone/Woreda/Town ICT infrastructure gets better information flow between the procurement directorates and user/public service department/offices/suppliers, use of ICT has eased the procurement process of the practice by lowering costs and increasing productivity, the remaining 29(10.7%) of the respondents were agreed and 14(19.6%) of the respondents were neutral. From the above finding, we can conclude that in Gurage Zone public finance and economy development department ICT has not practiced up the procurement process by lowering costs and increasing productivity. In general, all of the five questions in this variable produced negative responses except question number 5, indicating their relevance and applicability in relation to the chosen variable. This means the respondents agreed that factors related to ICT utilization having effects on public procurement practice in the Gurage zone financial organizations, because the majority of the respondent disagreed on each question. Therefore, lack of ICT implementation, lack of staff ICT skill, and lack of use of ICT in procurement practice are the major factors for poor ICT utilization and procurement performance in the public finance and economy development department. The findings are in agreement with responses during the interview with directorates and public sector heads who admitted that poor ICT implementation and utilization is the major obstacle to conduct procurement functioning practice of the public financial department. From these findings, it can fairly be argued that the procurement practice of the public financial department influenced by the level of ICT utilization in the procurement directorate. Similarly, the findings are similar to previous studies by Mrope (2018) several factors affecting the performance of procurement in the public entities are related to a lack of ICT utilization in the procurement process. Bekele (2015)

and Aberdeen (2005) recommends that government officials and elected leaders have increasingly come to realize that public agencies must utilize ICT in order to enhance the procurement processes in the public sectors. Procurement directorate should identify and implement information communication technology that aides the procurement practices and supports the overall strategically trends of the organization. The technology should create measurable results including, reduced transaction costs, improved process efficiency, increased contract compliance, improved transparency, reduced cycle times, improved inventory costs, and can also increase supplier access to bid opportunities which can result in increased competition

4.3.3 procurement procedure.

Table 4.10: Results of the influences of procurement procedures on Procurement Practices at Gurage Zone finance and economy development department

No	Procurement Procedure items		SD	D	U	A	SA	M	SD
1.	The existing legal procedures of procurement of the Zone/Woreda/Town and flexible.	F	-	5	64	89	10	3.62	0.646
		%	-	3	38.1	53	6		
2.	Enforcement and compliance of rules, regulation and procedure are done in the	F	-	10	86	72	-	3.37	0.595
		%	-	6	51.2	42.9	-		
3.	The Procurement staffs have fully adopted acceptable tendering regulation.	F	-	12	15	128	13	3.85	0.657
		%	-	7.1	8.9	76.2	7.7		
4.	Bureaucratic mechanisms are controlled by a comprehensive system of formal rules and	F	-	10	33	109	16	3.78	0.696
		%	-	6	19.6	64.9	9.5		
5.	Tender evaluation conducted according to predetermined set criteria in the bid document	F	-	10	24	120	14	3.82	0.660
		%	-	6	14.3	71.4	8.3		
6.	Procurement is conducted according to the bidding and contract document terms and	F	2	26	24	99	17	3.61	0.909
		%	1.2	15.	14.3	58.9	10.		
7.	In Zone /Woreda/ Town procured items are tested and inspected accordingly at the time of delivery	F	-	27	56	71	14	3.43	0.859
		%	-	16.	33.3	42.3	8.3		

Source: Survey Data of output, 2022

As shown in the above table an overall mean and standard deviation of (M=3.62, SD= 0.646) was recorded indicating that the existing legal procedures of procurement of the Zone/Woreda/Town and flexible/practiced .As revealed in the table enforcement and compliance of rules, regulation and procedure are done in the Zone/Woreda/Town procurement directorate was occasionally

practiced with relatively highest mean (M= 3.37, SD= 0.595) followed by the procurement staffs have fully adopted acceptable tendering regulation were occasionally practiced with mean of (M= 3.85, SD= 0.657) and bureaucratic mechanisms are controlled by a comprehensive system of formal rules and standard operating procedures, (M= 3.78, SD= 0.696) respectively. Enforcement and compliance of rules, regulation and procedure are done in the public financial development department (M=3.37, SD= 0.595), the existing legal procedures of procurement of the Gurage zone public finance and economy development department is clear and flexible (M= 3.62, SD= 0.646) and in Gurage zone finance and economy development department procured items are tested and inspected accordingly at the time of delivery (M= 3.43, SD= 0.859) were occasionally practiced respectively. The analysis also showed that a little bit high standard deviation spread ranging from 0.595 to 0.909 signifying that respondent were less varied in their opinion to the responses given under procurement procedure. Thus, the finding of this study confirms that procedural procurement ensures orderliness and efficiency in the Gurage zone finance and economy development department procurement directorates and public sectors' procurement practices.

4.3.4 Procurement Policy

Table 4.11: Results of the influences of procurement policy on Procurement Practices in Gurage Zone finance and economy development department

No	PROPOL Items		SDA	DA	U	A	SA	M	SD
1.	There is rigidity in the public procurement policies and procedures.	F	-	12	15	128	13	3.85	0.657
		%	-	7.1	8.9	76.2	7.7		
2.	The Zone/Woreda/Town has fully implemented procurement policy.	F	-	16	71	79	2	3.40	0.676
		%	-	9.5	42.3	47	1.2		
3.	A comprehensive procurement policy manual guides procurement staffs, customers and stockholder	F	-	37	10	98	23	3.64	0.975
		%	-	22	6	58.3	13.7		
4.	A procurement policy helps concerned staffs by providing clear and consistent understanding of the required regulations.	F	-	26	19	116	7	3.62	0.795
		%	-	15.5	11.3	69	4.2		
5.	Properly made procurement policies serve the public as best procurement guidelines.	F	-	33	20	94	21	3.61	0.941
		%	-	19.6	11.9	56	12.5		
6.	Good governance is usually the outcome of efficient procurement policies	F	-	21	38	100	9	3.58	0.778
		%	-	12.5	22.6	59.5	5.4		

Source: Survey Data of output, 2022

When we evaluate the overall perception of respondents towards procurement procedure, the aggregate mean and standard deviation scores (M = 3.0812, SD = 0.71749) show that procurement procedure was occasionally practiced. As can be observed in the above table, the statement that there is rigidity in the public procurement policies and procedures, and a comprehensive procurement policy manual guides procurement staffs, customers and stockholders were the relatively high with mean of (M= 3.19, SD= 1.009) and (M= 3.19, SD= 1.060) indicating that they were occasionally practiced. Properly made procurement policies serve the public as best procurement guidelines was occasionally practiced with mean of (M= 3.13, SD= 1.131) followed by good governance is usually the outcome of efficient procurement policies with mean of (M= 3.12, SD= 0.969). As shown in the above table, a procurement policy helps concerned staffs by providing clear and consistent understanding of the required regulations (M= 2.97, SD= 1.082) was occasionally practiced. The least rated factor was the Gurage zone finance and economy development department has fully implemented procurement policy (M= 3.89, SD= 1.040) which was occasionally practiced. The analysis also showed a relatively a high standard deviation spread ranging from 0.969 to 1.131 which indicates that respondents were more varied in their opinion to the responses given under procurement policy. The finding from the above table indicates that a procurement policy helps concerned staffs of the Gurage zone finance and economy development department by providing clear and reliable understanding of the required guidelines.

4.3.5 Employee procurement ethics

Results of the influences of employee procurement ethics on Procurement Practices in Gurage Zone finance and economy development department

No	EMPE Items		SDA	DA	U	A	SA	M	SD
1	Zone/Woreda/Town public procurement officer's gives	F	-	36	16	99	17	3.58	0.938
		%	-	21.4	9.5	58.9	10.1		
2	Things happen when public procurement collusion with suppliers.	F	-	22	34	109	3	3.55	0.740
		%	-	13.1	20.2	64.9	1.8		
3	Zone/Woreda/Town Public procurement officers give equal	F	-	28	28	99	13	3.58	0.858
		%	-	16.7	16.7	58.9	7.7		
4	Zone/Woreda/Town public procurement directorate has	F	-	16	52	86	14	3.58	0.777
		%	-	9.5	31	51.2	8.3		
5	Zone/Woreda/Town public procurement prepares bid	F	-	1	54	101	12	3.74	0.592
		%	-	0.6	32.1	60.1	7.1		

Source: Survey Data of SPSS output, 2022

Ethical practices in procurement involve procurement officer's gives confidential information for supplier transparently; avoid procurement collision with suppliers, equal treatment time bounded preparing specification of public procurement, accountability, fairness and proactivity. Accountability constitutes a central pillar of every public procurement system. Transparency in public procurement means information must be available to all stakeholders, and fairness means decision making should be unbiased and all public bids considered on the basis of their compliance with terms of the requested documents.

The study results illustrated in the table above show that 99(58.9%) of the population sampled agree that public procurement officer's gives confidential information for supplier 36 (21.4%) disagree, with the statement. 109(64.9%) of the respondents believe that things happen when public procurement collision with suppliers at the time of procurement process, and 34(20.2%) respondents were undecided, whereas, 99(58.9%) Public procurement officers give equal treatment for all suppliers agreed on statement and 28(16.7%) both the respondent are undecided and disagree respectively.

