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# The Effect of Procurment Planning on Public Procurment Performance in Amahara Region

Simachew Yalew

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**THE EFFECT OF PROCURMENT PLANNING ON  
PUBLIC PROCURMENT PERFORMANCE  
IN AMAHARA REGION**

**BY**

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**A THESIS SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR  
THE DEGREE OF MASTER OF ARTS IN LOGISTICS AND SUPPLY CHAIN  
MANAGEMENT  
IN COLLEGE OF BUSINESS AND ECONOMICS**

**Jan, 2019**

**Bahir Dar Ethiopia**

### **DECLARATION**

I, Simachew Yalew, registration number BDU 0905272, undersigned declare that the thesis comprises my original work. In compliance with internationally accepted practices, I have duly acknowledged and referenced all materials used in this work. I understand that non-adherence to the principles of academic honesty and integrity, misrepresentation/ fabrication of any idea/ data/ fact source will constitute sufficient ground for disciplinary action by the university and can also evoke penal action from the sources which have not been properly cited or acknowledged.

Name of the participant: Simachew Yalew,

Signature \_\_\_\_\_

Date of submission \_\_\_\_\_

## CERTIFICATE

I certify that this thesis work entitled the effect of public procurement planning on public procurement performance has been undertaken independently by Simachew Yalew under my guidance and supervision and that it has not previously formed the basis for the award of any degree, fellowship or associate ship.

Name and Designation of Advisor -----

Signature of Advisor -----

Date of Submission -----

Place Ethiopian Bahir Dar University

## APPROVAL

The thesis entitled “The effect of public procurement planning on public procurement performance in Amhara Regional state” is approved for the degree of Master of Arts in Logistics and Supply Chain Management as members of the Board of Examiners Board of the Final MA. Thesis open Defense Examination, we certify that we have read and evaluated the thesis prepared by: Simachew Yalew and examined the candidate we recommended that the thesis be accepted as fulfilling the thesis requirement for the degree of Master of Arts in Logistics and Supply Chain Management

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## **DEDICATION**

The Memory of the study was for my:

All my Beloved Family Especially

To

My Father Yalew Abebe,

And

My Mother Anchenalu Ayalew,

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## Acronyms and Abbreviations

A	Agree
ANRS	Amahara National Reginal State
BOA	Bureau of Agriculture
BOFED	Bureau of Finance and Economy Development
BOCS	Bureau of Civil Service
BOE	Bureau of Education
BDU	Bahair Dar University
BOH	Bureau of Health
DA	Disagree
DA C	Development assistant committee
FDRE:	Federal Democratic Republic of Ethiopia
GC	Gregorian Colander
GDP	Growth domestic product
MOFED	Ministry of Finance and Economic Development
N	Neutral
PP	procurement planning
OECD:	Organization for Economic Co-operation and Development
SA	Strongly Agree
SPSS	Statistical Package for Social Science

### *Abstract*

*The purpose of this study is to investigate the effect of procurement planning on public procurement performance in Amhara region, Ethiopia. Procurement without procurement plan has its own negative impact on the effective procurement performance. Due to this, it leads to use uneconomical method of procurement, untimely delivery of goods, services and work. Descriptive research design was used in executing the study. The targeted group of the study was procurement officers, bureau heads and user's department employees. These were the entire group of interest for study consisting 162 employees. Accordingly, the sampling technique was purposive sampling and probability sampling. Primary data was collected using questionnaire. Descriptive and inferential data analysis methods were used. All respondents filled in and returned the questionnaire, making the response rate 100%. The collected data was analyzed using both descriptive and inferential statistics using the statistical package for social scientist (SPSS) 20. The study found that performance of public procurement in ANRS bureaus is influenced by procurement transparency, procurement need assessment, staff competency, top management support and government rule and regulation. The study also found that all independent variables were positively correlated with public procurement performance. The study recommends that procurement information is transparent, need assessment is clearly defined and procurement staff should be adequately trained. Further recommended that top management support within ANRS bureaus should be conducted to all the team leaders and the enforcement of procurement rules and regulations in order to improve compliance.*

**Key words** *procurement transparency, procurement need assessment, staff competency, top management support, government rule and regulation and public procurement performance*

# CHAPTER ONE

## INTRODUCTION

This chapter includes the following; back ground of the study, statement of the problem, and objective of the study, research hypothesis, scope of the study, significance of the study and finally organization of the papers.

### 1.1 Background of the study

Public procurement and Disposal Act (2015) states that procurement planning in the public sector is obligatory in order to ensure efficient procurement of goods, works and services. Those charged with public procurement responsibility must therefore ensure that procurement plans are prepared in line with those of their yearly budgets and implemented. The implementation of procurement plans must be monitored on a quarterly basis and adjustments made as necessary. Procurement planning is the responsibility of those charged with procurement responsibility of the organization. Procurement planning is the process used by companies or organizations to plan purchasing activities for a specific period of time, this is usually completed during the budgeting process, and the primary concept of procurement planning is that advance planning will result in cost savings, more efficient business operations, and therefore enlarged profitability. Planning is a process that consists of many steps and the bottom line is that planning is not concerned with coming decisions but rather with the coming impact of decisions made today (Thai, 2015).

According to Burt, N.D. Dobler, D.W. & Starling, S.L (2004) procurement, planning is the buying function over which business get products and services from external suppliers. A best procurement plan will go one-step further by telling the process you will go through to appoint those suppliers contractually. First, state the items you need to buy. Next, define the process for buying those items. Finally, schedule the time for delivery. Procurement is thus one part of the contracting process. It refers to a specific way of purchasing services involves bidding for a contract. Sometimes it is more suitable for a public body to fund a service through the provision of a grant, but then it will have less control over the precise outcomes to be delivering (Lawino, 2014).

*“Globally, public procurement can traced to it potential form of purchasing in the United States from 1792 when the Federal Government authorized departments of war and treasury to enter into contract on behalf of the nation (Callender & Matthews, 2000).*

*Public purchasing progressed over the years and was for long viewed as merely a clerical function by many. The purchasing function evolved into procurement, a respectable function in 1990's in tandem with the electronic boom that led to the rise of electronic commerce and electronic business. The dynamics in the world demanded that public procurement professionals to focus majorly on the strategic aspects of procurement and less on routine transactions. It is further noted that while unit cost focus is both historic and tactical, procurement planning is both strategic and leading (Matthews, 2005) as cited Owing, A. O (2017)".*

Kakwezi and Nyeko (2010), argue that procurement performance is not regularly measured in most Public organization as compared with the human resource and finance functions. They conclude in their findings that failure to establish performance of the procurement function can lead to irregular and biased decisions that have costly consequences to any public procuring organization.

In several Africa countries, public procurement has not observed as having a strategic influence on the management of public properties. It was treated a process-oriented, support function often implemented by non-professional staff of the procuring agencies. Therefore, little effort was expended to ensure that the policies and rules and the institutional framework governing the procurement system were maintained in a manner that ensure public funds were used in the most effective and cost-effective way and that the system delivered the best value for money. Recently, however, this has changed. In the face of reduce budgets and the need to fight corruption, governments are realizing that major savings can be gain from a well- organized procurement system. Several developing countries have also realized that a well-organized procurement system contributes to good governance by growing confidence that public funds are well spent. (Hunja, 2011). Mamiro (2010) decides with these findings and concludes that one of the major obstacles in public procurement is poor planning and management of the procurement process which include needs that are not sound identified and estimated, unrealistic budgets, insufficiency of the skills of staff responsible for procurement, and lack of adherence to procurement plans. According to the research by Nzau, A. & Njeru, A. (2014), procurement planning, top management support and staff competency has major effect on procurement performance.

A Research study by kayua, K.B. and Ngugi, K (2014) there are issues that determine procurement performance in public procurement. The study shows that staff in competency has a major effect on procurement performance. Martins (2013) the performance of procurement in development countries is determined by different factors.

The main factors that importantly determine procurement performance is management support. According to the research technology adoption, procurement policies, employee training and top management support influence procurement performance of an organization.

In Ethiopia, like the other developing countries, the procurement was a neglected area for long period. Following the downfall of the Derg regime, the country regulated by the previous legislative and the Ministry of Finance and Economic Development (MOFED) took responsibility of regulating the procurement system. The Public Procurement and Property Administration Agency established by Proclamation No. 649/2009 Which is an independent organization responsible for strengthening of control and oversight of the federal government's procurement activities. Further, a new public procurement directive and manual has issued. The main procurement audit finding of the public organizations in Ethiopia reviles lack of procurement plan, unsystematic purchasing practices, poor specification, poor quality of products and poor contract administration and exposed to fraud and corruption. Besides that, it is clear image that many of service provision and development activity of government hindered by the procurement performance.

This paper addresses the effect of public procurement planning on public procurement performance. It is difficult to create good procurement performance without a plan, and also there cannot be good service delivery to citizens without procurement, as we know, every government service delivery depends on procurement of goods, services and works. Against this, the present study aimed at examining the effect of procurement planning on procurement performance of such public bodies focusing specifically on Amahara National Regional State (ANRS) bureaus.

## **2.1 Statement of the Problem**

Public procurement is a key economic activity of governments that represents a major percentage of the Gross Domestic Product (GDP) generating huge financial flows, estimated on average at 10-15% of GDP across the world. So it is significant percentage of the Gross Domestic Product (GDP) that generating huge financial flows (Amayi and Ngugi (2013). An effective procurement system plays a strategic role in governments in avoiding mismanagement and waste of public funds (OECD, 2013). A procurement plan is an effective tool to identify and review current needs and link procurement to the organizational objectives. Procurement without procurement plan has its own negative impact on the effective procurement performance.



Due to this, it leads to use uneconomical method of procurement, untimely delivery of goods, services and work (Bashaka, 2010). Organizations having good procurement planning policies and processes make clear decisions about what risk accepting and avoiding in the context of procurement (Richard, 2007). According to Geoffrey (2011), the contribution of planning in facilitating an effective and efficient performance of public sector organization is generally undisputed in both developed and developing countries.

In developing countries, public procurement is increasingly recognized as essential in service delivery (Basheka and Bisangabasaija, 2010), and it accounts for a high proportion of total expenditure. Due to the huge amount of money involved in government procurement and the fact that such money comes from the public, there is need for accountability and transparency, (Hui, 2011). Nyeko (2010), in his studies on procurement planning and performance: efficiency and effectiveness of the procurement function, however, argues that procurement performance is not usually measured in most performance: efficiency and effectiveness as compared with the human resource and finance functions. He asserts that failure to establish performance of the procurement function can lead to unequal and biased decisions that have costly consequences to any public buying entity.

