



**ST. MARY'S UNIVERSITY SCHOOL OF  
GRADUATE STUDIES  
MBA IN BUSINESS ADMINISTRATION**

**ASSESSMENT ON PROCUREMENT PRACTICES AND  
CHALLENGES IN THE PUBLIC SECTOR:  
THE CASE OF ETHIOPIAN AGRICULTURAL  
TRANSFORMATION INSTITUTE.**

**BY:**

**YOHANNES TADESSE YIRDAW**

**ADVISOR:**

**TESFAYE T. (PHD, ASSISTANT PROF)**

**JUNE 2024  
ADDIS ABABA, ETHIOPIA**

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**Assessment on Procurement Practices and Challenges in the  
Public Sector:**

**The Case of Ethiopian Agricultural Transformation Institute.**

BY

YOHANNES TADESSE YIRDAW

Approved by -BOARD OF EXAMINER

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DEAN, GRADUATE STUDIES

Signature

Date

\_\_\_\_\_

ADVISOR

Signature

Date

\_\_\_\_\_

EXTERNAL EXAMINER

Signature

Date

**Dr. Mahir Geberial**



26/7/2024

INTERNAL EXAMINER

Signature

Date

## DECLARATION

I, the undersigned, declare that this Master research thesis, entitled Assessment on Procurement Practices and Challenges in the Public Sector: The Case of Ethiopian Agricultural Transformation Institute, is submitted in partial fulfilment of the requirements for the degree of Master of General Business Administration at St. Mary's University. This thesis is my original work, prepared under the guidance of Tesfaye Tilahun (PhD), contains no material that has been submitted previously, in whole or in part, for the award of any other academic degree or diploma.

**Yohannes Tadesse.** \_\_\_\_\_

**St. Mary's University, Addis Ababa**

\_\_\_\_\_  
**Signature and Date**

## ENDORSMENT

I, hereby certify that I have read and evaluated this thesis entitled Assessment on Procurement Practices and Challenges in the Public Sector: The Case of Ethiopian Agricultural Transformation Institute by Yohannes Tadesse, under my guidance, I recommended it to be submitted as fulfilling his thesis requirement.

Tesfaye Tilahun. (PHD, ASSISTANT PROF)

**St. Mary's University, Addis Ababa**

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Signature and Date

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## LIST OF ABBREVIATIONS

EATI	Ethiopian Agricultural Transformation Institute
ERP	Enterprise Resource Planning
IT	Information Technology
JIT	Just In Time
KPI	Key Performance Indicators
PPA	Public Procurement and Property Administration Agency
TOR	Terms of Reference
FDRE	Federal democratic republic of Ethiopia

## ABSTRACTS

*Research on public procurement has gained significant attention in recent years, yet a notable gap remains in understanding specific practices within Ethiopia. Procurement management involves systematically planning, organizing, executing, directing, controlling, and evaluating activities to achieve organizational objectives (Erdal, 2014). It encompasses more than purchasing by involving requirement identification, supplier evaluation, source selection, contract negotiation, delivery oversight, and payment management (Erdal, 2014). Procurement, as defined by Monczka, Handfield, Giunipero, & Patterson, and van Weele (2018), emphasizes timely delivery, quality, and cost-effectiveness in acquiring goods, services, or works from external sources. This study investigates the Assessment on Procurement Practices and Challenges in the Public Sector at the Ethiopian Agricultural Transformation Institute. Effective supplier selection, robust buyer-supplier relationships, organizational capacity, and ethical practices are posited to enhance performance. Using a descriptive research design, primary data was collected via questionnaires from operational department staff (response rate: 79%). Findings underscore the need for the Institute to refine supplier selection, strengthen financial and risk assessments, fortify ethical standards in supplier relationships, and improve monitoring. To optimize procurement, the Institute should implement ERP systems, enhance internal controls, enable online procurement, and integrate ERP with other systems. Employee adaptability to ERP, reducing manual processes, ethical practices, transparency, fairness, and compliance are crucial. Recommendations include improving supplier relationship management by establishing clear communication channels and regular feedback loops with suppliers to ensure mutual understanding and cooperation, developing and implementing procedures for timely and effective conflict resolution, enforcing policies that ensure all procurement activities are conducted transparently and fairly, encouraging the inclusion of a diverse range of suppliers to enhance competition and innovation, and implementing strict policies and training programs to prevent and manage conflicts of interest among procurement staff. By addressing these areas, the Ethiopian Agricultural Transformation Institute can significantly enhance its procurement practices, leading to improved organizational performance and better achievement of its strategic objectives.*