When we examine the all Gurage Zone finance and economy development department procurement directors, public procurement evaluation criteria,86(51.2%) respondents agreed on the term whereas,52(31%) were undecided on the statement and most respondents 101(60.1%) of Gurage zone finance and economy development department public procurement prepares public bid specification two times per year, were agreed and 54(32.1%) undecided on the statement.

Table 4.12 indicates that ethical procurement practices was rated agree and that was indicated by overall mean of (3.61, 0.468) implying that Gurage zone finance and economy development department in Zone procurement directorates, Towns procurement, and woreda's and highly conducted and gives confidential information for suppliers(3.58,0.938) avoids collision ,gives equal treatment and prepare public bid specifications on time as a whole(3.55,0.740). Response still indicated that Gurage Zone public finance and economy development department procurement staffs/Zone/Woreda/Town public procurement directorate has procurement evaluation

criteria (3.58,0.777) and Zone/Woreda/Town public procurement prepares bid specification preparation two times per year(3.74,0.592). Therefore, employee has good procurement understanding; follow the rules and regulations pertaining to his or her profession and organization. Finally, Majority 494(58.8%), over all mean and standard deviation 3.61 and 0.0468 of the respondents on employee procurement ethical practices were in good faith.

4.3.6. Procurement practices in Gurage Zone finance and economy development department

Table 4.12 Results of Procurement Practices in Gurage Zone finance and economy development department

No	Procurement practices Items		SD A	DA	U	A	SA	M	SD
1.	Zone/woreda/Town finance procurement committees have responsibility for improving the operational efficiency regarding implementation and verifications of public	F	-	13	79	76	-	3.38	0.626
		%	-	7.7	47	45.2	-		
2.	Zone/Woreda/Town public finance and Economy development department procurement directorate gives high quality service delivery.	F	-	5	51	103	9	3.69	0.619
		%	-	3	30.4	31.3	5.4		
3.	Zone/woreda/Town public finance and Economy development department procurement directorate have working time target service delivery for improving, efficiency, and	F	-	18	71	78	1	3.37	0.680
		%	-	10.7	42.3	46.4	6		
4.	Zone/woreda/Town public finance and Economy development department procurement directorate public finance and economy development department	F	-	8	64	62	4	3.55	0.627
		%	-	4.8	38.1	54.8	2.4		
5.	Zone/woreda/Town public finance and economy development department procurement directorate follow timely scheduled dedicated	F	-	8	60	96	4	3.57	0.625
		%	-	4.8	35.7	57.1	2.4	3.51	0.341
		F	-	52	325	415	18		
		P	-						

Table 4.12: Assessment factors on the Procurement Practice Gurage Zone finance and economy development department

As shown in Table 4.13 above, from the five factors (i.e. Staff competency, ICT utilization, legal procurement procedure, and procurement policy and employee procurement ethics), the researcher identified the major factors of procurement practices by ranking the percentage value of the respondents. The high percentage indicated that the independent variable has the greatest influence on the procurement practices of the Gurage Zone finance and economy development department. Therefore, employee procurement ethics is one of the procurement factors that greatly affect the procurement practice of the finance and economy development department with a percentage of 86.59. This is closely followed by procurement policy with a percentage of 45.9 and 36.3 percentage of legal procurement procedure, staff competency with percentage of 28.04 consecutively and ICT utilization 28.1 percentages within the procurement directorate ranked. In short, all factors were not received support from a majority of the respondents. In other word, inadequate, staff competency, employee procurement ethics, procurement procedure ICT utilization, were to a large extent affects the procurement practices of the finance and economy development department. Since aver all a majority of respondents answered the finance and economy development department procurement practice was low. The presented descriptive analysis would suggest that in order to ensure procurement practice in the finance and economy development department, there should be evidence of five and closely related practices within the finance and economy development department public procurement directorate and; - operational efficiency ,high quality service deliver, time target delivery services, increase value of money, well scheduled procurement plans.

4.3 Correlation Analysis: Pearson Correlation Coefficient

Interpretation the Pearson Correlation Coefficients

In order to test this hypotheses, Pearson correlation coefficients and t – test was used which is attached in the Appendices part. As to the interpretations of the Pearson correlation coefficients, different authors suggested different interpretations of the coefficients; however, in this study, the researcher used Taylor(1990) who was roughly categorized r values as, $r \leq 0.35$ (or - 0.35) are generally considered to represent low or weak correlation, $r = 0.36$ to $r = 0.67$ or $r = - 0.36$ to $r = - 0.67$ as moderate correlations, $r = 0.68$ to $r = 0.89$ or $r = - 0.68$ to $r = - 0.89$ as strong or high correlations, and as Beaumont(2012) indicated that r values very close to 1 as high positive correlation.

The study sought to investigate the existence, direction, and the extent of the strength of the relationship between items in five independent variables staff competency, information communication technology, procurement procedure, procurement policy and employee procurement ethics and the dependent variable – procurement practices.

Table 4.13: The Relationship between the Independent Variables and the Dependent Variable

		Correlations					
		PROPRA	STCOM	ICT	PROPRO	PROPOL	EMPE
PROPRA	Pearson Correlation	1					
	Sig. (2-tailed)						
STCOM	Pearson Correlation	.597**	1				
	Sig. (2-tailed)	.000					
ICT	Pearson Correlation	.724**	.483**	1			
	Sig. (2-tailed)	.000	.000				
PROPRO	Pearson Correlation	.764**	.500**	.701**	1		
	Sig. (2-tailed)	.000	.000	.000			
PROPOL	Pearson Correlation	.710**	.492**	.670**	.684**	1	
	Sig. (2-tailed)	.000	.000	.000	.000		
EMPE	Pearson Correlation	.509**	.310**	.454**	.407**	.417**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	168	168	168	168	168	168

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

Source: Author construct from survey data of SPSS output, 2022

Table 4.13 shows the results of the null hypothesis test at $p^{**} < 0.01$ (2 – tailed) significance level.

Accordingly, staff competency, information communication technology, procurement procedure, and procurement policy and employee procurement ethics for PROPRA, because their p-values are less than .01, the significance level. Therefore, the null hypothesis was rejected, and hence PROPRA had significant and positive relationship with staff competency, information communication technology, procurement procedure, and procurement policy and employee procurement ethics.

As to the strength of the relationship between the five significant independent variables and the PROPRA, strong and positive correlations were observed between STCOM, ICT, PROPRO, PROPOL, , EMPE and PROPRA, because their correlation coefficients are $r=.597^{**}$, $.724^{**}$, $.764^{**}$, $.710^{**}$, and $.509^{**}$ respectively.

4.4 Diagnostic Test: Evaluation of Multiple Linear Regression Model

As a fore mentioned in the previous section, method of data analysis, multiple linear regression model assumptions; model fitness test; significance of the independent variables as a whole; significance impact of individual independent variable; predictor model and its interpretations are presented and discussed.

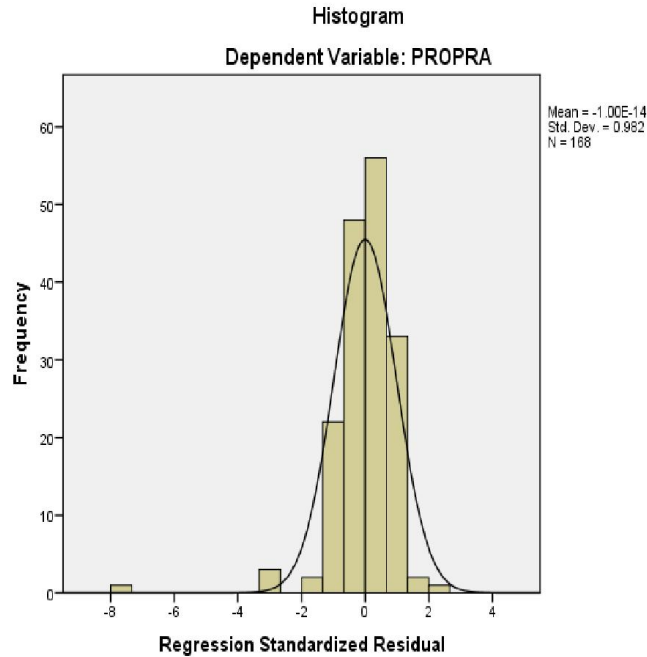
4.4.1. Evaluation of Multiple Linear Regression Model Assumptions

In order a multiple linear regression model shows the relationship between the dependent variable and multiple (two or more) independent variables and the validity of the inferences drawn from this model analysis depends on its assumptions being satisfied. In this regard, in order the analysis to be valid and the regression model explore the relations and examine impacts of the independent variables on the dependent variable, it should satisfy all the multiple linear regression model assumptions. Therefore, the assumptions were checked before running the regression analysis using SPSS version 20 software. The diagnostic test for the whole regression model is attached in the Appendix part. In this section, the evaluation of the assumptions of multiple linear regression model and model fitness test analyses are presented and discussed using the outputs of the SPSS.

Normality assumption: For any specific value of the independent variable, the values of the dependent variable are normally distributed.