Practically in Ethiopia, there is a problem in preparing procurement plan and implement it properly in public institutions. Most organizations have been undertaking too much unjustified and unplanned purchase in each budget year (Yirga, 2011). Consequently, extra delay is another reason to extend the work program for following years, and hence the organization will fail to achieve its objective in due time. The study was conducted in the Amhara National Regional State in some selected bureaus. The study is essential because procurement planning is one of the major aspects of financial administration and also the consequence of bad procurement planning has overall effect on the procurement process. As such there is very little systematic research on the entire procurement performance at the country level since procurement is a newly emerging academic discipline in Ethiopia.

Many procurement actions still suffer from neglect, lack of proper direction, poor co-ordination, 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 and cost effective manner.

In Ethiopia overall procurement planning at most regional and Woreda level is poor and inadequate. Procurement planning is not as much function in Ethiopia due to these reasons: lack of transparency and competition in the procurement system, lack of improved service delivery to citizens and lack of good governance. Hence, the study is expected to fill this gap and to contribute to the country and the region understanding of the essentiality of public procurement planning for the public procurement performance

## **1.2 Objective of the study**

### **1.3.1 General Objective**

The main objective of the study is to investigate the effect of public procurement planning on the public procurement performance.

### **1.3.2 Specific Objective**

Having the above mentioned general objective, the study has the following specific objectives:-

- To examine the effect of transparency on Public procurement performance
- To examine the effect of staff competence on Public procurement performance
- To examine the effect of top management support on public procurement performance
- To investigate the effect of need assessment on public procurement performance
- To investigate the effect of government rule and regulation on public procurement performance

### **Hypothesis**

**H<sub>01</sub>:** There is significant positive relationship between transparency and public procurement performance.

**H<sub>02</sub>:** There is significant positive relationship between staff competency and public procurement performance.

**H<sub>03</sub>:** There is significant positive relationship between management support and public procurement performance.

**H<sub>04</sub>:** There is significant positive relationship between need assessment and public procurement performance.

**H<sub>05</sub>:** There is significant positive relationship between government rule and regulation and public procurement performance.

## 2.1 Significance of the study

The findings of the research were expected to contribute a lot for different stakeholders. The research result is important for the following groups:-

**To the country at large:** - since Procurement plays an important role in the overall mission of the government good procurement process have a great role for the development of the country and studies are needed in procurement planning to understand the existing effects.

**To the region:** - for the selection bureaus runs a large amount of public money for procurement every year their procurement planning experience can be an example to the other bureaus in the region

**To others:** - hopefully it was inspired other researchers to further deepen their research knowledge while opening the doors to investigate procurement planning.

The study was also be a useful input for further research on the area. The study was give insight to other fellow researchers for their extensive investigation of the field, which is the most forgotten function, by researchers in Ethiopia.

## 1.5 Scope of the Study

The study focuses on the effect of public procurement planning on the public procurement performance in some selected government organizations in Amhara region. To make the research manageable it delimited to five selected public bureaus. These are/BOA/ Bureau of Agriculture, BOFED/Bureau of Finance and Economic Development, /BOCS/Bureau of Civil Service, BOE/Bureau of Education and/BOH/ Bureau of Health. The study would emphasis on procurement officers, head of finance, and head of the bureau and users department employees of the selected bureaus.

## 1.6 Definition of terms

**Procurement** is the process of finding, agreeing terms and acquiring goods, services or works from an external source. The process used to ensure the buyer receives goods, services or works at the best possible price, when aspects such as quality, quantity, time, and location compared.

**Public Procurement** is the **procurement** of goods, services and construction on behalf of a public authority, such as a government agency.

**Procurement Planning** is the process used by companies or public institutions to plan purchasing activity for a specific period.

**Competence** is the demonstrable characteristics that enable performance of a job, for properly doing the job, the individual requires skills and knowledge essential for the set duties.

**Needs Assessment** is a systematic process for determining and addressing needs, or gaps between current conditions and desired conditions or wants. The discrepancy between the current condition and wanted condition must measure to appropriately identify the need. The need can be a desire to improve current performance or to correct a deficiency.

### **1.7 .Organization of the Papers**

The paper contains five chapters having different sections under each chapter. The first chapter is the introduction part, which contains the background of the study, problem statement, research objectives, scope and significance of the study and limitations. The second chapter presents a literature review on relevant issues related to the study area. The third chapter is the methodology part with detail explanations of the research design, sample size, sampling technique, data collection. The fourth chapter contains data analysis and chapter five contains summary, conclusion and recommendation.

In this chapter, introduction pertaining background of the study, statement of the problem, objective of the study, significance of the study and organization of the study. The next chapter describe theoretical, empirical review and conceptual framework.

## **CHAPTER TWO**

### **RELATED LITERATURE REVIEW**

In this chapter, both theoretical and empirical studies were discussed. First discussed about, procurement planning and procurement performance. In addition, independent variable of this study are transparency, staff competency, management support, procurement need assessment and government rules and regulations.

#### **2.1 Overview of Theoretical Discussion**

##### **2.1.1. Public Procurement**

Public procurement is the process of the acquisition, usually by means of a contractual arrangement after public competition, of goods, services, works and other supplies by the public entity. The public procurement process spans the whole life cycle from initial conception and definition of the needs through to the end of the useful life of an asset or the end of a contract. According to the FDRE Procurement and Property Administration Proclamation 649/2009 E.C, procurement means obtaining goods, works, consultancy or other services through purchasing, hiring or obtaining by any other contractual means. Public procurement is the overall process of acquiring goods, civil works and services, which includes all functions from the identification of needs, selection and solicitation of sources, preparation and award of contract, and all phases of contract administration through the end of a service contract or the useful life of an asset (khi, 2009).

##### **2.1.2. Procurement Planning**

According to Agaba & Shipman (2016), procurement planning is the process used by companies or public institutions to plan purchasing activity for a specific period. This is commonly completed during the budgeting process. Each year, departments are required to budget for salary, expenses, and purchases. This is the primary step in the procurement planning process.

Procurement planning is the purchasing function through which organization obtains products and services from external suppliers. A good procurement plan will go one-step additional by describing the process you will go through to appoint those suppliers contractually. Whether you are going on a project procurement or organizational procurement planning exercise, the steps will be the same. First, define the items you need to procure. Next, define the process for acquiring those items. Finally, schedule the periods for delivery (Economic Commission of Africa, 2013).

Procurement planning is a critical element in the procurement process. Proper procurement process must fully integrate with the strategic planning and budgeting process of the public administration. Procurement planning designed to assure that funds are available for the procurement, that the proper method of procurement is undertaken, and that the type of contract chosen will be suitable for the particular procurement of goods, works, or services.

It is a key function in public sector organizations. Its objective is to provide the procuring entities with continuity of inputs (procurements) to enable it to achieve strategic objectives. It refers to the setting of procurement targets and activities by a procuring entity in a manner that spreads them in an annual calendar in accordance with the availability of resources and needs (COMESA, 2013).

The budgets for all the departments reviewed, and in an organization that is committed to procurement planning, the accountants spend the time to find common purchasing requirements. Based on the budgets submitted, they may direct departments to work with fundamental purchasing to combine their planned spending for specific Commodities. This process works well in an organization that is committed to reducing costs. Issues surrounding delivery dates, contract compliance, and customer service issues must be resolved internally before going out to contract (Francois, 2014).

*According Mawhood (1983) as cited in Geoffrey (2011), “further add that effective procurement planning is an important route towards securing the right service to be delivered to the public, and maximizing the level of service provision, which can be achieved within the local supporting people. A procurement plan helps Procuring entities to achieve maximum value for expenditures on services to be delivered and enables the entities to identify and address all relevant issues pertaining to a particular procurement before they publicize their procurement notices to potential suppliers of goods, works and services. Sound procurement planning has been lacking in most cases of the public sector procurement. As a result, there will be a rush of procurement activities towards the end of the budget year driven by the desire of full budget utilization”.*

### **2.1.3 Procurement Performance**

Procurement performance involves measuring and evaluating: quality, effectiveness, and efficiency by using output and outcome indicators. Purchasing performance could consider as the extent to which the purchasing function is able to realize its predetermined goals at the sacrifice of a minimum of the organization’s resources.

Hence, the four dimensions, which measurement and evaluation of purchasing activities based on price/cost dimension; a product/quality dimension; a logistics dimension and an organization dimension (Kauffman, 2014).

Measurement areas of purchasing efficiency include purchasing organization structure e.g. personnel, management, procedures and policies and information system. In order to measure procurement performance, three main considerations proposed: representation of the supply link; efficiency of the supply link and effectiveness of the supply link.

### **2.1.3 Transparency on procurement**

According to the FDRE Procurements and Property Administration Proclamation 649/2009 E.C one of the procurement principle is transparency. Any criteria applied in making procurement decisions and decisions taken on each procurement must make transparent to all concerned parties. Transparency in public procurement is important. Information on the public procurement process made available to all public procurement stakeholders: contractors, suppliers, service providers, and the public at large, unless there are valid and legal reasons for keeping certain information confidential.

### **2.1.4 Staff Competence and Procurement**

Boyatzis (2008), define competency as a capability, ability or an underlying characteristic of an individual, which related to effective or greater performance. The behaviors are alternative event of the purpose, as suitable in various situations or times. Competence is a collection of related abilities, commitments, knowledge, and skills that enable a person (or an organization) to act efficiently in a job or situation. Competencies indicate adequacy of knowledge and skills that enable someone to act in a wide variety of situations (Aketch and Karanja, 2013).

### **2.1.5 Top Management Support and Procurement Planning**

The importance of top management support for successful procurement planning implementation has for a long time been recognized in the Supply Chain Management literature (Lincioni, 2000; Matchette and Lewinski, 2013;; Lambert and Cooper, 2000; Andraski; 1998; and Mangan). The need for top management support was established among other practitioners. In a recently conducted survey (Larson et al., 2014) among senior members of the council of supply chain management professionals. Top management support was identified as the most important facilitator for implementation of procurement planning.