**Key Words:** Supplier Relationship Management, ERP Systems, Ethical Procurement Vendor Evaluation

## CHAPTER ONE

### INTRODUCTION OF THE STUDY

Procurement refers to the process of acquiring goods, works, or services by a procuring entity. This includes describing requirements, inviting tenders, and preparing and awarding contracts (PPA, 2023). Public procurement is a critical process through which government organizations acquire goods, services, and works, governed by formal procedures, regulations, and practices aimed at ensuring transparency, fairness, competition, and efficiency in the expenditure of public funds (OECD, 2019). It plays a pivotal role in societal functioning, encompassing everything from basic supplies to complex infrastructure projects. The strategic utilization of public procurement not only aims to achieve value for money but also supports economic development, public policy objectives, and accountability in taxpayer expenditures.

Globally, public procurement has undergone significant reforms and restructuring to enhance its effectiveness and impact (Kabega et al., 2016). The Organisation for Economic Co-operation and Development (OECD, 2019) underscores its critical role in influencing citizen well-being and contributing to economic growth through the delivery of essential public services like healthcare and education, job creation, social inclusion, innovation, and fostering trust in public institutions.

The potential of public procurement in achieving sustainable development goals is also recognized by international organizations such as the World Bank (World Bank, 2020). This justifies the share of government procurement in GDP. According to statistics published by the World Bank in 2018, the value of goods, services and works purchased by the public sector from the private sector accounted for about 12% (\$ 11 trillion) of global GDP (Bosio and Djankov, 2020). Shisanya and Omwenga (2018) discovered that strategic procurement management directly affects the organizational performance of Kenyan financial institutions. Similarly, Makabira and Waiganjo (2014) discovered that procurement procedures influence the performance of the Kenyan National Police Service in Makueni County.

In Ethiopia, public procurement is defined by the Federal Government Procurement and Property Administration Proclamation (649/2009), which outlines the process of obtaining goods, works, or services through various contractual means (World Bank, 2011). Like many nations, Ethiopia allocates a significant portion of its budget—over 64%—to procurement

expenditures, highlighting its importance in national development (Ministry of Finance and Economic Development, Ethiopia, 2010).

The link between procurement practices and organizational performance is well-established in literature. Effective procurement practices, such as strategic purchasing management, supplier relationship management, and ethical procurement controls, have been shown to directly impact organizational success (Shisanya & Omwenga, 2018; Kabega et al., 2016). However, gaps remain in understanding the full spectrum of procurement practices and their implementation across different sectors, including the Ethiopian Agricultural Transformation Institute.

This study seeks to address these gaps by Assessing on Procurement Practices and its Challenges in the public sector in Ethiopian Agricultural Transformation Institute. By examining procurement processes, including supplier management, evaluation, and ethical practices, this research aims to provide insights into areas for improvement and recommendations to enhance procurement effectiveness and efficiency.

## **1.1 BACKGROUND OF THE STUDY**

Grandia et al. (2023) defined public procurement as the acquisition of works, supplies, or services by government or public organizations from the market or another outside body, aimed at creating and safeguarding public value from the perspective of their own organization. According to the Ethiopian Public Procurement and Property Administration Manual (MoFED, 2011), procurement involves obtaining goods, works, consultancy, or other services through purchasing, hiring, or contractual means. Siyal, S., Saeed, S., & Xin, C. (2019) described public procurement as government purchasing, involving the acquisition of goods, services, and works through a structured process to meet public sector needs.

Oruko, K., & Mbech, W. (2020). Usage of procurement performance measurement system is very useful in enhancing performance: Companies should adopt these systems to realize benefits. Ease of use has facilitated implementation over incentives, promoting transparency and efficiency. Mebrate, Y., & Shumet, K. (2024). Procurement planning and staff competency positively impact organizational performance.