There are several methods of assessing whether data are normally distributed or not. They fall in to two categories: statistical and graphical. In this study, to test the normality assumption regression standard residual histogram was implemented, because it is easily accessible in the SPSS analysis. The test and its interpretation are presented in Figure 4.2 below.

Figure 4.2: Regression Standard Residual Histogram

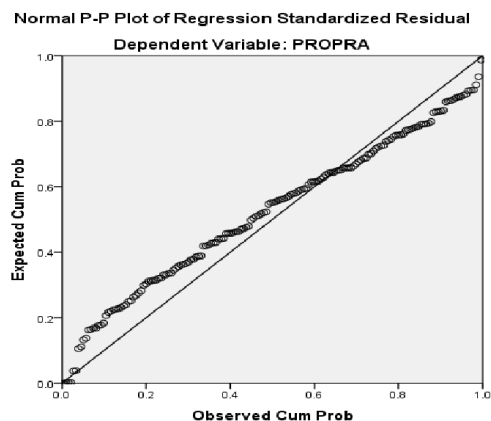


Source: Survey Data of SPSS output, 2022

The result of the analysis in Figure 4.2 shows the standard residuals (errors), factor influences of procurement practices are normally distributed as it has been described in (Pallant, 2005; Abdel – Salam, 2008, p.15/42).

Linearity assumption: There is a linear relationship between the dependent variable and the independent variables. In other words, the value of Y is proportional to the independent variable X. Since the goodness of the model depends on how well it predicts Y, the linearity of the response(Y) and Predictors(X), p – p plot graph could be implemented. As indicated in (Torres – Reyna, 2007, p. 16), if the whole plots show 45° pattern, it indicates that the model seems to be doing a good job in predicting Y. As it can be seen in the graph given below, the plots go along the straight line, Figure 4.3, and the plots form 45° pattern. Therefore, the linearity assumption was met.

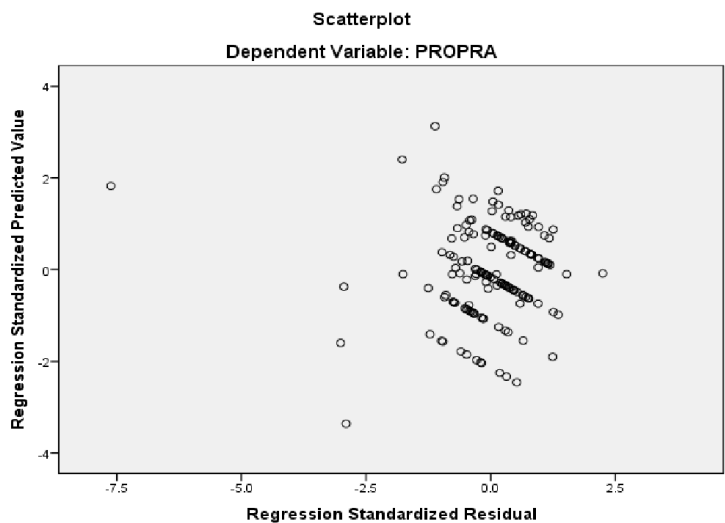
Figure 4.3: Linearity p – p plot graph for PROPRA, factor influences of procurement practices



Source: Survey Data of SPSS output, 2022

Homoscedasticity (equal variance assumption): For every value of the independent variable (X), the distribution of the dependent variables (Scores) must have approximately equal variability. To test this assumption regression standardized residuals and regression standardized predicted value plots were used, because, they detect model’s lack of fitness and unequal variances. As indicated in (Abdel – Salam, 2008, p. 16/42; Torres – Reyna, 2007), any trends or patterns in the plots indicated lack of fitness and unequal variances which lead to a potential problem in the model. The scatter plot for factor influences of public procurement practices is given below in Figure

Figure 4.4: Scatter plot for homogeneity of variance for PROPRA



Source: Survey Data of SPSS output, 2022

As it can be seen from the above scatter plot, Figure 4.4, even though most plots are concentrated towards the upper central part, they do not form a certain pattern and there are some plots dispersed out from the center. This dispersion can show to some extent the homogeneity of the variances. Meaning, nearly it satisfied the equal variance assumption.

Non – multi - collinearity assumption: The independent variables are not very strongly correlated. That is, the predictor variables should not have a strong relationship with each other. Multicollinearity occurs when several independent variables correlate at high levels with one another, or when one independent variable is nearly linear combinations of the other independent variables (Keith, 2006 cited in plots, 2011).

Table 4.14: Non – Multicollinearity test of the Independent Variables

Independent Variables	Tolerance	VIF
STCOM	.691	1.447
ICT	.416	2.406
PROPRO	.410	2.438
PROPOL	.440	2.271
EMPE	.763	1.311

Source: Author construct from Survey Data of SPSS output, 2022

The items in each of the five independent variables in the model should not be highly correlated. To test this assumption the researcher used the more precise approach, assessing the tolerance and its reciprocal values (VIF, variance inflation factor) in the output results of the regression analysis for model fitness. The tolerance value is the indication of the percent of variance in the predictor that can't be accounted by the other predictors, very small value indicated that a predictor is redundant. If the tolerance value of each predictor is greater than 0.10, then it indicates the non – multicollinearity for each predictor if not it shows the existence of multicollinearity.

As (Diem Ngo, 2012, p.9; Pallant, 2005, p. 150; Torres – Reyna, 2007, p.21) showed that, if the VIF value of each predictor is less than 10, then it indicates the non – multicollinearity of the predictors if not it suggested a problem. When such situation, tolerance less than 0.10 and VIF greater than 10, is happened the regression model estimates of coefficients became unstable and the standard errors for the coefficients could get inflated. In other words the model loses its statistical validity. As it can be seen in the above Table 4.16, there was no multi-collinearity

amongst the items in each of the five independent variables in the model for the factor influencing procurement practices. Therefore, the non – multicollinearity assumption was met.

Thus, as the for model assumptions test indicated in the above output results of the SPSS and discussion, all assumptions were met and hence the multiple regression models for the factor influencing procurement practices with the five independent variables was ready to be tested for model fitness test.

4.4.2. Model fitness and Significance of the six independent Variables as a Whole

Model fitness test is a statistical test to check whether the regression model is fit for the data or not. To test this, the overall steps for testing multiple linear regression model, F – test analysis of variance [ANOVA] for the overall model fitness test and t – test for the significance of an individual coefficients in the regression model with 5 % level of significance were used as (Engida and Zeytu, 2017) did. Therefore, the significance of the independent variables as a whole is summarized in Table 4.12 below.

Significance test of the coefficients as a whole

Model Hypothesis to be tested:

$H_0: \beta_i = 0$ Means all the three independent variables X_i & Y are not linearly related.

$H_1: \beta_i \neq 0$ [At least one of the β_i 's is different from zero for $i = 1, 2, 3, 4, 5, 6$] – Means X_i & Y are linearly related with $\alpha = 0.05$, level of significance

Decision Rule: If $1 - p > 0.95$, then it shows at least one of the coefficients in the model is significant. Reject H_0 and conclude that, the model fit the data (i.e. the model is useful for prediction purposes, where $p =$ the sig. value in the output. If $1 - p < 0.95$, then this shows all the coefficients in the regression model are zero. In this case the null hypothesis should be accepted. Conclude the model does not fit.

Multiple linear regression model does a good job of describing the relationship between the dependent variable (factor influencing procurement practices) and the independent variables (procurement practices), if large proportion for sample coefficient of determinations, R^2 , be ensured. Such a test is accomplished by the means of analysis of variance (ANOVA) which enables us to test the null hypothesis of no linear relationship between X and Y discussed as follows:

Table 4.15: ANOVA output part I: PROPRA with the six Variables

ANOVA ^a						
Model		Sum of Squares	DF	Mean Square	F	Sig.
1	Regression	4.663	5	.933	86.163	.000 ^b
	Residual	1.753	162	.011		
	Total	6.416	167			
a. Dependent Variable: PROPRA						
b. Predictors: (Constant), EMPE, STCOM, PROPOL, ICT, PROPRO						

Source: SPSS data output, 2022

As it can be seen from the above Table 4.17, the F calculated value of the model with its degrees of freedom (86.163) for factor influencing procurement practices is $.000 < 0.05$ implies that with the confidence $(1 - \alpha)$ is very close to 100%, where $\alpha = \text{sig. p - value}$. The above null hypothesis is rejected and hence, it could be said that at least one of the coefficients β_i 's, in the model, factor influences of procurement practices, was significant. In other words, the variable Y (PROPRA) was better if it was a function of at least one of the six variables X_i 's (items in each variable) rather than only with β_0 . Therefore, X_i and Y were linearly related and that the model was fit the data. In other words, items in the six independent variables and PROPRA – the dependent variable were related. Hence, the regression model was fit and could predict the impact of each of the six independent variables on the factor influencing procurement practices. Concerning the remaining significant tests and the results of the analysis discussion presented below.

4.4.3 Results and Discussions on Regression Analyses

Among the objectives of this study was assessing whether procurement planning, staff competency, information communication technology, procurement procedure, procurement policy and employee procurement ethics variables have statistically significant and positive correlation with the effectiveness of factor influencing procurement practices in FEDD, Gurage Zone or not and also to investigate the trends of procurement variables for the factor influencing procurement practices of GZFEDD.