### **2.1.6 Needs Assessment on Procurement performance**

Procurement Planning include the identification of what needs to be obtained (which is the result of a needs assessment, how the institution needs can best be met, the scope of the goods, works or services required, what procurement strategies or methods to be organized, setting the time frames, and the accountability for the full procurement process. According to (Eyaa, S. O. (2011) need assessment is a systematic process for determining and addressing the needs, or gaps between current conditions and desired conditions or wants. This is important in procurement planning.

Due to it's an effective tool to identify appropriate interventions or solutions by clearly, identifying the problem to ensure that finite resources prior budget appropriations are directed towards emerging and implementing a possible and applicable solution for identified projects. Mamiro (2010) in his findings underscores these facts and concludes that one of the major setbacks in public procurement is poor procurement planning and management of the procurement process which include needs that are not well identified and estimated, unrealistic budgets and inadequacy of skills of procurement staff are responsible for procurement problems in the institution.

According to the (PPOA, 2014), the beginning of the procurement process is need realization and identification of the requirements. The inventory position, projects plan, production schedules, work plans, capital or operational requirements budgets and the procurement plan. Creation of the requirements is the foundation for leading market survey to determine aspects such as prices, new products or alternative or substitute products, new sources of supply, nature of competition and conservation aspects that may affect the supply market. According to the FDRE Public Procurement Directive part three article 9 in identifying procurement needs, any Public Body have to take the following point into consideration:- That the need can be met by a product or service available in the market. That the need does not include items which shall be of no use to the public body and cause the public body to incur unwanted cost. Require end users in the public body to submit their annual procurement needs, identify the need submitted by end users by type of procurement, quantity, quality and source.

### **2.1.7 System theory**

According to the systems theory, an organization perceived as composed of both internal and external elements that must interrelate with one another in allowing the institution to achieve its objectives.



The systems theory views an organization as entire rather than as particular elements. The systems theory plays a very significant role in asserting the role of leadership and management support in enhancing organizational performance. According to Hanson (2014) when the leadership and management views institution as a system rather than individual parts, it is likely to put in greater effort in ensuring that organizational goals and objectives are pursued and achieved. Additionally, the systems theory advocates for the notion that management support leadership are critical role in bringing forth improved organizational performance from financial and non-financial perspectives. According to the systems theory, the outline of changes within an organization is highly dependent on the support of an organization's leadership and management.

## **2.2 Empirical review**

### **2.2.1 Transparency on public procurement Performance**

Evans Otieno & Dr. Pamela (2017) that transparency results in increase effectiveness and quality of good and service enhance better procurement performance. Leavey (2013) that transparency results in cost reduction hence better procurement performance. In essence, transparency encourages open competition, discourages corrupt dealings and other malpractices which impede accountability (Global Partners Associates, 2012). The study considered publication of information, existence of procurement audits – internal and external – and management follow ups and actions as the basic elements and evidence of transparency in the procurement process.

In Ghana, Synyenlentu (2014) conducted a study on procurement of essential water treatment chemical at the Ghana Water Company Limited. Data collected from a sample of 85 workers in the procurement division of the firm. The study revealed that procurement of water treatment chemicals abided with various principles and procurement phases.

The study observed that procurement management using Public Procurement Act (PPA) was not sufficient in checking transparency on procurement of essential water chemicals. It was also revealed that the procurement of essential chemicals was open to all interested individuals to apply, which was a significant step towards achieving transparency.

### **2.2.2 Effect of Staff Competence on Procurement Performances**

According to Banda (2009), the study notes that there is need for authorities to give much greater emphasis to developing such competence and to adopt best practice more widely. A procurement function that was carrying out professionally is the heart of delivery of any service on value for money principle. In the study, it was well-known that maximum of personnel carrying out procurement functions in the local authorities in Kenya have not been sensitized on procurement regulations.

In emphasis, the law requires that each procuring entity establish a procurement unit with the professionals. According to the study, it was observed, that there are grave challenges in staffing of procurement professionals in the local government institutions. Some of the workers carrying out those duties do not have any certification in procurement and most have never been sensitized and have little knowledge if any of procurement function. In order to sustain economic development and effective performance, it is important to optimize the contribution of employees to the aims and goals of the organizations.

There is therefore the need for wide external training for human resources to be able to improve and contribute to the efficiency of organizations (Appiah, 2016). The study further discloses that there are clear benefits in ensuring that staffs who handle suppliers are professionals and approaches handled well. Competence can ensure that the benefits of new products and services brought to the attention of the right person in the organization. It can protect the institution, keep work to a minimum, avoid souring relationships and add to the organization's reputation for efficiency and good management.

#### **2.2.4 Effect of top management Support on procurement performances**

According to Chari, (2014) leadership and management support, effect all aspects of procurement performance ranging from establishing new systems, green procurement as well as improving levels of transparency. Lack of leadership and management support has also been accountable for the failure of many procurement initiatives.

According to the research, management support is important. It is the top management, who support funding for specific procurement initiatives. Furthermore, the management has the sole responsibility of rallying employees behind any procurement leading to its eventual success. Leadership and management support collaborative relationships between a company and its suppliers, facilitating transparent negotiations and long-term relationships that eventually lead to procurement of high quality inputs at affordable prices. This improves organizational performance. Mose (2013) believe that for any procurement imitative to be effective, it must like full management support. The top management is charged with the responsibility about to happen with goals and visions of the institutions, enhancing commitment to change in the organization's structure and processes as well as in articulating strategies and policies essential in increasing procurement performance. Therefore, if any procurement inventiveness lacks the support of top leadership and management, its chances of success are slim. The top management required to give appropriate support and attention to the procurement in order to bring forth improved organizational performance.

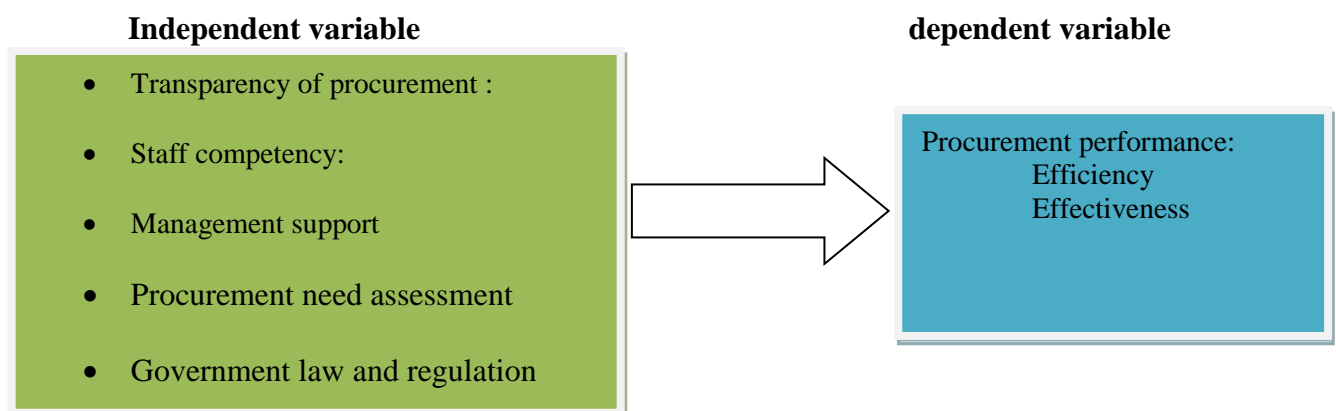
### 2.2.5 Effect of government laws and regulations on procurement Performance

The study sought to assess the influence of government laws and regulations on procurement Performance of Public Sector in Kenya. The study probed to establish respondent's opinions on whether or not government regulation has enhanced procurement performance in the public sector. It can deduce in this regard that government laws and regulations highly influence procurement performance in the public sector. More specifically, it is notable that compliance, stakeholder involvement as well as the enactment of new laws and regulations is the key government laws and regulations constructs influencing procurement performance.

Rotich (2011) who offers that other issues affecting public procurement have to do with core objectives being set by legislators whose political choices regarding the prioritization and allocation of scarce resources are politically motivated and myopic. Mahmood (2010) also argues that in view of the obstacles presented to the public by the procurement systems, it should be realized that procurement practitioners face several challenges given by difficulty of sets of law, and government systems at times not in line with the procurement act. Thai and Grimm (2009) however observe that regardless of the effort by the governments of developing countries, like Kenya and development policies like the procurement Acts and regulations enacted to increase resource performance of the procurement function, public procurement is still marred by poor quality goods and services.

### 2.3 Conceptual Framework

According to McGaghie, Bordage and Shea (2001), the conceptual framework identifies study Variables and clarifies relationships among the variables. The conceptual framework for this Study is as shown in Figure 1.



Source: Ogwang, A. O and 2017

## **2.4. The research gap**

Even though a limited number of researchers conducted research on effect of procurement planning on procurement performance within the nation, there is no adequate research has conducted in Ethiopia.

A researcher has reviewed: influence of procurement planning on performance of Kisumu water and sewerage company limited in Kenya.(Ogwang, A.O 2017), Factors affecting procurement performance: a Case of Ministry of Energy(Japheth Ocharo Kiage /2015), and effect of procurement planning on service deliver in state corporation in Kenya(Jackson, J. G.,\* & Ombui, K. 2018). Procurement planning and local government in Uganda (Benon Basheka 2016), Effect of procurement planning institution performance (Kibet Willy & Dr Agnes Njeru 2015). Effect of procurement planning on procurement performance in case of study of agricultural corporation (kibet Willy and Dr Agnes Njer 2016), assessment of public procurement planning and implementation on federal government institution (Worku 2017), Procurement planning strategy and service delivery in case of medicine sans unit (Caroline Motrion 2015).

Thus research cannot specifically conducted the association between procurement transparency, top management support, staff competency, need assessment and government rules and regulations with public procurement performance in Ethiopia, special emphasis on ANRS bureau.

In this chapter, related literature review pertaining theoretical and empirical review. In theoretical theory, include, public procurement, procurement planning, procurement transparency, staff competence, top Management Support and government rules and regulations.

In addition to this, neoclassic theory and system theory also discussed. Empirical review related to independent variable mainly transparency, staff competency, management support, need assessment and government rules and regulations were discussed. The next chapter discussed about methodology of the research.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

According to Moti (2015), research methodology is a path that gives an understanding of how the research is conducted and organized in order to solve the research problem. Its shape and informs the process of research through providing the user with a framework to select the means how to find out, analyze in order and exchange information about the issue. This chapter deals with research design, research approach, and data collection techniques.