The overall objective of the public procurement system is to provide value for money to ministries and local governments by ensuring that public funds are spent transparently, efficiently, and fairly. The basic principles governing procurement of goods, services, and works within the public sector include transparency, accountability, equal treatment/fairness, competition, integrity, appeal rights, economy and efficiency, value for money (VFM), and non-discrimination (Komakech, 2016). Schotanus, F., & Grandia, J. (2023). Procurement policy encompasses resolutions and guidelines that public organizations use to direct and govern general procurement decisions and manage their supply base.

Ejiaku, S. A. (2014). Advanced countries have seen IT revolutionize technology, business, education, and the global economy, but developing countries have not fully engaged in this global transformation. Challenges in the transfer and adoption of IT in developing countries include government policies, infrastructure, training, and cultural factors. Addressing these challenges necessitates full involvement of recipient nations' governments, their people, and the international community. Electronic procurement indeed plays a crucial role in enhancing organizational performance. Masudin et al. (2021) and Hossnofsky & Junge (2019) emphasize the significant impact of electronic procurement on organizational performance. Companies are increasingly recognizing the importance of digital technologies and are innovating by integrating these technologies into their business models. This integration not only improves efficiency in procurement processes but also enhances overall organizational effectiveness and competitiveness in the market.

Dash, A., et al. (2018). Supplier relationship management (SRM) is crucial for supply chain management, as suppliers are strategic partners understanding customer needs.

Several studies have explored the relationship between procurement practices and organizational performance, yielding positive findings. Shisanya and Omwenga (2018) identified that strategic purchasing management directly influences the organizational performance of financial institutions in Kenya. Additionally, Kabega et al. (2016) observed a positive impact of procurement practices on the performance of public projects in Rwanda.

Organizational performance and the overall health of national economies may be impacted by the strategic implementation of suitable procurement strategies. (Keith et al., 2016). However,

Singhal and Hendricks (2011) found that interruptions in purchasing processes at any level had a negative impact on organizational performance.

In practice, when the purchase process is well-planned and implemented, it can operate as an economic instrument that guarantees national progress. (Keith et al., 2016). According to Jibrin et al. (2014), the main issue in the current procurement business is not a lack of regulation models, but rather noncompliance and a poor execution process.

The above studies, however, did not encompass aspects such as supplier relationship management, vendor evaluation, e-procurement, and ethical practices, which are the focus of this investigation. Given these gaps, there is a need to conduct a study in a different context to identify areas for improving procurement in the public sector.

Therefore, it is justifiable and very important to undertake a research in this process and this study focused on assessing the public procurement practice and challenges mainly in the Ethiopian Agricultural Transformation Institute (EATI) procurement process and its implementation as a case study and identified a number of challenges confronting the implementation of the process.

## **1.2 BACKGROUND OF THE INSTITUTE**

The Ethiopian Agricultural Transformation Institute (EATI) is a project-based organization established by the Government of Ethiopia (GOE) in December 2010. Established through federal law, the ATI's leadership structure consists of a Chief Executive Officer and seven Senior Directors, each overseeing a team of advisors or programmatic staff. The mandate of the ATI is articulated in the Ethiopian Council of Ministers Regulations No. 198/2010 and 380/2016, which specify four distinct Strategic Objectives for the Institute.

According to the institute's 2025 vision, the ATI will assist Ethiopia in becoming a middle-income nation by helping its smallholder farmers become commercialized actors with higher revenues, inclusivity, resilience, and sustainability. and the institute's goal is to build sustainable value chains and remove systemic barriers in order to accelerate the transformation of the agriculture sector.

In addition, its objective is to identify the structural barriers to agricultural growth, carry out research, make recommendations for ways to guarantee structural change and sustainability, and encourage the implementation of such solutions. In conclusion, the institute's ultimate goal is to assist current public, corporate, and non-governmental partners in resolving systemic barriers to implementing a priority national agenda for attaining growth and food security.