4.5 Regression Analysis

4.5.1 Model Summary: capacity of the five independent variables as a whole in explaining PROPRA

Table 4.16 Model Summary of PROPRA on STCOM, ICT, PROPOL, PROPRO and EMPE

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.852 ^a	.727	.718	.10403

a. Predictors: (Constant), EMPE, STCOM, PROPOL, ICT, PROPRO

b. Dependent Variable: PROPRA

Source: SPSS output, 2022

In the above Table 4.18, the R – value of the model indicates the multiple correlations which are the equivalent of Pearson’s r rather than representing the magnitude and direction of the relationship between two variables. It shows the strength of the relationship between the outcome variable (procurement practices) and the independent variables as a whole predicted by the model. It tells us how well the model predicts the outcomes (sometimes researchers say how well the model fits the data). Therefore, the numerical value R = .852 indicate the existence of strong positive relationship between the dependent variable – PROPRA and the five predictor variables.

The R square value, .718, indicated that the percentage of the variation of the dependent variable was directly attributable to the independent variables. Meaning, the PROPRA model on STCOM, PROPOL, ICT, PROPRO and EMPE explained 72.7% of the variance/changes in the PROPRA. Therefore, as (Pallant, 2005) indicated that, the explaining capacity of the PROPRA model with the indicated independent variables was 72.7%, whereas, the remaining 27.3% of the variation was explaining by other variables which were not included in this study.

The Adjusted R square, the most useful measurement of the success of a model, which is better than the R square value. Because R square value tends to somewhat over – estimate the success of the model when applied to the real world, and also the Adjusted R square value takes in to account the number of variables in the model and the number of observations, participants – sampled FEDD of GZ, upon which the model was based on (Diem and Puente, 2012). Therefore, the

adjusted R square value for PROPRA was .718. So, one can say that PROPRA model had accounted for 71.8% of the variance in PROPRA of FEDD of Gurage Zone.

From this analysis one can infer that the five variables staff competency, information communication technology, procurement procedure, and procurement policy and employee procurement ethics for the Gurage Zone finance and economy development department.

4.5.2 Effects of each of the six independent variables on PROPRA

In order to identify which regression coefficient (or independent variable) has significant effect for the model (for the dependent variable), the output of the coefficients table of the SPSS was used. The test of significance was conducted by the t – p – value.

Effects of each of the variables Procurement staff competency, information communication technology, procurement procedure, procurement policy and employee procurement ethics on PROPRA

Table 4.17: Influence of each independent variable on Dependent variable – procurement practice

Coefficients ^a							
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Correlations Zero-order
		B	Std. Error	Beta			
1	(Constant)	.103	.181		.569	.570	
	STCOM	.171	.044	.194	3.922	.000	.597
	ICT	.180	.056	.203	3.189	.002	.724
	PROPRO	.326	.062	.338	5.273	.000	.764
	PROPOL	.164	.054	.188	3.045	.003	.710
	EMPE	.129	.043	.141	2.992	.003	.509

a. Dependent Variable: PROPRA

Source: Author construct from Survey Data of SPSS output, 2022

Influence and Model Interpretation

According to the result obtained from the SPSS, in Table 4.19 above, under the Sig. column , the p – values of all the independent variables are less than 0.05, indicated that they are statistically significant for the model, because their level of confidence are greater than 95%[(1 – p)100%]. For instance, for EMPE and PROPOL, p – value = .003 which leads to have a confidence level of

$(1 - .003)100\% = 99.997\%$ which is greater than 95%. Meaning, the five independent variables – STCOM, PROPOL, ICT, PROPRO and EMPE had significant impact on the factor influencing public procurement practices in the GZFEDD.

In general, the information contained and discussed in section 4.4.3 characterized the goodness and the usefulness of the model to predict the factor influencing public procurement practices. Therefore, the regression model becomes the predictor model (forecast model) with equation:

Predictor model:

$$Y(\text{PROPRA}) = .103 + .171\text{STCOM} + .180\text{ICT} + .326\text{PROPRO} + .164\text{PROPOL} + .129\text{EMPE}$$

Forecasting the impact is using regression involves making predictions about the dependent variable based on the relationships observed in the estimated regression. Therefore, the above predictor model, is interpreted in terms of unstandardized coefficients and presented below.

Predictor Model Interpretation

The predictor model β_i 's, the unstandardized beta coefficients tell us about the causal (impact) relationships between the factor influencing procurement practices and the five independent variables. Since all the beta coefficients are positive, so are their relationships with the dependent variable. That is, as the mean score of each independent variable increases, the mean score of the factor influencing procurement practices also increases. Meaning the system improves its procurement practices. In addition, these β values give us also an idea of influence each independent variables has on the factor influencing procurement practices if the impact of the other variables are held constant.

4.5.3 Contribution of each of the Independent Variable on the outcome Variable

In order to identify and compare the extent of the impact of each of the five predictor variables on the factor influencing procurement practices, standardized coefficients, Beta values were used (Table 4.17), because, it gives measure of the contribution of each independent variable. A large value indicates that a unit change in this predictor variable has a large impact on the dependent variable. The percent of the impact of each of the five independent variables, STCOM, PROPOL, ICT, PROPRO and EMPE was obtained by the equation that links $R^2 = 0.727$ as indicated in (Dhakal, 2019) analysis:

Where, β_s are the coefficients (standardized) of the independent variables, r_s are the zero order correlations which had been taken from the output of the coefficients' Table 4.17, Zero order is the Pearson correlation between each predictor and dependent variable (Brooks, 2008, p.6). The value of R^2 could be expressed as the sum of the product of each of the independent variables standardized Beta values by their respective zero order correlation coefficient values as:

$$.727 \times 100\% = (.194 \times .597 + .203 \times .724 + .338 \times .764 + .188 \times .710 + .141 \times .509) 100\%$$

$$72.7\% \approx 11.6\% + 14.7\% + 25.8\% + 13.4\% + 7.2\%$$

Therefore, the contribution or the effect of procurement procedure increased the procurement practice by 21.4% which is the highest effect, whereas procurement planning, information communication technology, procurement policy, staff competency and employee ethics in that order uplifted procurement practice by 11.6%, 14.7%, 25.8%, 13.4%, and 7.2%. Therefore, from this result it can be inferred that procurement procedure has indispensable effect on procurement practice in most of financial organizations in GZFEED.

4.5.3 Hypotheses Test Results

$H_{01} - H_{05}$ staff competency, information communication technology, procurement procedure, procurement policy and employee procurement ethics each has no significant effect on the factor influencing public procurement practices the Gurage Zone Public Finance and economy development department.

H₀ (1): Statistically, staff competency has no significant influence on procurement practices in Gurage Zone Public Finance and economy development department.

H_a (1): Statistically, staff competency has significant influence on procurement practices in Gurage Zone Public Finance and economy development department.

H₀ (2): Statistically, information communication technology (ICT) utilization has no significant influence on procurement practices in Gurage Zone Public Finance and economy development department.

H_a (2): Statistically, information communication technology (ICT) utilization has significant influence on procurement practices in Gurage Zone Public Finance and economy development department.

H₀ (3): Statistically, procurement policy has no significant influence on procurement practices in Gurage Zone Public Finance and economy development department.

H_a (3): Statistically, procurement policy has significant influence on procurement practices in Gurage Zone Public Finance and economy development department.

H₀ (4): Statistically, procurement procedure has no significant influence on procurement practices Gurage Zone Public Finance and economy development department.

H_a (4): Statistically, procurement procedure has significant influence on procurement practices in Gurage Zone Public Finance and economy development department.

H₀ (5): Statistically, employee procurement ethics has no significant influence on procurement practices in Gurage Zone Public Finance and economy development department.

H_a (5): Statistically, employee procurement ethics has significant influence on procurement practices in Gurage Zone Public Finance and economy development department.

Significance of each independent variable in the Model

One of the objectives of this study was to assess whether there is statistically significant impact of each of the five independent variables on the procurement practices in the GZFEDD or not. That is, to test the hypothesis: $H_1 - H_5$: staff competency, information communication technology, procurement procedure, procurement policy and employee procurement ethics each has no significant effect on the factor influencing procurement practices in the GZFEDD. The researcher used the SPSS outputs Table 4.16 and 4.17. In Table 4.16 in section 4.5.1, $R = 0.851$ indicated that the multiple correlation coefficient was significant. Meaning, at least one of the five independent variables had significant impact on the factor influencing procurement practices. As indicated in Table 4.18, statistically STCOM, PROPOL, ICT, PROPRO and EMPE are significant, because their sig. p - values are .000, .002, .000, .003, and .003 respectively which are less than .05(level of significance). This result led to reject the stated null hypotheses on these variables and accept the alternative hypotheses. Therefore, it could be inferred that these five independent variables have significant and positive impact on the procurement practices in most of the Gurage Zone finance and economy development department. Regarding public procurement policy, employee ethics, and ICT the finding of this study is in line with the findings of Tirualem and Amanpret (2020) who conducted their study on Factors Affecting the Effective Functioning of Public Procurement in Public Universities of Ethiopia and the regression results revealed that, public procurement policy,

employee ethics, and ICT have positive significant effect on the effective functioning of public procurement practice. It is also supported by Zeineba (2021) who conducted on factors that affect public procurement performance: a case of Akaki kality Sub-city Administration and found out staff competency, ICT utilization, procurement procedure, and procurement policy as the major factors that significantly affect public procurement and they have a significant positive effect on procurement performance. However, it is in contrast with the findings of Wossene (2019) who conducted on Factors affecting Public Procurement Performance: The Case of Addis Ababa City, Gulele Sub-City Administration and found out all independent variables procurement planning, staff competency, ICT utilization, and internal control found to be statistically significant and positively influenced the whole procurement performance of the administration. Among these variables, procurement planning and staff competency were the highest significant factors in affecting public procurement performance, followed by ICT utilization and internal control respectively.