#### **3.1. Research Approach**

Research approach is a plan and procedure that consists of the steps of broad assumptions to detailed method of data collection, analysis and interpretation approach of data collection and approach of data analysis or reasoning. According to Bryman (2012), there are three basic approaches to research, viz., quantitative approach and the qualitative and mixed approach. This study followed quantitative research approach which answered the research questions through a controlled deductive hypothesis process. According to Creswell (2008), the quantitative method for Research study with the specific focus on descriptive research design is vital to create quantifiable causes and effect relationships between the variables of the study. The quantitative data, which was collected and analyzed in numerical form and the fundamental feature of the quantitative research, is the detection of a causal relationship between variables (Borg & Gall, 2014').

#### **3.2. Research Designs**

According to Kothari (2013), a research design is defined as, a blueprint of conducting a research study. A good study founded upon the choice of a suitable research design. The research design is the general plan of the research that showing the direction of how you answered the research question (Saunders, 2003). The research design is used descriptive survey and explanatory research method. The descriptive survey and explanatory research method described subject by creating a profile of a group of problems and people through collection of data and tabulation of the frequencies on research variables and their interaction. The study used descriptive research designs, which involved quantitative research to examined findings to come up with conclusions and recommendations for implementation.

In this study, a survey research design is accepted. This research design employed that conducted at a specific point in time (Lavrakas, 2014). The fact that the study involved various participants (procurement officers, user department employees, and bureau heads) working with Amahara National Regional State (ANRS) further justified the choice of survey research design.

### **3.3. Sampling Design**

The basic principle of sampling is that by selecting some of the elements in a population, a researcher may draw conclusions about the entire population (Malhotra, 2014). The study was conducted in the Amhara National Regional State. In this study, five Bureaus were selected by using non-probability sampling. These are Bureau of Agriculture, Bureau of Finance and Economic Development, Bureau of Civil Service, Bureau of Education and Bureau of Health. The sample design consists all procurement officers and heads of finance department of each selected public body. In addition, bureau heads of the selected public bodies purposively selected for the study because those bodies are key informants of the study.

### **3.4. Population**

According to Martins (2013), population is the aggregate of all elements. It must define in terms of the element, sample units, time and size. The population of the study the employees of each selecting public body. According to the preliminary survey made and data secured from the Human Resources Development of each selecting public bodies.

### **3.5 Sampling Frame**

A sample frame is a record of all the sample units available for selection at a given stage in the sampling process. A sample frame is a record of all the sample units available for selection at a given stage in the sampling process. The sampling frame list of the study consists of Bureau of Agriculture, Bureau of Finance and Economic Development, Bureau of Civil Service, Bureau of Education and Bureau of health. That is to mean the sample frame to include procurement officers, user department employees, finance department heads and bureau heads of selecting bureaus are a list of sample frame for the study which helps for the sample size determination from the target population of the study.

#### **3.5.1 Sampling Techniques**

There are two kind of sampling techniques, probability and non-probability. In this study, the researcher adopted probability and non-probability sampling technique and use Stratified Random Sampling and purposive sampling technique.

**-To Select Bureaus:** -There are a number of bureaus, authorities and agencies in the region. Out of them five Bureaus (public bodies) were selected for using purposive sampling from Amhara National Regional State, in the case of three main reasons:

The first is all of them invest a large sum of money in order to procure goods, works and services as these bureaus perform multiple tasks.

Secondly, the researcher believes that the role of these public bodies for the development of the region is greater than others so studying the procurement planning experience of these public bodies will be a good example for others. Thirdly, the researcher has information about procurement experience of these public bodies since the researchers work area is around these public bodies.

**To select procurement officers and head of finance:** - all the selecting bureaus have two up to six procurement officers and one finance department head. Therefore, the researcher includes all procurement officers and finance heads of each selecting public bodies for the study. The first reason to include all of them in the study is that employees of procurement officers and finance department heads are very few so it can be easily address. Secondly as per the FDRE public procurement directive, procurement officers have the obligation to prepare their organizations procurement plan this indicates they have the overall knowledge about the issue under the study. Therefore, it was convenient to get the highest accuracy of data about the importance of procurement planning for the procurement process.

**To select bureau heads** -all the selected bureaus have only one bureau head. The researcher selects bureau heads by using purposive sampling in order to get accurate information. Because as a leader they have an obligation to facilitate the procurement, planning and procurement process of their organization.

**To select user's department employees:** - each public body has 10-15 users departments. In this study, all user departments were part of the research. Based on this to select user's department employees the researcher used Stratified Random Sampling technique from probability sampling method.

### **3.5.2. Sample Size**

Sample refers to a sub set of the population from which the researcher is able to collect information. It involves selected respondents from the study population related to the problem. To determine the sample size both probability and non-probability sampling methods were used since the target population of this study is procurement officers, head of finance department, user departments and bureau head of the selected public bodies.

Hence, all (20) procurement officers and (5) key informants of head of bureaus were selected for the study be select purposively. In addition to this to determine the sample size of user department employees Kothari (2013), formula was applied. To get more representative this formula will selected. Based on this since the population of the study is less than 10,000 the sample size is determined by:

$$n = \frac{Z^2 * p * q}{d^2}$$

Where: - N = population size

n = desired sample size

Z = confidence level

P = estimated characteristics of the study population

q = 1-p

d = level of statistical significance

Since there is no estimate of the population of the targeted population, which have a particular characteristic 50 % is recommended to use. Thus P= 0.5, and 1-P= 0.5. The researcher considers the 93 % level of confidence, the corresponding standard normal deviate or standard value is Z=1.81 and the desired level significance (margin of errors at 93% confidence) is 0.07. The reason why, the researcher used the Z static 93 % level of confidence is that more than this sample size cannot be manageable for the study. Based on this:-

$$n = \frac{(Z^2 pq)}{d^2}$$

Where Z= 1.81, p= 0.5, q= 1-0.5, d= 0.07

$$n = \frac{(1.81)^2 (0.5) (0.5)}{(0.07)^2}$$

$$n = \underline{167}$$

Since the total number of user department employees is 779, which is less than 10,000

Then the sample size of user department employees was determined by using:-

$$nf = \frac{n}{(1+n) / N}$$

Where:-

n = sample size when the population is calculated (=167)

N = the population of the study (=779)

nf = the sample size of the user's department employees

According to the above formula:-

$$nf = \frac{n}{1 + (n/N)}$$

$$nf = \frac{167}{(1 + 167 / 779)}$$

$$= 167 / 1.214$$



= 137 employees of user's department

137 sample employees of user's department, which was selected from selected public

*Table1. Sample of the population*

No	Name of the organization	Populat ion	Rate percent	Sample size
1	Bureau of Agriculture	202	26	35
2	Bureau of Finance and Economic Development	112	14.3	20
3	Bureau of Civil Service	105	13.4	18
4	Bureau of Education	182	23.3	32
5	Bureau of health	178	23	32
total		779	100	137

**Source Human Resources Development of each selecting public bodies**

Therefore, the total sample size of this study is:-

Procurement officers.....	20
Bureau heads .....	5
User department employees .....	137
<b>Total sample size .....</b>	<b><u>162</u></b>

### **3.6. Instrument and data collection technique**

The duty of data collection started after a research problem has been defined and research design chalked out. When we conducted the research, the researcher used primary data source. The researcher used primary data gathering tools because it provided current and factual information about the study and these data's was collected afresh and for the first time, and thus happen to be original in character. The sources of primary data was gathered closed end questionnaires. For this study, the researcher used questionnaires to gathered data from selected employees of the organizations. Closed e n d e d questionnaires were applied to collect the data. The researcher prepared one types of questionnaires to conduct the research.

A five-point Likert scale questionnaire was developed for close-ended questions. In this way, the questionnaire were developed in English.

### **3.7. Ethical Issue Consideration**

To undertake the research, the necessary approval and permission were written and obtained from the Bahair Dar University and request for the study area that is Amhara regional state for selected bureaus and other concerned bodies. The researcher made contact with human resource development process owner of each selected bureaus to explain the importance of the study and how users and procurement officers of the organization able to contribute genuine information considerably to this study by giving their response to the questionnaire. A letter of permission was written by BDU department of logistics and supply chain management to collaboration five ANRS Bureaus employees of users departments and procurement officers for responding research questionnaire.

During the data collection process, all samples of the target population was treated in an ethical manner. Further brief description about the study, purpose and objectives of the study made clear to procurement officers, head of finance, head of bureau and users' department employees of each selected bureaus during data collection. The researcher indicated that information obtained from them secret to the third party. Name and other identifying information did not use in the study. Moreover, they were informed about their valuable and genuine responses contributions for the achievement of the study.

In this chapter discussed about research approach, research design, sampling design, population sampling techniques, type and source of Data, sample Size, questionnaires, research instrument data analysis and presentation and finally ethical Issue Consideration.

### **3.8 Method of data analysis and interpretation**

According to Mugenda & Mugenda (2003), data analysis is the process of bringing order, structure and meaning to the mass of information collected. The information was collected and entered into a spreadsheet and analyzed using Statistical Package for Social Sciences (SPSS). SPSS Version 20 has got descriptive statistics features that assist in variable response comparison and gives a clear indication of response frequencies (Mugenda and Mugenda, 2003).

Once the raw data were collected, the questionnaires were checked for proper recording of the responses and completeness. They coded and the response on each item put into specific categories fitting the research questions. Data analysis is the process of developing answers to questions through the inspection and interpretation of data.

The basic steps in the analytic process consist of identifying issues, determining the availability of suitable data, deciding on which methods appropriate for answering the questions of interest, applying the ways and evaluating, summarizing and communicating the results.

The Statistical Package for Social Sciences (SPSS) Version 20 software was employed to facilitate in data analysis. Descriptive statistics which include measures of distribution, central tendencies, and dispersion were used. Moreover, inferential statistics in correlation and multiple regression analyses were used. The results originating from the data analyses were presented in form of tables. The researcher further adopted a multiple regression model at 5 percent level of significance and 95 percent level of confidence to establish the direction of the association between the independent variables and the dependent variable.