The EATI operates under the direction of the transformational council, which includes the Prime Minister, Minister of Agriculture, and the CEO. The council is composed of various members, including the Minister of Finance, Minister of Water, Minister of Innovation and Technology, Secretary to the Cabinet, Director General of Ethiopian Institute for Ethiopian Institute of Agricultural Research, and Agriculture Bureau Heads of Amhara, Oromia, Tigray, and SNNP.

The organizational structure of the Ethiopian Agricultural Transformation Institute (EATI) comprises 415 employees as of November 2023, distributed across headquarters (201 employees) and regional offices (214 employees). Staff members are organized into several teams: Program teams, CEO Support Team, Implementation and Support Team, Agricultural Commercialization Clusters (ACC) Team, Production and Productivity Team, and Operation Team.

### 1.3. STATEMENT OF THE PROBLEM

Procurement is considered a component of plan management concepts that prioritize the development of the country and the efficient and effective attainment of performance in public institutions. In actuality, an effective procurement process can serve as a financial tool to ensure national growth when it is properly designed and carried out (Keith et al., 2016).

Even with the governments of developing nations like Ethiopia and development partners like the World Bank making attempts to enhance the function of procurement, public procurement is still plagued with subpar products and services and poorly executed projects. Unnecessarily high operating costs, disorganized business operations, and trouble recruiting and retaining qualified candidates for procurement roles are all results of the non-implementation or postponement of suggested performance requirements (The World Bank, 2022).

According to Tukuta et al. (2015), limited recognition, increasing unethical behavior, poor supplier service delivery, poor regulatory environment, varying supplier standards, and poor corporate governance are the main challenges faced by the procurement profession. Additionally, there is limited understanding regarding the role procurement plays in both government and non-government institutions in developing economies.

The current research has identified a gap in the literature concerning the procurement practices and challenges within public organizations in Ethiopia, particularly focusing on the operations of the Ethiopian Agricultural Transformation Institute (EATI). Previous studies have often overlooked key variables and failed to provide stakeholders with the opportunity to prioritize identified issues. This study aims to address this gap by conducting a comprehensive analysis of both internal and external factors affecting procurement practice at EATI. By examining aspects such as supplier selection procedures, buyer-supplier relationships, e-procurement, and ethical practices, the research seeks to offer a holistic understanding of procurement challenges.

In this context, this research paper focuses on addressing procurement practices and challenges within the public sector, as examined by various researchers at the national level.

Recently, the Ethiopian Agricultural Transformation Institute has faced a range of challenges originating from both internal and external factors. Internally, these challenges encompass delays in procurement activities for goods, works, and services, difficulties in maintaining positive relations with suppliers and contractors to ensure timely and complete delivery of ordered goods and construction works. There have also been complications associated with rush and emergency procurements, disparities in supplied goods and services, cost escalation, repetitive procurement from the same suppliers, and documentation concerns. Furthermore, unethical activities have been noted by the procurement committee, stakeholders, internal and external auditors. Additionally, preliminary interviews have highlighted significant challenges with the ERP system. Due to limitations in time and resources, this research focuses solely on vendor selection procedures, buyer-supplier relationships, E-procurement (ERP system), and ethical practices. (EATI Internal procurement challenges report (2023), Office of the Federal Auditor General (2022), ACC Audit Report (2023) and Interview with Senior Procurement Director and Procurement Director and stakeholders, Ethiopian Agricultural Transformation Institute (2024).

These findings underscore the need for a thorough investigation to identify critical factors influencing Procurement Practices and Challenges and propose actionable recommendations for improvement. Ultimately, the study aims to enhance efficiency, transparency, and effectiveness in procurement operations at ATI, thereby supporting its mission and objectives.

#### **1.4. RESEARCH QUESTIONS**

Towards the end, this study aimed to address the following key questions:

1. How do buyer-supplier relationships affect the organizational operation of the Institute?
2. To what extent are supplier selection procedures followed in the procurement process of Ethiopian Agricultural Transformation Institute (EATI)?
3. How does e-procurement followed and practiced in the procurement process of the Institute (EATI)?
4. To what extent are ethical procedures practiced in the procurement process of the institute?
5. What challenges are really facing the institute in the practices of procurement?