4.6 Interview results and review of documents

This research includes results of interviews made with procurement committee and procurement directorates with GZFEED procurement practices. Procurement committee are responsible to have knowledge of public procurement trends and how the procedure in order to apply the whole practices. When asked if they have sufficient knowledge of the SNNPR procurement manual or if they ever had took part in procurement training, their responses were similar underlined that they understood the need for the knowledge of procurement but admitted that they never had sufficient training in the field. The reason they have cited for missing the trainings, is the fact that they are usually assigned on a particular assignment during the training sessions and they tend to be busy. They have further noted that before decision is made on procurement, the concerned directorates review whether a particular procurement is in line with the procurement manual by assigning employees which have better understanding of the manual and as such procurement decisions fall mainly on such employees.

On the other hand, some other committees and directors stated that the procurement process of their office is a bit different from that of other public organization so for better performance they have requested permission to revise the procurement manual based on the official procurement manual of the SNNPR or government and applied the revised manual. The other question asked to the directors was whether the procurement department is staffed with the required number and skill of staff. The response was unanimous among the respondents. They expressed there is a problem

to retain skilled employees at a government office since the salary rate is low, this result as creates employee procurement ethics make high. Some of them indicated that failure to organize procurement department with skilled staff resulted in risk of exposure of corruption, here off the efforts were made to upgrade the employee's skill with short term trainings, and gives bonus encouragement.

Responses of some other offices stated that a committee, Nominated to director of the organization, is formed in order to fulfill the skill gap of the department and increase performance efficiency. Concerning the procurement approval committee, the response of the purchaser is also unanimous.

All of the respondents stated that all the offices have procurement approval committee consisting of employees that are believed to possess better skill and knowledge and they further noted that the committee has term of two years. For the questions raised regarding the kind of problems they have encountered during the application of the manual, the respondents said that since the procurement manual of the SNNPR/Ethiopia was designed based on practices of other countries with excellent track record it does not have any drawbacks in this regard. However, the main problem related to the application of the manual, accordingly to the respondents, is that most of the government's procurements are undertaken through the public financial organizations. However, concerning the local bulk purchase, which worth more Ethiopia's annual budget and involving participation of all juridical suppliers, it is only one agency that handles the process. As it is known the government procurement tasks should be completed within the budget year. Thus there are problems being observed in the public financial organizations overload work since it was quite recently that FEDD become operational. Moreover, when the supplier notifies that they could not supply requested items, the FEDD take more time to inform the public body to take other opportunity to use their budget timely. The agency also deals with such complaints arising between PFO's and suppliers as such there is delaines of response. The responses of directorates to the question related to procurement need identification and specification completeness were as follows, concerning the need identification for procurement the problem associated with is requesting purchase for goods without checking in warehouse or other departments and delay to submit goods requisition form on time. Concerning the preparation of specifications they responded that most of purchase requests are not describe the specification clearly or they have not attach perfect sample of goods to procure this has created a problem in obtaining the required

goods. In order to resolve this problem they are trying to create coordination between the procurement committee's and the requesting public sectors.

Nevertheless, they provided that such kind of procedure entails wastage of resources. Regarding the responses of auditors to the question on the problems they frequently encounter, they have indicated that lack of procurement plan and purchasing procedures requests for items already available in stores are the major problems. This was stated to be due to the reason that only the public financial organizations procurement directorates are mandated to purchase goods. Concerning the responses of purchasers to the question of problems associated with practices of procurement, they indicated that there is lack employee procurement ethics of transparency in the specifications submitted from the FEDD, and the procurement trends is tedious and frustrating.

They noted that they face with difficult scenarios in order to purchase the items that they have won suppliers the tender for and this has and is still creating misunderstanding and dispute between the parties. The purchasers further cited that such practices of procurement are causing them wastage of resources.

In addition to interviews with key informants, the study reviewed the Gurage Zone Public Finance and economy development department, major procurement procedures in light of those of others. The review is based on comparing each significant step in the procurement procedures of the SNNPR considered in this study as provided in the respective public procurement manuals. The results showed that most procedures are similar.

Most of the interviewed respondents said: Generally there are good procurement practices at the Gurage Zone public finance and economy development department. These good procurement practices are a result of GZFEDD endeavor's to comply with the laid down public procurement procedures as required by Public Procurement SNNP of 2014 along with PROPRA regulations and guidelines on public procurements.

The interview results showed that urgent and unplanned work programs which were not considered at the beginning of the physical year create problems for procurement directorate annual purchase planning. This is because it causes budget deficit since the unplanned work program was not budgeted.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter provides the conclusion remarks and recommendations on key findings of the influences public procurement practices in GZFEED. The researcher then presents recommendations for both the research and for improvement by the financial organization under study. Finally, it highlights suggestion for further study by other researchers in the future.

5.2 Summary of Major Findings

The study basically carried out to discover the basic factor influencing the procurement practices in Public finance and economy development department of Gurage Zone. The findings in the regression analysis indicated that public procurement practice has been positively affected by the existing staff competency, Information communication Technology, procurement procedure, procurement policy and Employee procurement ethics, and all these predictor variables have highly correlated with the dependent variable called factor influencing procurement practices and all these variables has significant effect on the effective implementation of public procurement practice.

5.3 CONCLUSIONS

Public procurement is different from private procurement, and governed by basic rules and guidelines that spell out what can be done or not done on certain procurement processes. 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.

The government department engaged in procurement represents the interests of the officers and must allocate budget funds with utmost efficiency in order to deliver high standard procured goods or service for the public. The public, being the main consumer or the end user of the services and goods procured by the government procurement , is interested in obtaining quality products.

The business, producing goods and services, is certainly motivated to sell them to the government and the public as the end users. now days public entities reduces its reputational because of uncivilized competition environment with its lack of consistent, staff training, legal procurement procedure, familiar procurement policy manual, transparency, skilled and competent man power usage ,clear-cut rules , and sufficient time table comfortable for the purchase time . The need to improve the public procurement practices is important, all government stakeholders, business and general public should be participated in improvement work for better results.

➤ **Staff competency**

- ✚ The study decides that staff competency is the one of important factor that influences of procurement practices moderately in the GZFEEDs'. The regression coefficients of the study show that .194 and correlation factors 0.597 Staff competency has a significant influence on procurement practices in the finance and economy development department, Gurage Zone. This implies that increasing levels of staff competency would increase the levels of public procurement practices and it has a positive influence on procurement practices in the Gurage zone the finance and economy development department.
- ✚ The public procurement workforce so important to the work of department. The survey result manifested that there is lack of skilled manpower in the procurement directorate of the finance and economy development department, studied because of unsatisfactory in the government salary scale.
- ✚ Employees need to acquire core competences corresponding to knowledge, skills, experience and abilities to enhance public procurement functions efficiency in public institutions. The results revealed that majority of the respondents indicated that staff training influence procurement practices, staff understand procurement procedures, procurement negotiation skills influence procurement practices and employees' skills and experience influence procurement practices to large extent.

➤ **Procurement legal procedure.**

Procurement Procedure is the third important factor that influences procurement practices and has significant influence on procurement practices in the GZFEEDD. This implies that using clear steps of procurement procedure would increase the levels of public procurement practices in the finance

and economy development department of Gurage Zone. This shows that Procurement Procedure has a positive influence on public procurement practices with the regression coefficients of the study show that .338 and correlation factors 0.764.

➤ **Information communication technology**

Regarding, ICT is the second important factor that influences of procurement practices in the GZFEEDDs'. The regression coefficients of the study show that .203 and correlation factors 0.724. This implies that increasing levels of procurement procedure and ICT would increase the levels of public procurement practices in the Gurage zone public finance and economy development department. Two of (procurement procedure and ICT) in procurement have a positive influence on procurement practices in the Public finance and economy development department Gurage Zone. This implies that increasing the utilization of levels of ICT would increase the levels of public procurement practices and it has positive influence in the Gurage Zone public finance and economy development department.

- ✚ ICT factors notably; lack of automating and embracing modern technology i.e. E-procurement systems, lack of computer skills amongst the employees and lack of training to run the procurement overall processes using information technology were to a large extent affects the zone finance and economy development department procurement practices. The regulation and manual of public procurement electronic system in the Ethiopia is similar in many ways.