In this case, the regression equation will express as

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \beta_5X_5 \dots \dots \dots (i)$$

Where:

Y= procurement performance

$\beta_0$  = coefficient of intercept

X1= transparency of procurement

X2 = staff competency

X3= management support

X4= procurement need assessment

X5= government rules and regulation

$\epsilon$  =error term

$\beta_1 \dots \beta_5$  = regression coefficients of the independent variable

In this chapter discussed about research approach, research design, sampling design, population sampling techniques, type and source of Data, sample Size, questionnaires, research instrument data analysis and presentation and finally ethical Issue Consideration.

### **3.9 Validity Test**

A validity test is carried out in order to determine whether or not the data collection tool is able to facilitate the collection of the intended data (Kimberlin & Winterstein, 2008). In the present study, the content validity of the research questionnaire was determined through consulting the assigned university advisor whose opinion was deemed sufficient in determining the instrument's validity.

### 3.10 Reliability Test

Reliability is the consistency of a research instrument. This implies that a reliable instrument is able to return similar results when administered on similar populations. Given that the external consistency is beyond the control of the researcher, the internal consistency of the data collection tool is determined. There are different tests for reliability but the use of Cronbach alpha is the most widely used and recommended (Kimberlin & Winterstein, 2008) particularly when the instrument contains questions on a Likert scale. In this respect, therefore, the Cronbach alpha coefficient ( $\alpha$ ) used to test the reliability of the research instrument. The reliability threshold was alpha coefficient equal to 0.7 ( $\alpha = 0.7$ ) or greater than 0.7 ( $\alpha > 0.7$ ). The results of the reliability testing are shown in Table 3.

*Table 2- Reliability Test*

variables	Cronbach's Alpha/trance	No of Items	conclusion
procurement transparency	.712	6	Reliable
procurement need assessment	.835	6	Reliable
staff competency	.710	6	Reliable
top management support	.841	6	Reliable
government rules and regulation	.830	6	Reliable
public procurement performance	.718	6	Reliable

Source primary data 2018

## CHAPTER FOUR

### DATA PRESENTATION, ANALYSIS AND INTERPRETATION

#### 4.1. Introduction

The objective of the research is to investigate the effect of public procurement planning on the public procurement performance. In this chapter, data analyzed; interpreted and presented that is obtained from respondents. The analysis of the study was structured and conducted to answer the research hypothesis by addressing the objectives of the research. The response rate, demographic profile of respondents, finding of the study with its detail interpretation and discussion was present based on the research objective.

#### 4.2. Response Rate

The total questionnaires distributed to the respondent which consists of user department employees, procurement officers, bureau heads were 162 and the returned questionnaires were 162 (100%).

*Table 3 Demographic characteristics of the respondent*

<b>Demographic Information of Respondent</b>	<b>Alternative</b>	<b>Frequency</b>	<b>Percent</b>	<b>Valid percent</b>	<b>cumulative present</b>
<b>Sex</b>	male	108	66.7	66.7	66.7
	female	54	33.3	33.3	100
	<b>Total</b>	<b>162</b>	<b>100</b>	<b>100</b>	
<b>Age</b>	18-30 years	41	25.3	25.3	25.3
	31-40years	85	52.5	52.5	77.8
	41-50 years	23	14.2	14.2	92
	51 and above	13	8	8	100
	<b>Total</b>	<b>162</b>	<b>100</b>	<b>100</b>	
<b>Education level</b>	Diploma	21	13	13	13
	First Degree	120	74.1	74.1	87
	Second Degree	21	13	13	100
	<b>Total</b>	<b>162</b>	<b>100</b>	<b>100</b>	
<b>Work Experience</b>	4-6 years	2	1.2	1.2	1.2
	7-9 years	18	11.1	11.1	12.3
	Over 10 years	142	87.7	87.7	100
	<b>Total</b>	<b>162</b>	<b>100</b>	<b>100</b>	

**Source** primary data 2018

Majority of respondents (108; 66.7 %) involved in this study were males. 54(33.3%) of respondents were female.

This shows that there is still under consideration of gender issues and lack of empowerment of female employees in the organizational job position. Regarding age, (85; 52.5 %) of the respondents were between 31-40 years old, 41 (25.3 %) were in the range of 18-30 years, 23(14.2 %) were in the range of 41-50 years, While 13(8%) were between 51 and above years old. From this, we can deduce that the majority of respondents' ages are between the ranges of 31-40 years, which implies that most of the respondents matured enough; they are in the active age group and in a position to understand and respond to the questionnaires.

Regarding to the educational background majority of the respondent's (120; 74.1%) holds Bachelor Degree and 21(13%) holds Diploma and Second Degree. This shows that all respondents have a satisfactory level of education to respond to the questions and differentiate and prioritize the importance of procurement.

Based on the above table majority of the respondents (142; 87.7%) has a work experience of 10 years and above. 18 (11.1%) of the respondent have work experience of 7-9 years. While 2 (1.2%) of the respondent have work experience of 4-6 years. This shows that most of the respondents were experienced since they had worked long enough. With long experience in work, a wide knowledge, skills, and attitudes were gain so respondents can contribute their attitude easily to the study.

### **4.3 Descriptive Findings and Discussions**

The study investigated the effect of procurement planning on procurement performance of ANRS bureaus. The specific facets of procurement studied included procurement transparency, staff competence, top management support, procurement need assessment, government rules and regulations. As such, the study sought the views of the user's department employees, procurement officers, bureau heads of the organization in respect to procurement planning and public procurement performance of the organization. The views were on a 5-point Likert scale where 1, 2, 3, 4, and 5 represented strongly disagree, disagree, neutral, agree, and strongly agree respectively. The views of these staff were present in form of frequencies, means and standard deviations.

### **4.4 Descriptive Statistics**

The study presented findings to survey questions asked with a view to establish the effect of procurement planning on public procurement performance of ANRS bureau. Responses were given on a five-point likert scale (where 5 = Strongly Agree; 4 = Agree; 3 = Neutral; 2 = Disagree; 1= Strongly Disagree).

#### 4.4.1 Descriptive Statistics for Transparency public Procurement performance

Table 4- transparency

transparency	N	Mean	Std. Deviation
Transparency in public procurement contributes to fair and equitable treatment for users department	162	3.02	0.807
Organization ensures that procurement information is transparent among all users department	162	4.2	1.002
Transparency of procurement officer's increase effectiveness in procurement performance	162	4.04	1.122
organization advertises all procurement opportunities openly enhance procurement performance	162	3.96	1.165
Maximizing procurement transparency enhance integrity and equity in the organization	162	3.41	1.363
Use of open tendering results in procurement of quality goods and services	162	3.5	1.257
<b>Total</b>		<b>22.13</b>	<b>6.716</b>
<b>average</b>		<b>3.68</b>	<b>1.119</b>

**Source primary data 2018**

The findings in Table 4 show that, the respondents agreed with the statements on the effects of transparency on public procurement performance of their organizations largely as shown by mean average score of 3.68. Respondents' undecided that transparency in public procurement contributes to fair and equitable treatment for users department as shown by a mean score of 3.02. Respondents agreed that the organization ensures procurement information is transparent among all users department largely as shown by a mean score of 4.2. Respondents agreed that the transparency of procurement officer's increase effectiveness in procurement performance largely as shown by a mean score of 4.04. Respondents agreed that organization advertises all procurement opportunities openly enhance procurement performance largely as shown by a mean score of 3.96. Respondents undecided maximizing procurement transparency enhance integrity and equity in the organization to a great extent as shown by a mean score of 3.41 and respondents agreed use of open tendering results in procurement of quality goods and services to a great extent as shown by a mean score of 3.5. These findings validated by Otieno & Dr. Pamela (2004) that transparency results in increase effectiveness and quality of good and service enhance better procurement performance. In addition to this, these findings validated the findings by Leavey (2013) that transparency results in cost reduction hence better procurement performance.

#### 4.4.2 Descriptive Statistics for procurement need assessment on public procurement

Table 5- need assessment

need assessment	N	Mean	Std. Deviation
The organization procurement need assessment is clearly defined by the responsible personnel in the unit department	162	4.14	0.996
Thorough procurement needs assessment is undertaken by respective heads for goods and services	162	4.15	1.049
the organization procurement need assessment is carried out to determine where to procure from	162	4.25	0.953
Budget approval is obtained for the required items before purchase in the organization	162	3.78	1.185
Reviews of the procurement need assessment system are done at regular intervals in the organization	162	3.97	1.171
Delivery schedules that fit in the organization requirements are drawn with the suppliers	162	3.97	1.171
<b>Total</b>		<b>24.26</b>	<b>6.525</b>
<b>Average</b>		<b>4.04</b>	<b>1.088</b>

**Source primary data 2018**

The findings in Table 5 show that, the respondents agreed with the statements on the effects of need assessment on public procurement performance of their organizations largely as shown by mean average score of 4.04. Respondents agreed that organization procurement need assessment clearly defined by the responsible personnel in the unit department as shown by a mean score of 4.14. Respondents agreed that thorough procurement needs assessment undertaken by respective heads for goods and services largely as shown by a mean score of 4.15. In addition to this, organization procurement need assessment carried out to determine where to procure from largely as shown by a mean score of 4.25; budget approval is obtained for the required items before purchase in the organization largely as shown by a mean score of 3.78. Reviews of the procurement system are done at regular intervals in the organization largely as shown by a mean score of 3.97 and delivery schedules that fit in the organization requirements are drawn with the suppliers largely as shown by a mean score of 3.97. The results coincides with Ocharo (2013) research who established that procurement plans influenced procurement plans in the sense that they provided focused and efficient utilization of the available resources, aided in budgeting and planning and therefore with satisfactory provision of funds due to procurement plans, performance is assured. Moreover, the respondents indicated that procurement plans helped to know what to buy, when, how and using which method of procurement.



Agreeably Mamiro (2010) in his findings underscores these facts and concludes that one of the major setbacks in public procurement is poor procurement planning and management of the procurement process which comprise needs that are not well identified and estimated, unrealistic budgets and inadequacy of skills of procurement staff are responsible for procurement problems in an institution.