#### **1.5. OBJECTIVES OF THE STUDY**

The purpose of the study is to assess the Institute's procurement practices and challenges. The objectives include:

##### **1.5.1 General Objective:**

The general objective of this study was to evaluate the procurement practices and challenge of the Ethiopian Agricultural Transformation Institute (EATI).

##### **1.5.2 Specific Objectives**

The study was specifically aimed at achieving the objectives outlined below:

- 1 To assess the buyer-supplier relationships practice of the EATI.
- 2 To assess the practice of supplier selection processes of the EATI.
- 3 To analyse the extent to which e-procurement is implemented in Agricultural Transformation Institute (EATI)
- 4 To evaluate the extent to which ethical guidelines and codes of conduct are practiced in the procurement process of the institute.
- 5 To assess the possible Challenges the institute is facing in practicing Procurement Process.

## **1.6. THE SIGNIFICANCE OF THE STUDY**

The study holds significant importance as it provides valuable insights into current procurement practices and challenges, specifically within public procurement operations like the ATI. The findings offer guidance to organizations, such as the Agricultural Transformation Institute, enabling them to optimize their procurement processes and implement necessary corrective actions based on the recommendations provided.

- Donor agencies investing in Ethiopia's agricultural sector can gain insights into procurement challenges and opportunities, enabling them to better align their support and resources with EATI's needs.
- Professionals involved in procurement within EATI and other public organizations can benefit from recommendations to enhance their skills and practices, leading to improved career development and job performance. Civil society organizations advocating for transparency and accountability in public procurement can use the findings to push for reforms and monitor procurement practices more effectively. Additionally, other government organizations can benefit from the best practices highlighted in the study. The research contributes to a clearer understanding of the current Procurement Practices and Challenges in the Public Sector and, aiding organizations in achieving success.
- For the researcher, the study provides a broad understanding of Procurement Practices and Challenges in the Public Sector and its influencing factors, contributing to increased knowledge in the field. It serves as a reference material for future researchers and scholars interested in similar studies.
- Moreover, the study assists policy makers in public procurement operations in Ethiopia by offering insights into the subject matter, thereby facilitating the development of appropriate policies to enhance procurement practices, strategies and performance in public organizations. Also, the findings may also inform policy decisions aimed at strengthening procurement practices across public organizations, contributing to overall economic development and efficiency in public expenditure.

Overall, the study's significance stems from its ability to enhance procurement practices and eliminate challenges, so contributing to the success of Ethiopia's Agricultural Transformation Initiatives and Sustainable Development.

## **1.7. THE SCOPE OF THE STUDY**

The scope of this study is defined within specific parameters to ensure manageability and relevance to the research objectives. Geographically, although the institute has four branches in regional states of the country, it was impractical to include all these branches due to time constraints. Therefore, the focus of this study is delimited to the Ethiopian Agricultural Transformation Institute (EATI) headquarters, allowing for a focused assessment of procurement practices and challenges within this specific organizational context. Conceptually, this study has considered buyer-supplier relationships, supplier selection, electronic procurement, and ethical procedures and practices. By exploring the aforementioned procurement practices and challenges, the study seeks to provide valuable insights into optimizing procurement practices at the headquarters level of the institute.

## **1.8. LIMITATION OF THE STUDY**

This study acknowledges several limitations that may affect the generalizability and applicability of its findings. Firstly, the geographical limitation to the Ethiopian Agricultural Transformation Institute (EATI) headquarters excludes the regional branches, which might have differing procurement practices and challenges. This restriction was primarily due to time and resource constraints, limiting the ability to conduct a comprehensive analysis across all branches. Secondly, the study's focus on specific procurement aspects—buyer-supplier relationships, supplier selection, electronic procurement, and ethical procedures and practices—may overlook other critical factors influencing procurement efficiency. Consequently, the findings might not fully capture the multifaceted nature of procurement operations within the institute. Finally, external factors such as political, economic, and technological changes in Ethiopia may influence procurement practices and could not be entirely accounted for in this study. These limitations highlight the need for caution when interpreting the results and suggest that further research is needed to provide a more comprehensive understanding of procurement practices and challenges across all branches of the EATI and in different contexts. The other limitation of this study is the reliance on previously established reliability metrics of the Kipkemoi, R. T. (2017) without conducting additional reliability testing. While existing research provides strong evidence of its reliability, future studies should consider confirming these metrics in different contexts to further validate the instrument's consistency