➤ **Procurement policy**

Furthermore, the study concludes that procurement policy is the fourth moderate factor that influences of procurement practices in the GZFEEDDs. Public procurement policies outline the overarching principles and standards used to set direction and influence decisions. It guides employee decision-making under a given set of circumstances within the framework of objectives and goals established by GZFEEDDs; Procurement Policy has a significant influence on procurement practices in the Zone. This implies that increasing levels of procurement policy would increase the levels of influenced factors of procurement practices in the Gurage Zone finance and economy development department. The regression coefficients 0.188 and correlation relations 0.710 of the study show that procurement policy has a significant influence on procurement practices in the FEEDDs of Gurage Zone. This shows that

procurement policy has a moderate positive influence on public procurement practices in that department.

➤ **Employee procurement ethics**

Employee procurement ethics is all about what is morally right and morally wrong, so procurement ethics is concerned with what is morally right in procurement as profession. Ethical behavior includes avoiding conflicts of interest, and not making improper use of an individual's position. Public procurement employees committee, purchaser, and directorate directors should always behave ethically and fairly, including in their business undertakings.

- ✚ The findings in my study furthermore revealed that ethics in public procurement practices had a positive and significant association with effective public procurement practice implementation. This implies procurement people who avoid the intent and appearance of unethical or compromising practice in relationships, actions and communications will contribute for the effective and efficient of public procurement practice implementation. In addition, the regression results revealed that efficiency in the public procurement had a positive and significant association with effective public procurement practice implementation.

5.4 RECOMEMNDATIONS

Based on the findings of the study the following recommendation suggested. The recommendations are forwarded in five main areas as follows.

- ✓ The procurement directorate is advised to carry out periodic market surveys so that the information can be shared with pertinent procurement department in the directorate, order prepare procurement practices give consistence train competent staff based on the existing market conditions. It is recommended that relevant staffs of procurement directorates to be involved in the process of plan preparation. It is worthwhile that staffs be adequately trained and sensitized in order to boost the skills and competency levels required by staffs involved in the procurement process.
- ✓ Procurement methods are the procedures used by the procuring entity to acquire goods, services and works. These methods can be competitive and non competitive. There's a preference for using competitive methods of procurement given that they tend to promote transparency, economy and efficiency, and limit favoritism. The findings showed that the

procurement practice is by other methods than the preferred method by the department.

- ✓ Assigning qualified procurement staffs for the procurement directorate and for the procurement quality control committee if it is possible also dissolve the committee and assigning highly qualified procurement professionals to approve the procurement recommended by the procurement directorate .
- ✓ In terms of ICT utilization, recommended that the FEDD should be able to adopt automate procurement systems and ICT systems such as; Enterprise Resource Planning System that would integrate e-procurement into the entire activities of the Zone which would create benefits to all the stockholders very useful to communicate easily with the user department, procurement directorate, and suppliers this, in turn, will improve transaction time and accuracy, efficiency, effectiveness and transparency in public procurement activities.
- ✓ Similarly, the researcher recommends that the GZFEDD focus on how employees at the procurement unit get the skill of Information technology and apply to their specific job by conducting the necessary training or hiring employees who have IT skills for procurement activities.
- ✓ The study recommends that procurement directorate committee, and purchaser should know new and updated international, national and SNNPR procurement policy hand over manual and additionally, frequent revision of the procurement policy guideline, appropriate implementation of the legal framework, discussion with nearby suppliers by each Woreda, Town FEDD.
- ✓ The respondent's interview responses show that they are not aware on the procurement policy manual, it can be there or otherwise, so if that is the case the Gurage zone should have to adopt the procurement policy and present to the public procurement good users for the better practices of the procurement function.
- ✓ Hence, GZFEDD Public procurement employees committee, purchaser, and directorate directors should always need to be equipped with adequate tools for improving consistence purchase planning to avoid unethical behavior that their decisions need to be well informed so as to reduce costs, improving efficiencies, gives high quality service delivery, and set time target delivery services and produce timely results which helps to ensure.

- ✓ The researcher recommended that the Gurage Zone finance and economy development department should train their employees ethical practices and assess them to be knowledgeable people in the ethical code of conduct so that they avoid immoral and illegal unwanted purchasing practices such as bribery, favoritism, illegal source procurement public goods etc. so that procurement activities be transparency and fair competition between the parties of the suppliers.
- ✓ Developing incentive/award mechanisms to encourage the good procurement officers.

5.5 Contribution to additional knowledge

The following are procurement practices influential factors in Gurage zone finance and economy development department staff competency, procurement legal procedure, usage of information communication technology, procurement policy, and employee procurement ethical practices and procurement practice measurement. The following are the organizational procurement practice measurement; procurement operational efficiency, High quality service delivery, Time target delivery services, Increase value of money, and consistent procurement planning. In this study contributed that efficient procurement practices improves the practices in the Gurage Zone finance and economy development department and leads competitive advantage in the public procurement market.

5.5 Areas for Further Research

Since this research is conducted only on selected public financial organizations existed in Gurage Zone. The study suggests that future study should focus on other private entities and governmental offices so as to establish as to whether procurement practices of the administration differ depending on the category in which the respective entity belongs in or not and to ascertain whether these findings are universal. The study was limited to five practices indicators to measure the Public finance and economy development department of Gurage zone procurement practices.

Future studies should, therefore, adopt other indicators on procurement performance in the public sector. This study limits itself to five factors that influence the procurement practices of the GZFEDD. Therefore, the researcher recommends further research to investigate the other factors which are not included or studied by this research such as procurement corruption, time management of procurement, procurement stock practices and unplanned that main influences procurement efficiency in Gurage Zone Public Finance and economy development department.

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የደቡብ ብሔሮች ብሔረሰቦችና ሕዝቦች ክልል መንግስት ኢንዱስትሪና ተሻሻሎ የወጣ የግዥ አፈፃፀም መመሪያ ቁጥር፳፭/፪፻፶፯ (ታህሳስ ፪፯፻፲ ዓ/ም)



APPENDIX I: QUESTIONNAIRE

QUESTIONNAIRE

WOLKITE UNIVERSITY

COLLEGE OF BUSINESS AND ECONOMICS

MASTERS OF BUSINESS ADMINISTRATION PROGRAM

Questionnaire, To Be Filled By Public Finance and Economy Development Department,
/Committee/ Purchaser /Directors Gurage Zone.

Dear respondents,

I am a postgraduate student, wolkite University college of Business and Economics, and I am conducting study on “ Assessment the Factors influencing public procurement practice in Gurage Zone public finance and economy development department”. The purpose of the questionnaire is to collect primary data to conduct the study for the partial fulfillment of Masters of Business Administration. This is purely for academic purpose and the information you provide will be kept strictly confidential. Hence, I kindly request you to fill the questionnaire genuinely. Thanks in advance for your cooperation.

General Instruction

- Please do not write your name or address on the questionnaire.
- Please put a tick (✓) mark in the appropriate box of your answer or circle your answer.
- Contact address: if you have any question, please contact me through the following Addresses.

📞 Mobile phone: +251920823232 / 0911318861

✉ Email: 7betgurage2004@gmail.com

SECTION A: General Information

- Gender:** Male Female
- Age:** 18-30 31-40 41-50 Above 50
- Educational Level :** Diploma First Degree Second Degree Other
- Place of Work:** Zone Financial Department Woreda Public Financial Office
Town Public financial Office

SECTION B: Questions related with factors Influencing public procurement practice in Gurage Zone public financial organization. Please put a tick (√) mark or make circle on the appropriate number to indicate the state of Public financial Procurement practice in Gurage Zone public financial organization.

No	Procurement practices Items	Scale				
		1.Strongly disagree	2.disagree	3. Neutral	4. agree	5.Strongly agree
1.	Staff Competency					
1.1.	The procurement activity of Zone/Woreda/Town is conducted by competent procurement officers.	1	2	3	4	5
1.2.	Employees at procurement directorate have the relevant education background related to procurement practices, skills and experience.	1	2	3	4	5
1.3.	All the procurement staffs apply public procurement principles in the procurement directorates.	1	2	3	4	5
1.4.	The HRM directorate recruits competent staff handle the procurement function.	1	2	3	4	5
1.5.	All procurement staff has the ability to understand users need and Suppliers capacity.	1	2	3	4	5
1.6.	Procurement staff officers get proper training on procurement and related issues.	1	2	3	4	5
2.	Information Communication Technology.					
2.1.	The Zone/Woreda/Town has included ICT in its procurement work.	1	2	3	4	5
2.2.	All employees at the procurement directorates effectively use the information technology plate forms.	1	2	3	4	5
2.3.	The Zone/Woreda/Town ICT infrastructure gets better information flow between the procurement directorates and user/ public service department/offices/suppliers.	1	2	3	4	5
2.4.	The uses of ICT have supported reduced paperwork in procurement directorates.	1	2	3	4	5
2.5.	The use of ICT has eased the Zone/Woreda/Town lowering costs and increasing productivity.	1	2	3	4	5
2.6.	Computerization of procurement activities increases the speed of doing procurement activities.	1	2	3	4	5
3.	Procurement Procedure					