#### 4.4.3 Descriptive Statistics for procurement staff competency on public procurement Performance

**Table 6-staff competency**

Statements	N	Mean	Std.
Lack of staff competency affects procurement performance in the organization	162	3.84	1.131
Procurement staff are qualified and experienced to handle Procurement performance in the organization	162	3.39	1.191
Skilled staff members Procurement officer make informed decisions regarding procurement performance in the organization	162	3.41	1.129
The organization has a well-defined calendar of employee training on procurement practice	162	3.04	.767
A challenge of getting experienced staff affects procurement performance in the organization	162	4.05	1.038
Our organization motivates and promotes all procurement staff based on merit and professional skills	162	3.93	1.148
<b>total</b>		<b>21.66</b>	<b>6.404</b>
<b>average</b>		<b>3.61</b>	<b>1.067</b>

**Source primary data 2018**

From the findings in Table 6 it was establish that the respondents agreed with the statements on the effects of staff competency on public procurement performance of their organizations largely as shown by mean average score of 3.61. Respondents agreed that lack of staff competency affects procurement performance in the organization as shown by a mean score of 3.84. Respondents undecided that Procurement staff is qualified and experienced to handle Procurement performance in the organization as shown by a mean score of 3.39. Skilled staff members Procurement officer make informed decisions regarding procurement performance in the organization as shown by a mean score of 3.41. In addition to this, respondents undecided that the organization has a well-defined calendar of employee training on procurement practice as shown by a mean score of 3.04. Respondents agreed that challenge of getting experienced staff affects procurement performance in the organization as shown by a mean score of 4.05.

Respondents agreed that, our organization motivates and promotes all procurement staff based on merit and professional skills as shown by a mean score of 3.93.

According to Banda (2017), the study notes that there is need for authorities to give much greater emphasis to developing procurement staff competence and to adopt best practice more widely.

#### 4.4.4 Descriptive Statistics for procurement top management support on public procurement Performance

Table 7- top management support

Statement	N	Mean	Std. Deviation
Management support plays a key role in influencing the success of procurement performance in the organization	162	3.90	1.019
Active involvement of management support in procurement activity enhance procurement performance in the organization	162	3.87	1.081
The top management ensures that only competent staff is involved in procurement activities in the organization	162	3.98	1.003
Top management reviewing and updating the procurement function is held when necessary in the organization	162	3.57	1.130
The top management Support is involved in the Organizational Performance	162	3.96	1.065
The top management support regards procurement function important to the organization	162	3.96	1.065
<b>total</b>		<b>23.24</b>	<b>6.363</b>
<b>average</b>		<b>3.87</b>	<b>1.0605</b>

Source primary data 2018

From the findings in Table 7 it was establish that the respondents agreed with the statements on the effects of top management support on public procurement performance of their organizations largely as shown by mean average score of 3.87. Respondents agreed that management support plays a key role in influencing the success of procurement performance in the organization as shown by a mean score of 3.90. Respondents agreed that, Active involvement of management support in procurement activity enhance procurement performance in the organization as shown by a mean score of 3.87, Respondent that the top management ensures that only competent staff is involved in procurement activities in the organization as shown by a mean score of 3.98, Respondents agreed that Top management reviewing and updating the procurement function is held when necessary in the organization as shown by a mean score of 3.57.

Respondents agreed that the top management Support is involved in the Organizational performance as shown by a mean score of 3.96. Respondents agreed that the top management support regards procurement function important to the organization as shown by a mean score of 3.96. According to Chari (2014), Lack of leadership and management support has also been responsible for the failure of many procurement initiatives. According to the research management, support is important. It is the top management, who approve funding for specific procurement initiatives. The above findings are in line with a research conducted by Amemba. (2013) which established that leadership supports collaborative relationships within the procurement function bringing forth improved performance. In summary, the research findings show that indeed leadership support to procurement functions brings forth improved procurement performance.

#### 4.4.5 Descriptive Statistics for government rule and regulation on public procurement Performance

Table 8- government rule and regulation

Statements	N	Mean	Std. Deviation
Organizations has enforced the government rules and regulations with regard to public procurement	162	4.13	.947
All procurement at the organization is guided by the current Public Procurement and Asset Disposal Act in the organization	162	4.01	1.069
Manuals and legal notices provide guidance to the procurement functions in the organization	162	4.22	.897
There is influence on procurement performance of the organizational due to government rules and regulation	162	3.80	1.132
Government rule and regulation reduce efficiency of procurement performance in the organization	162	4.09	1.125
The organization has achieved ethical behavior and sound procurement practice due to compliance by the government rule and regulation	162	4.00	1.086
<b>total</b>		<b>24.25</b>	<b>6.256</b>
<b>average</b>		<b>4.04</b>	<b>1.0426</b>

Source primary data 2018

From the findings in Table 8 it was establish that the respondents agreed with the statements on the effects of government rule and regulation on public procurement performance of their organizations largely as shown by an average score of 4.04. Respondents were found to highly agree that Organizations has enforced the government rules and regulations with regard to public procurement (4.13), all procurement at the organization is guided by the current Public

Procurement and Asset Disposal Act in the organization (4.01), Manuals and legal notices provide guidance to the procurement functions in the organization (4.22); There is influence on procurement performance of the organizational due to government rules and regulation (3.80). Governments rule and regulation reduce efficiency of procurement performance in the organization (4.09); the organization has achieved ethical behavior and sound procurement practice due to compliance by the government rule and regulation (4.00). According to Gladys Medina & Dr. Patrick (2016), it can deduce in this regard that government laws and regulations highly influence procurement performance in the public sector. More specifically, it is notable that compliance, stakeholder involvement as well as the enactment of new laws and regulations is the key government laws and regulations constructs influencing procurement performance This is in agreement with Rotich (2011) who offers that other issues affecting public procurement have to do with core objectives being set by legislators whose political choices regarding the prioritization and allocation of scarce resources are politically motivated. Mahmood (2010) also argues that in view of the setbacks presented to the public by the procurement systems, it should be realized that procurement practitioners face many challenges given by difficulty of sets of law, and government systems at times not in line with the procurement act.

#### 4.4.6 Descriptive Statistics for public procurement Performance

*Table 9- Procurement Performance*

Procurement Performance	N	Mean	Std. Deviation
The efficiency of the procurement performance has led to cost reduction in the organization	162	2.98	.747
There are minimal complaints from our customers on procurement matters due to its efficiency	162	4.01	1.027
The organization is efficient and effective in procurement performance	162	3.98	1.018
There is high degree of satisfaction of user department by the procurement department of the organization	162	3.93	1.121
Organization has established reliable and viable mechanisms for cost saving during procurement practice	162	3.44	1.236
The organization offers enhanced quality services of our efficient and effective procurement performance	162	3.48	1.154
<b>total</b>		<b>21.82</b>	<b>6.303</b>
<b>average</b>		<b>3.63</b>	<b>1.0505</b>

#### Source primary data 2018

From the findings in Table 9 it was establish that the respondents agreed with the statements on the public procurement performance of their organizations largely as shown by an average score of 3.63.

A respondents were found to undecided that the efficiency of the procurement performance has led to cost reduction in the organization (2.98); the respondent agreed that minimal complaints from our customers on procurement matters due to its efficiency (4.01); and the responding agreed that manuals and legal notices provide guidance to the procurement functions in the organization (3.98); the respondent agreed that influence on procurement performance of the organizational due to government rules and regulation (3.93); in addition to this the respondent agreed that organization has established reliable and viable mechanisms for cost saving during procurement practice (4.09). Finally, the respondent agreed that the organization offers enhanced quality services of our efficient and effective procurement performance (4.00).

#### **4.5 Inferential Findings and Discussions**

The study investigated the influence of various components or characteristics of procurement planning on public procurement performance of ANRS bureau. It also analyzed the general effect of procurement planning on public procurement performance. In order to achieve these, both correlation and regression analyses were conducted.

#### **4.6 Spearman's Rank Correlation Coefficient**

This study was used Spearman's rho correlation to test the relationship between variable. This type of correlation used when the measurement of the item is Liker-scale Field A. (2000).The Spearman's rho correlation coefficient results indicate that every variable is perfectly related with itself that is why  $r=1$  diagonally along the table. To quantify the strength of the relationship between the variables, the researcher used spearman's coefficient of correlation. The researcher used the spearman's coefficient of correlation ( $\rho$ ) to study the correlation between the study variables and the findings were as in the table below

Table10- Spearman's Rank Correlation Coefficient

		procurement performance
Spearman's rho	Correlation Coefficient	1.000
	procurement performance	
	Sig. (2-tailed)	.
	N	162
	Correlation Coefficient	.831**
	procurement transparency	
	Sig. (2-tailed)	.000
	N	162
	Correlation Coefficient	.496**
	procurement need assessment	
	Sig. (2-tailed)	.000
	N	162
	Correlation Coefficient	.820**
	procurement staff competency	
	Sig. (2-tailed)	.000
	N	162
	Correlation Coefficient	.322**
	top management support	
Sig. (2-tailed)	.000	
N	162	
Correlation Coefficient	.401**	
government rule and regulation		
Sig. (2-tailed)	.000	
N	162	

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

### Source primary data 2018

According to Namusonge, (2012), the correlation coefficient value (r) range from 0.10 to 0.29 is Considered weak, from 0.30 to 0.49 is considered medium, and from 0.50 to 1.0 is considered strong. The study established that there existed a positive, strong and statistically significant relationship between procurement transparency and procurement performance of ( $r = 0.831$ ;  $p < 0.01$ ), relationship between procurement need assessment and procurement performance was revealed to be positive, moderate and statistically significant ( $r = 0.496$ ;  $p < 0.01$ , relationship between procurement staff competency and procurement performance was revealed to be positive, strong and statistically significant ( $r = 0.820$ ;  $p < 0.01$ , relationship between top management support and procurement performance was revealed to be positive, medium and statistically significant ( $r = 0.322$ ;  $p < 0.01$ , relationship between government rules and regulations and procurement performance was revealed to be positive, strong and statistically significant ( $r = 0.401$ ;  $p < 0.01$ ).

The results of the correlation analysis implied that when any of the five facets of independent variables (procurement transparency, procurement need assessment, procurement staff competency, top management support and government rules and regulations) was enhanced, procurement transparency, procurement need assessment, procurement staff competency, top management support and government rules and regulations were strong and substantive influencers of procurement performance

#### 4.7 Regression Analysis

The results presented in table 11 present the fitness of model used of the regression model in explaining the study phenomena.

Table 11- *Model Summary*

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.903 <sup>a</sup>	.815	.809	.24411

a. Predictors: (Constant), government rule and regulation ,procurement staff competency, top management support, procurement transparency , procurement need assessment

**Source primary data 2018**

The R2 value of 0.815 implies that 81.5% of the variations in procurement performance can be explained by the variations in independent variables. Therefore means that other factors not studied in this study contribute 18.5% of procurement performance at ANRS bureau.