3.1.	The existing legal procedures of procurement of the Zone/Woreda/Town and flexible	1	2	3	4	5
3.2.	Enforcement and compliance of rules, regulation and procedure are done in the Zone/Woreda/Town procurement	1	2	3	4	5
3.3.	The Procurement staffs have fully adopted acceptable tendering regulation	1	2	3	4	5
3.4.	Bureaucratic mechanisms are controlled by a comprehensive system of formal rules and standard operating procedures	1	2	3	4	5
3.5.	Tender evaluation conducted according to predetermined set criteria in the bid document	1	2	3	4	5
3.6.	Procurement is conducted according to the bidding and contract document terms and condition	1	2	3	4	5
3.7.	In Zone /Woreda/ Town procured items are tested and inspected accordingly at the time of delivery	1	2	3	4	5
4.	Procurement Policy					
4.1.	There is rigidity in the public procurement policies and procedures	1	2	3	4	5
4.2.	The Zone/Woreda/Town has fully implemented procurement policy	1	2	3	4	5
4.3.	A comprehensive procurement policy manual guides procurement staffs, customers and stockholder	1	2	3	4	5
4.4.	A procurement policy helps concerned staffs by providing	1	2	3	4	5
4.5.	Properly made procurement policies serve the public as best procurement guidelines	1	2	3	4	5
4.6.	Good governance is usually the outcome of efficient procurement policies	1	2	3	4	5
5.	Employee procurement ethics					
5.1.	Zone/Woreda/Town public procurement officer's gives confidential information for supplier.	1	2	3	4	5
5.2.	Things happen when public procurement collusion with suppliers.	1	2	3	4	5
5.3.	Zone/Woreda/Town Public procurement officers give equal treatment for all suppliers.	1	2	3	4	5
5.4.	Zone/Woreda/Town public procurement directorate has procurement evaluation criteria	1	2	3	4	5
5.5.	Zone/Woreda/Town public procurement prepares bid specification preparation two times per year.	1	2	3	4	5
6.	Procurement practice items					
6.1	Zone/woreda/Town finance procurement committees have responsibility for improving the operational efficiency regarding implementation and verifications of public procurement.	1	2	3	4	5

6.2	Zone/Woreda/Town public finance and Economy development department procurement directorate gives high quality service delivery.	1	2	3	4	5
6.3	Zone/woreda/Town public finance and Economy development department procurement directorate have working time target service delivery for improving, efficiency, and effectiveness of procurement practices.	1	2	3	4	5
6.4	Zone/woreda/Town public finance and Economy development department procurement directorate public finance and economy development department procurement directorate tries to work for increase value of money.	1	2	3	4	5
6.5	Zone/woreda/Town public finance and economy development department procurement directorate follow timely scheduled dedicated planning	1	2	3	4	5

Appendix II

I. Interview questions.

Interview Questions specially designed to collect data on the back grounds of the Gurage zone public financial organizations public procurement.

My name is Mechal Andie, candidate for Masters in Gurage zone Education department. I am doing a research entitled “Factor influencing procurement practices in Gurage zone public financial organizations”. I have designed few questions about the backgrounds of the Gurage zone public financial procurement practices. These questions meant for assessing the historical genesis and other background information. I therefore kindly appreciate for your time and I hope your frank and straightforward responses for the following questions.

1. Why is it important to have a good procurement planning in your procurement?
2. How much money is the Zone Administration spending for sector public procurement?
How much percent this amount this accounts with regards to the zone budget?
3. In your opinion, has the SNNPR public procurement been given due planning attention as a strategically important sector?
4. What are Employee procurement ethics in the procurement practicing?
5. What can be done to improve Procurement Procedure in the procurement practice?
6. Why is it important to realize Staff Competency in the procurement practices?
7. What are the encountered Information Communication Technology challenges in the procurement practice in relation to the existing procurement Act?
8. For your opinion is there a need for changes in the procurement practice policy with the existing Laws in relation to rapid changes of business environment?

9. Do public sectors work together to understand each other's needs?

ወልቂጤ ዩኒቨርሲቲ
የድህረ ምረቃ ትምህርት ክፍል
የቢዝነስ እና ኢኮኖሚክስ ኮሌጅ
የማናጅመንት ዲፓርትመንት

መጠይቅ

የቢዝነስ አስተዳደር ሁለተኛ ዲግሪ ትምህርት መርሃ ግብር በጉራጌ ዞን ፋይናንስና ኢኮኖሚ ልማት መምሪያ ግዢ ለተጠቃሚ ሴክተሮች የሚቀርብላቸው የግዢ ግብዓቶች በተመለከተ ለግዥ ዳይሬክቶሬት ጎላፊዎች ፤ ለግዢ ኮሚቴ አባላት እና በግዢ ባለሙያዎች የሚሞላ መጠይቅ

ውድ ተሳታፊዎች/መላሾች

እኔ በወልቂጤ ዩኒቨርሲቲ በቢዝነስ እና ኢኮኖሚክስ ኮሌጅ የድህረ ምረቃ ተማሪ የሆንኩኝ “ በጉራጌ ዞን አስተዳደር በሚገኙ የዞን፤ የወረዳ፤ እና የከተማ አስተዳደሮች የመንግሥት ግዥ አፈፃፀም ላይ ተጽዕኖ የሚያሳድሩ ፋክተሮች/ምክንያቶች በጉራጌ ዞን አስተዳደር የፋይናንስ መምሪያ ስር ባሉ ተቋማት” በሚል ርዕስ ጥናት እያጠናሁ ነው ።

የመጠይቁ ዓላማ ለቢዝነስ አስተዳደር ሁለተኛ ዲግሪ ለማጠናቀቅ ይህ ጥናት አስፈላጊ በመሆኑ ጥናቱን ለማካሄድ መረጃዎችን ለመሰብሰብ ነው ። ይህ የምሰበስበው መረጃ ለትምህርታዊ ዓላማ ብቻ የሚውል ሲሆን እርስዎ የሰጡት መረጃ በጥብቅ ሚስጥር የሚያገዝ ይሆናል። የሚሰጡትም መረጃ ለጥናቱ መሳካት ከፍተኛ አስተዋጽኦ ስላለው መጠይቁን በቅንነት እና በትኩረት እንዲሞሉልኝ ስል በአክብሮት እጠይቃለሁ።

ስለ ትብብርዎ በቅድሚያ እናመሰግናለን።

አጠቃላይ መመሪያ

- እባክዎን መጠይቁ ላይ ስምዎን ወይም አድራሻዎን አይጻፉ !
- መልስዎት ላይ የኤክስ (X) ምልክት ያድርጉ ወይም የራይት (✓) ምልክት ያድርጉ
- ማንኛውም ጥያቄ ካለዎት በሚቀጥሉት አድራሻዎች ያነጋግሩኝ፡-

ስልክ: 0920 823232 / 0911318861 : የኢሜል አድራሻ: 7betgurage2004@gmail.com

ክፍል ሀ: አጠቃላይ መረጃ

1. ጾታ	ወንድ	<input type="radio"/>	ሴት	<input type="radio"/>
2. እድሜ ከ	23 - 30	<input type="radio"/>	ከ 31 - 40	<input type="radio"/>
			ከ 41 - 50	<input type="radio"/>
			ከ 50 - 60	<input type="radio"/>
3. የትምህርት ደረጃ:	ዲፕሎማ	<input type="radio"/>	የሚሮሚያ ዲግሪ	<input type="radio"/>
			ሁለተኛ ዲግሪ	<input type="radio"/>
			ለለ	<input type="radio"/>
4. የሥራ ቦታ ዞን	ፋ/አ/ል	<input type="radio"/>	ወረዳ ፋ/አ/ል ጽ/ቤት	<input type="radio"/>
			ከተማ አስተዳደር ፋ/አ/ል ጽ/ቤት	<input type="radio"/>
5. ግዢ ማኅናወንበት:	ዞን	<input type="text"/>	ወረዳ	<input type="text"/>
			ከተማ አስተዳደር	<input type="text"/>

ክፍል ለ. ከዚህ በታች ባሉት ሰንጠረዦች በጉራጌ ዞን በሚገኙ ወረዳዎች ፤ከተማ አስተዳደር፤ እና ዞን የመንግሥት ሴክተር ግዥ አፈጻጸም ላይ ተጽዕኖ ከሚያሳድሩ ምክንያቶች/ተዋንያን ጋር የተያያዙ እና በዙሃ ውስጥ የመንግሥት ግዥ አሰራር ሁኔታን ለማመልከት ለተዘጋጁት ጥያቄዎች/ዓረፍተ ነገሮች፡ ከተሰጡት፡ አምስት፡ አማራጮች/ምርጫዎች፡ መካከል፡ በውሳኔዎ፡ መሰረት፡ አንዱን፡ በመምረጥ፡ እና፡ የኤክስ (X) ምልክት በማድረግ ወይም ተገቢው ቁጥር ላይ በማክበብ ምላሽ ይስጡ።