#### 4.8 ANOVA

Table 12- *ANOVA*

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	41.051	5	8.210	137.774	.000 <sup>b</sup>
Residual	9.296	156	.060		
Total	50.347	161			

a. Dependent Variable: procurement performance

b. Predictors: (Constant), government rule and regulation , procurement staff competency, top management support, procurement transparency , procurement need assessment

**Source primary data 2018**

The ANOVA as shown in the above table shows that the general significance of the model. As **p** is less than 0.05, the model is significant. Thus, the combination of the variables (procurement transparency, procurement need assessment, staff competency, top management support and government rule and regulation) significantly predicts the dependent variable (public procurement performance) ( $F=137.774$ ;  $p < 0.05$ ).

#### 4.9 Regression coefficients of determination

The study further looked into the precise influence of the determinants of procurement performance, that is, transparency in procurement, stakeholder involvement, budgeting process, and procurement need assessment, staff competency, top management support, government rule and regulation on public procurement performance of ANRS bureaus. The results in relation to this are show in the regression coefficient table

*Table 13- Coefficients*

Coefficients					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.247	.117		2.101	.037
procurement transparency	.407	.073	.416	5.542	.000
procurement need assessment	.168	.084	.243	2.004	.047
procurement staff competency	.462	.057	.562	8.123	.000
top management support	.169	.047	.239	3.587	.000
government rule and regulation	.287	.086	.395	3.339	.001

a. Dependent Variable: procurement performance

**Source primary data 2018**

To determine the relationship between the independent variables and the dependent variable and the respective strengths, the regression analysis produced coefficients of determination as presented in. Findings in Table 13 reveal a positive relationship between Performance of public sector and all the independent variables. As per the SPSS generated table below, the model equation would be ( $Y = \alpha + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \beta_5X_5 + \epsilon$ ) becomes:



Where, Y= Performance of procurement in ANRS bureau

$\alpha$  = Constant;  $\beta_1 - \beta_5$  = Beta coefficients;

X1 = procurement transparency

X2 = procurement need assessment;

X3 = staff competence

X4 = top management support

X5 = government rule and regulation

And  $\epsilon$  = Error term,

The established regression equation was thus:

$$Y=0.247+0.407 X_1+0.168 X_2+0.462 X_3+0.169 X_4+0.287 X_5+\epsilon$$

The  $\beta$ -values (beta coefficient) tell us about the relationship between the outcome and each predictor. If the value is positive we can tell that there is a positive relationship between the predictor and the outcome, whereas a negative coefficient represents a negative relationship. The above equation established that taking all factors into account (procurement transparency, procurement need assessment, staff competency, top management support, and government rules and regulation) constant at zero, procurement performance would be 0.247. The findings further indicate that taking all other independent variables constant, a unit increase in procurement transparency will lead to a 0.407 increase in procurement performance. The p-value was 0.000, which is less than 0.05, and thus the relationship was significant. It was also indicated that in the study that a unit increase in staff competence leads to a 0.462 increase in procurement performance. The p-value was 0.000 and thus the relationship was significant. The result from the study indicates that procurement transparency and staff competence contributed most to the procurement performance. The study conducted a multiple regression analysis to determine the influence of the independent variables on procurement performance. The significance level of procurement transparency and staff competence were 0.000 and 0.000 respectively ( $p < 0.05$ ). The two factors were the most related factors affecting procurement performance.

#### **4.10 Hypothesis testing**

The study produced statistically significant results as shown in table 13 above. Therefore, the 5 independent variable ((procurement transparency (sig. 0.000). procurement need assessment (sig. 0.047), procurement staff competency (sig. 0.000), top management support (sig. 0.000) and government rule and regulation (sig. 0.001) were statistically significant and hence the five variables do influence on procurement performance.

<b>Hypothesis testing</b>	<b>Sig.</b>	<b>P-value</b>	<b>Decision</b>
Procurement transparency	0.000	P=0.000, P<0.05	<b>H<sub>01</sub></b> : accepted
Procurement need assessment	0.047	P=0.047, P<0.05	<b>H<sub>02</sub></b> : accepted
Staff competency	0.000	P=0.000, P<0.05	<b>H<sub>03</sub></b> : accepted
Top management support	0.000	P=0.000, P<0.05	<b>H<sub>04</sub></b> : accepted
Government rules and regulations	0.000	P=0.001, P<0.05	<b>H<sub>05</sub></b> : accepted

**Hypothesis- H<sub>01</sub>**: There is significant positive relationship between procurement transparency and public procurement performance. Procurement transparency is accepted because P=0.000, P<0.05.

**Hypothesis- H<sub>02</sub>**: There is significant positive relationship between procurement need assessment and public procurement performance. Procurement transparency is accepted because P=0.047, P<0.05.

**Hypothesis- H<sub>03</sub>**: There is significant positive relationship between staff competency and public procurement performance. Procurement transparency is accepted because P=0.000, P<0.05.

**Hypothesis- H<sub>04</sub>**: There is significant positive relationship between top management support and public procurement performance. Procurement transparency is accepted because P=0.000, P<0.05.

**Hypothesis- H<sub>05</sub>**: There is significant positive relationship between government rules and regulations and public procurement performance. Procurement transparency is accepted because P=0.001, P<0.05.

## **CHAPTER FIVE**

### **SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS**

#### **5.1 Introduction**

The objective of the study was to investigate the effect of public procurement planning on public procurement performance. The research conducted in Amhara Region in some selected public organizations. When conducting the research the researcher collected data by using primary data source. The study has employed a descriptive research design using quantitative research approaches. The researcher used SPSS version 20 in order to analyze the collected data.

#### **5.2 Summary of Findings**

This study prompted by the general objective, which was to determine the factors that influence the effect of procurement planning on public procurement performance in ANRS bureau. In conjunction with this main objective, the study specifically evaluated to examine the effect of transparency on Public procurement performance, to examine the effect of staff competence on Public procurement performance, to investigate the effect of need assessment on public procurement performance and to investigate the effect of government rules and regulations on public procurement performance in ANRS bureaus.

#### **5.3 Summary of descriptive analysis's**

##### **5.3.1 Effect of transparency on Public procurement performance**

The first objective in this variable was to evaluate if there is a significant effect of compliance with the procurement transparency (here transparency) on public procurement performance in ANRS bureaus. The findings further revealed that to a large extent compliance with the procurement transparency was significantly contribute by all of the six attributes under the independent variable. Namely contributes to fair and equitable treatment for users department; information is transparent among all users department, procurement officer's increase effectiveness, advertises all procurement opportunities openly, transparency enhance integrity and equity and open tendering results in procurement.

##### **5.3.2 Effect of procurement need assessment on Public procurement performance**

The second objective of the study was to investigate effect of procurement need assessment on public procurement performance in ANRS bureaus. Based on the results of the descriptive analysis, all six attributes under this variable significantly contributed to the organization.

The findings further revealed that to a large extent compliance with the procurement need assessment was significantly contribute by all of the six attributes under the independent variable. Namely, need assessment is clearly defined, need assessment is undertaken by respective heads for goods and services and need assessment carried out to determine where to procure. Budget approval obtained for the required items before purchase in the organization, need assessment system done at regular intervals in the organization and delivery schedules that fit in the organization requirements drawn with the suppliers.

### **5.3.3 Effect of procurement staff competence on Public procurement performance**

The third objective of the study was to investigate effect of staff competence on Public procurement performance the effect of adherence to procurement in ANRS bureaus. Based on the results of the descriptive analysis, all six attributes under this variable significantly contributed to the organization. The findings further revealed that to a large extent compliance with the procurement staff competence was significantly contribute by all of the six attributes under the independent variable. Namely, Lack of staff competency affects procurement performance, staff qualified and experienced, Procurement officer make informed decisions regarding procurement performance, well-defined calendar of employee training on procurement practice, a challenge of getting experienced staff affects procurement performance in the organization and our organization motivates and promotes all procurement staffs.

### **5.3.4 Effect of procurement top management support on Public procurement performance**

The fourth objective of the study was to investigate effect of top management support on Public procurement performance in ANRS bureaus. Based on the results of the descriptive analysis, all six attributes under this variable significantly contributed to the organization. The findings further revealed that to a large extent compliance with the top management support was significantly contribute by all of the six attributes under the independent variable. Namely, Management support plays a key role in influencing the success of procurement performance, management support in procurement activity enhance procurement performance, the top management ensures that only competent staff is involved in procurement activities, top management reviewing and updating the procurement function is held when necessary. The top management support is involved in the organizational performance and the top management support regards procurement function important to the organization.

### **5.3.5 Effect of government rule and regulation on Public procurement performance**

The last objective of the study was to investigate effect of government rule and regulation on Public procurement performance in ANRS bureaus. Based on the results of the descriptive analysis, all six attributes under this variable significantly contributed to the organization. The findings further revealed that to a large extent compliance with the government rule and regulation was significantly contribute by all of the six attributes under the independent variable. Namely, enforced the government rules and regulations with regard to public procurement, guided by the current Public Procurement and Asset Disposal Act in the organization and annuals legal notices provide guidance to the procurement functions. .in addition to this, influence on procurement performance of the organizational due to government rules and regulation, Government rule and regulation reduce efficiency of procurement performance in the organization, achieved ethical behavior and sound procurement practice due to compliance by the government rule and regulation.

## **5.4 Summary of correlation and regression analysis**

### **5.4.1 Effect of transparency on Public procurement performance**

The study sought to establish how procurement transparency affects public procurement performance in ANRS bureaus. From the findings, a positive, strong and statistically significant relationship between procurement transparency and procurement performance of ( $r = 0.831$ ;  $p < 0.01$ ).

### **5.4.2 Effect of procurement need assessment on Public procurement performance**

The study sought to establish how procurement needs assessment affect public procurement performance ANRS bureaus. From the procurement need assessment has a significant, positive, moderate correlation with public procurement performance ANRS bureaus. From the findings relationship between procurement need assessment and procurement performance was revealed to be positive, moderate and statistically significant ( $r = 0.496$ ;  $p < 0.01$ ).

### **5.4.3 Effect of procurement staff competence on Public procurement performance**

The study sought to establish how procurement staff competence affects public procurement performance ANRS bureaus. From the findings, that staff competence has a significant positive correlation with public procurement performance ANRS bureaus, relationship between procurement staff competency and procurement performance was revealed to be positive, strong and statistically significant ( $r = 0.820$ ;  $p < 0.01$ ).

#### **5.4.4 Effect of top management support Public procurement performance**

The study sought to establish how procurement top management support affects public procurement performance ANRS bureaus. From the findings that top management support have a significant positive correlation with public procurement performance in ANRS bureaus relationship between top management support and procurement performance was revealed to be positive, medium and statistically significant ( $r = 0.322$ ;  $p < 0.01$ ).

#### **5.4.5 Effect of government rule and regulation on Public procurement performance**

The study sought to establish how government rule and regulation affect public procurement performance ANRS bureaus. From the findings that government rule and regulation have a significant positive correlation with public procurement performance ANRS bureaus relationship between government rules and regulations and procurement performance was revealed to be positive, strong and statistically significant ( $r = 0.401$ ;  $p < 0.01$ ).

### **5.5 Conclusions**

The findings in this study revealed that there is a significant positive relationship between public procurement performance in ANRS bureaus and the following determinants: procurement transparency, procurement need assessment, staff competence, top management support and government rule and regulation. This study is in line with the study by Banda (2009), and Chari (2014). The study also established that increase in transparency would lead to increase in procurement performance. The study therefore concludes that transparency improves performance of public organization. This is through ensuring organization advertises all procurement opportunities openly enhance procurement performance.

The study also established that increase in procurement need assessment would lead to increase in procurement performance. The study therefore concludes that procurement need assessment improves performance of public procurement. The findings of this research show that management support towards procurement positively affect procurement performance. According to the research findings, the top management support plays a key role in influencing the success of procurement performance in the organization and ensures that only competent staff is involved in procurement activities in the organization.

The study concluded that the institution valued employee skills and experiences and that the organization deployed staff based on relevant skills.

Further, it concluded that since competence was one of the key factors influencing procurement performance the organization must work towards enhancing staff competence through staff training schemes, consistent motivation and merit based performance measures. The study further established that government rule and regulations highly influence procurement performance in the public sector. More specifically, it is notable that compliance, the use of new rule as well as use of manuals and legal notices is the key government rule and regulations constructs influencing procurement performance. The study further established that government rule and regulations highly influence procurement performance in the public sector. More specifically, it is notable that compliance, the use of new rule as well as use of manuals and legal notices is the key government rule and regulations constructs influencing procurement performance.

In the regression model, we had established that taken five independent variables into account notably; procurement transparency, procurement need assessment, staff competence, top management support and government rule and regulation constant at Zero influences procurement performance (0.247). The results presented also shows that taking all other independent variables at zero, a unit increase in procurement transparency leads to a 0.47 increase in procurement performance and a unit in procurement need assessment leads to 0.168 increases in procurement performance; a unit increase in procurement staff competence leads to a 0.47 increase in procurement performance,

A unit increase in top management support leads to a 0.169 increase in procurement performance, a unit increase in government rule and regulation leads to a 0.287 increase in procurement performance; Conclusions can therefore be made that Staff competency followed by procurement staff competence, government rule and regulation, top management support and procurement need assessment procurement performance in ANRS bureaus.

## **.6 Recommendation's'**

- The study recommends that procurement information is transparent among all users department and interested stakeholders. The procurement process for the organization advised to be open regardless of the magnitude of the goods and/or services intended to procure.
- The study recommended procurement need assessment is clearly defined by the responsible personnel in the unit department. Procurement need assessment is carried out to determine where to procure.
- The study recommends that procurement staff in the count needs to have adequate professional qualifications in public procurement adequately trained and sensitized on the procurement procedures of Public Procurement Act and Regulations.

This study established staff competency affects procurement public procurement performance. The study therefore recommends that the county should come up with a framework that identifies the skills and competency levels required by all staff involved in public procurement.

- The study recommends that with establishment of top management support within ANRS bureaus should be conducted to all the team leaders to ensure their suitability to lead and influence their team proper training should be conducted to the members so that they can understand the consequences of not adhering to Public Procurement.
- The study also recommends the enforcement of procurement rules and regulations in order to improve compliance.

### **5.7 Future Research Direction**

The research observed five independent variables (procurement transparency, procurement need assessment, staff competence, top management support and government rule and regulation). According to the study contribute to 81.5 % of the variations in procurement performance at ANRS bureau. Further research recommended investigating the other factors that affect procurement performance. The study pursued the effects of five independent variables on procurement performance at ANRS bureau. Further research is recommended to ascertain whether these findings would be the same or different to public organization of Ethiopia.

### **5.8 Limitations of the Study**

This study intended to the effect of public procurement planning on the public procurement performance. As a researcher, I faced some limitations during data collection, information and data required for the research. The following were the limitations to the study;

- I. A researcher faced difficulties in finding some of information and data which considered necessary due to fact that some of data are for official use only.
- II. Some respondents were reluctant to fill the questionnaire which provided to them.
- III. The study was conducted while I was working and at same time studying. This caused me to miss some important data and information at right time.

In spite of all these limitations, researcher managed to collect proper information and data which enhanced this reports accomplished in time.



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## **APPENDIX I      QUESTIONNAIRE**

**BAHARIDAR UNIVERSTY**  
**LOGISTICS AND SUPPLY CHAIN MANAGEMENT DEPARTMENT**  
**COLLEGE OF BUSINESS AND ECONOMICS**  
**(Questionnaire to be filled by Procurement officers, Finance heads**  
**and user Department employees**

**Dear sir /madam**

The purpose of this questionnaire is to collect data that are paramount to examine “**The effect of public procurement planning on the public procurement performance in some selected government organizations in Amhara region.**” The data will be applied for the study leading to master’s thesis requirement in logistics and supply chain management. The information you provide in this questionnaire will kept confidential and utilized only for the purpose of this study. Your genuine response is highly valuable for the achievement of the objectives of this research. Your cooperation is highly appreciated. You can withdraw at any time if your feel discomfort. About 15 minutes are required to work on this questionnaire.

Thank you in advance for your cooperation!

**Researcher’s name: Simachew Yalew.**

**Telephone 09 31 53 74 85**

Please answer every question, and put tick (√) mark on the box below each questions.

**Part I. Background Information**

1. What is your gender?

- 1) Male                      2) Female

2. What is your age range?

- 1) 18-30 years      2) 31-40 years      3) 41-50 years      4) 51 years and above

3. What is your highest educational level?

- 1) Certificate      2) Diploma      3) First Degree      4) Second Degree

e) Any other, specify.....

4. Name of your institution

- 1) Bureau of Agriculture
- 2) Bureau of Finance and Economy Development
- 3) Bureau of Civil Service
- 4) Bureau of Education
- 5) *Bureau of Health*

5. How long have you worked in this institution?

- 1) Less than 3 years      2) 4-6 years      3) 7-9 years      4) Over 10 years

## Part II Items related to procurement transparency

What is your level of agreement with the following statements that relate to **procurement transparency**?

**Where:** 1= Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree

No	statements	1	2	3	4	5
6	Transparency in public procurement contributes to fair and equitable treatment for users department					
7	Organization ensures that procurement information is transparent among all users department					
8	Transparency of procurement officer's increase effectiveness in procurement performance					
9	organization advertises all procurement opportunities openly enhance procurement performance					
10	Maximizing procurement transparency enhance integrity and equity					
11	Use of open tendering results in procurement of quality goods and services					

## Part III Items related to procurement need assessment

What is your level of agreement with the following statements that relate to **procurement need assessment**?

**Where:** 1= Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree

No	statements	1	2	3	4	5
12	The organization procurement need assessment is clearly defined by the responsible personnel in the unit department					
13	Thorough procurement needs assessment is undertaken by respective heads for goods and services needed					
14	Procurement need assessment is carried out to determine where to procure from					
15	Budget approval is obtained for the required items before purchase in the organization					
16	Reviews of the procurement system are done at regular intervals					
17	Delivery schedules that fit in the organization requirements are drawn with the suppliers					

## Part IV Items related to procurement staff competency

What is your level of agreement with the following statements that relate to **procurement staff competency**?

**Where:** 1= Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree

No	statements	1	2	3	4	5
18	Lack of staff competency affects procurement performance					
19	Procurement staff are qualified and experienced to handle Procurement performance					
20	Skilled staff members Procurement officer make informed decisions regarding procurement performance					
21	The organization has a well-defined calendar of employee training on procurement practice					
22	A challenge of getting experienced staff affects procurement performance					
23	Our organization motivates and promotes all procurement staff based on merit and professional skills					

### Part V Items related to top management support

What is your level of agreement with the following statements that relate to **top management support**?

**Where:** 1= Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree

No	Statement	1	2	3	4	5
24	Management support plays a key role in influencing the success of procurement performance					
25	Active involvement of management support in procurement activity enhance procurement performance					
26	The top management ensures that only competent staff is involved in procurement activities					
27	Top management reviewing and updating the procurement function is held when necessary					
28	The top management Support is involved in the Organizational Performance					
29	The top management support regards procurement function important to the organization					

### Part VI Items related to government rule and regulation

What is your level of agreement with the following statements that relate to **government rule and regulation**?

**Where:** 1= Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree

No	Statement	1	2	3	4	5
30	Organizations has enforced the government rules and regulations with regard to public procurement					
31	All procurement at the organization is guided by the current Public Procurement and Asset Disposal Act					
32	Manuals and legal notices provide guidance to the procurement functions					
33	There is influence on procurement performance of the organizational due to government rules and regulation					
34	Government rule and regulation reduce efficiency of procurement performance					
35	The organization has achieved ethical behavior and sound procurement practice due to compliance by the government rule and regulation					

### Part VII Items related to procurement performance

What is your level of agreement with the following statements that relate to **procurement performance**?

**Where:** 1= Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree

No	Statement	1	2	3	4	5
36	The efficiency of the procurement performance has led to cost reduction in the organization					
37	There are minimal complaints from our customers on procurement matters due to its efficiency					
89	The organization is efficient and effective in procurement performance					
39	There is high degree of satisfaction of user department by the procurement department of the organization					
40	Organization has established reliable and viable mechanisms for cost saving during procurement practice					
41	The organization offers enhanced quality services of our efficient and effective procurement performance					

**Thank you**