የጥያቄ ቁጥር	የመንግስት ሴክተር ግዥ አሰራር ሁኔታ	ምርጫዎች				
		1. በጣም አልሰማም	2. አልሰማምም	3. ገለልተኛ	4. እስማማለሁ	5. በጥብቅ እስማማለሁ
1.	የሰራተኞች ብቃት					
1.1.	የዞሃ/የወረዳው/የክፍለ የከተማ የግዥ ሥራ/አንቅስቃሴ የሚከናወነው ብቃት ባላቸው የግዥ ሰራተኞች ነው።	1	2	3	4	5
1.2.	በግዥ ዳይሬክቶሬት ሥራ ክፍል ውስጥ ያሉ ሰራተኞች የግዥ ክህሎትና ልምድ ጋር ተያያዥነት ያለው የትምህርት ዝግጅት አላቸው።	1	2	3	4	5
1.3.	ሁሉም የግዥ ሰራተኞች በግዥ ዳይሬክቶሬት ውስጥ የመንግስት የግዥ መርሆዎችን ይተገብራሉ።	1	2	3	4	5
1.4.	የዞሃ/የወረዳው/የክፍለ የከተማው የግዥ ተግባሩን የሚያስተዳድሩ ብቁ ሰራተኞችን ይመለምላል።	1	2	3	4	5
1.5.	ሁሉም የግዥ ሰራተኞች የተጠቃሚዎች ፍላጎትንና የአቅራቢዎችን አቅም የመረዳት ችሎታ አላቸው።	1	2	3	4	5
2.	የክፍለ ከተማው የግዥ ሰራተኞች በግዥና ተያያዥ ጉዳዮች					
2.1	የኢንፎርሜሽን ኮሚኒኬሽን ቴክኖሎጂ አጠቃቀም	1	2	3	4	5
2.3	የዞሃ/የወረዳው/የክፍለ የከተማው በግዥ አሰራሩ ውስጥ ኢንፎርሜሽን ቴክኖሎጂን አካቶ ይጠቀማል።	1	2	3	4	5
2.4	በግዢው ክፍል ውስጥ ያሉ ሁሉም ሰራተኞች ኢንፎርሜሽን ቴክኖሎጂን በብቃት ይጠቀማሉ።	1	2	3	4	5

2.5	የዞኑ/የወረዳው/የክፍለ ከተማው የኢንፎርሜሽን ቴክኖሎጂ መሠረተ ልማትን በመጠቀም በግዥ ክፍል እና በተጠቃሚ ሴክተር መ/ቤቶች/አቅራቢዎች መካከል የተሻለ የመረጃ	1	2	3	4	5
2.6	የዞኑ/የወረዳው/የክፍለ ከተማው በግዥ አሠራሩ ውስጥ የኢንፎርሜሽን ቴክኖሎጂን በመጠቀም የወረቀት ስራዎች	1	2	3	4	5
2.7	በግዢ አሠራሩ የኢንፎርሜሽን ቴክኖሎጂን በመጠቀም ወጪ በመቀነስ እና ምርታማነትን በማሳደግ	1	2	3	4	5
3.	የዞኑ/የወረዳው/የክፍለ ከተማው የግዥ ስራዎችን					
3	የግዥ አሰራር ሥነ ሥርዓት	1	2	3	4	5
3.1.	የዞኑ/የወረዳው/የክፍለ ከተማው እየተጠቀመበት ያለው ህጋዊ የግዥ አሰራር ቅደም ተከተል/ሥነ ሥርዓት ግልጽና	1	2	3	4	5
3.2.	የዞኑ/የወረዳው/የክፍለ ከተማው የግዥ ስራ ውስጥ ህገ፣ ደንብና መመሪያው ተጠብቆና ተከብሮ እንዲሰራ የማስገደድና የማበረታታት ስራ ተሰርቷል።	1	2	3	4	5
3.3.	የዞኑ/የወረዳው/የክፍለ ከተማው የግዥ ሰራተኞች ተቀባይነት ያለውን የጨረታ ደንብ ሙሉ በሙሉ ተቀብሎታል/ተግባርታል	1	2	3	4	5
3.4.	የዞኑ/የወረዳው/የክፍለ ከተማው የቢሮክራሲያዊ አሠራሮች በመደበኛ ሕጎች እና በመደበኛ የአሠራር ሂደቶች አጠቃላይ ሥርዓት ቁጥጥር ይደረግባቸዋል።	1	2	3	4	5
3.5.	የዞኑ/የወረዳው/የክፍለ ከተማው ውስጥ የጨረታ ግምገማ የሚካሄደው አስቀድሞ በጨረታው ሰነድ ውስጥ የተቀመጠውን መስፈርት መሠረት ባደረገ መልኩ ነው።	1	2	3	4	5
3.6.	የዞኑ/የወረዳው/የክፍለ ከተማው የጨረታ ኮሚቴ የውል					
3.7.	የዞኑ/የወረዳው/የክፍለ ከተማው ውስጥ የተገዙ ዕቃዎች ጥራታቸው የሚታየውና የሚመረመረው አቅራቢዎች ወደ የዞኑ/የወረዳው/የክፍለ ከተማው ሚያቀርቡበት ጊዜ ነው።	1	2	3	4	5
4.	የግዥ ፖሊሲ	1	2	3	4	5
4.1.	ያለው የግዥ ፖሊሲና የግዥ አሰራር ስርዓት የማያሰራና ማነቆ የሚሆን ነው።	1	2	3	4	5
4.2.	የዞኑ/የወረዳው/የክፍለ ከተማው የግዥ ፖሊሲን ሙሉ በሙሉ ተግባራዊ አድርጓል።	1	2	3	4	5

4.3.	አጠቃላይ የግዥ ፖሊሲና መመሪያ የግዥ ሠራተኞችን፣ ደንበኞችን እና ያገባኛል ባዮችን አቅጣጫ ያሳያል።	1	2	3	4	5
4.4.	የግዥ ፖሊሲው ለሚመለከታቸው የሴክተር መ/ቤት ሠራተኞች በግዥ መመሪያ ላይ ግልጽና ወጥ የሆነ መረዳት/ግንዛቤ እንዲኖራቸው ይረዳል ።	1	2	3	4	5
4.5.	የተዘጋጁ የግዥ ፖሊሲዎች ህብረተሰቡን እንደ ምርጥ የግዥ መመሪያዎች ሆነው ያገለግሉታል።	1	2	3	4	5
4.6.	የመልካም አስተዳደር አብዛኛውን ጊዜ በጥሩ ሁኔታ					
5.	የግዢ ሰራተኞች የግዢ ሥነ-ምግባር	1	2	3	4	5
5.1.	የዞኑ/የወረዳው/የክፍለ ከተማው ግዢ ሰራተኞች አቅራቢዎችን በተመለከተ መረጃ አላቸው።	1	2	3	4	5
5.2.	የዞኑ/የወረዳው/የክፍለ ከተማው የግዢ ሰራተኞች በግዢ ወቅት ከአቅራቢዎች ጋር ያልተገባ እሰጣ ገባ ገጥሟቸው	1	2	3	4	5
5.3.	የዞኑ/የወረዳው/የክፍለ ከተማው የግዢ ሰራተኞች ለሁሉም አቅራቢዎች እኩል ወይም ተመጣጣኝ የሆነ የመስተንግዶ አቀባበል ያደርጋሉ።.	1	2	3	4	5
5.4.	የዞኑ/የወረዳው/የክፍለ ከተማው ግዢ ዳይሬክቶሬት ወቅታዊ የሆነ የግዢ ግምገማ ስርዓት አላቸው።	1	2	3	4	5
5.5.	የዞኑ/የወረዳው/የክፍለ ከተማው የግዢ ዳይሬክቶሬት በዓመት ሁለት ጊዜ የጨረታ አደረጃጀት/bid specification/	1	2	3	4	5
6.	የመንግስት ግዢ የልምድ ልኬቶች					
6.1.	ዞን/ወረዳ/ከተማ የመንግስት ፋይናንስና ኢኮኖሚ ልማት መምሪያ/ ጽ/ቤት ጨረታ ኮሚቴ ሃላፊነትን ወስዶ አግባብነት ያለው የጨረታ ሥራ ይሰራል፤	1	2	3	4	5
6.2.	ዞን/ወረዳ/ከተማ የመንግስት ፋይናንስና ኢኮኖሚ ልማት መምሪያ/ ጽ/ቤት/ከፍተኛ ጥራት ያለው የጨረታ አገልግሎት ይሰጣል፤	1	2	3	4	5
6.3.	ዞን/ወረዳ/ከተማ የመንግስት ፋይናንስና ኢኮኖሚ ልማት መምሪያ /ጽ/ቤት የግዢ ዳይሬክቶሬት ወቅቱን የጠበቀ የግዢ አገልግሎት ለውጤታማና የመንግስት ግዢ የሚያረካ ልማዶች እንዲሻሻሉ ይሰራል	1	2	3	4	5
6.4.	ዞን/ወረዳ/ከተማ የመንግስት ፋይናንስና ኢኮኖሚ ልማት መምሪያ/ ጽ/ቤት ለመምሪያው/ጽ/ቤት ገንዘብ ትርፋማነት ይሰራል	1	2	3	4	5
6.5.	ዞን/ወረዳ/ከተማ የመንግስት ፋይናንስና ኢኮኖሚ ልማት መምሪያ/ ጽ/ቤት የዓመታዊ ዕቅድ ፍሰትን ተከትሎ በመመራት ይሰራል።	1	2	3	4	5