## **1.9 ORGANIZATION OF THE PAPER**

This thesis contains of five chapters. Chapter one focused on introductory aspects including back ground of the study, statement of the problem, and objective of the study, significance, scope, and limitation of the study. Chapter two presents the review of related literature in which previous studies were consulted, in this chapter general concepts and definitions, basic issues and empirical evidence and summary and knowledge gap related to deposit mobilization were discussed in detail. The major and results of previous studies have also been presented. Chapter three presents the research design and methodology including data source, method of data collection, sampling techniques, measurement, and analysis. Chapter four contains data presentation, analysis, and interpretation in which the collection of primary and secondary data analysed and organized in meaning full manner so as to meet the objective of the study. Finally, chapter five concerned with summary, conclusions and recommendation based on the findings of the study.

## DEFINITION OF TERMS AND CONCEPTS

**Procurement Practice:** Procurement practices can be described as activities which involve procurement planning, procurement controls, procurement monitoring and training workforce and this formed the basis of this study with addition of inventory management.

**Supplier selection procedure:** The process of evaluating and choosing suppliers based on criteria such as cost, quality, reliability, and capacity to meet the organization's needs..

**Buyer-Supplier Relationships:** The interactions and partnerships between buyers and suppliers, characterized by communication, trust, collaboration, and the management of expectations and performance.

**E-procurement, or electronic procurement:** Refers to the use of digital systems and tools to manage the purchasing and supply of goods and services.

**Ethical Procurement Practices:** The adherence to ethical standards and principles in procurement activities, including fairness, transparency, accountability, and avoidance of conflicts of interest.

**Procurement Challenges:** Difficulties and issues encountered in the procurement process that impact the efficiency and effectiveness of acquiring goods, services, or works.

**Organizational Performance:** The effectiveness and efficiency of an organization in achieving its goals, measured by the outcomes of its procurement activities and overall operational success

**Sourcing:** is a process that encompasses the understanding of EATIs' deliverables. This involves the systematic identification, evaluation, and selection of suppliers or service providers to procure goods or services necessary for fulfilling organizational needs

**The User section:** is a division specializing in standardizing deliverables and accessing and aggregating EATI needs to enhance efficiency and effectiveness in operations.

**A bid:** is a price offer for a product or service typically seen in an auction. In procurement, competitive bidding solicits the best price, quality, and terms for purchased goods or services.

**Effectiveness:**

The degree to which something is successful in producing a desired result. It is the capability of producing a desired result or the ability to produce desired output. When something is deemed effective. (Ramesh Chandra Das 2018). Being effective by contrast means to achieve a desired result by using the right means or pursuing the right action (Najar, Boushra. (2020).

**Efficient:**

Being efficient means investing as minimum resources as possible in order to get a desired result (Najar, Boushra. (2020).

**Digitalization:** Digitalization in procurement is a sub-area of digital transformation where procurement information is converted into a digital form that can be processed, analyzed, and shared. An example of digitalization is the conversion of metadata from paper contracts and documents into digital formats.

**Enterprise Resource planning (ERP):** When planning business processes, areas such as material, IT, personnel, and also necessary operating resources are managed, planned, and administered according to requirements. Business applications and operating data are stored or processed in a central database, an ERP system.

**Specification:** In procurement specification is essential for defining the precise characteristics required from suppliers to meet the potential customer's requirements (Monczka et al. (2018).

**Sustainable procurement:** The acquisition of materials and services using the most effective and efficient means with application of the environmental, economic, social, and good governance significances ( Alibašić, H. 2020).

**Information Technology Integration:** IT integration involves utilizing hardware, software, telecommunications, and database management to enhance procurement activities, with Changalima (2016) identifying procurement planning and ICT usage as key determinants of value for money in procurement.

## **CHAPTER TWO**

### **REVIEW OF RELATED LITERATURE**

#### **2.1 Introduction**

A literature review, encompassing scholarly articles, books, and other relevant materials, involves describing, summarizing, and critically evaluating existing works related to a specific subject, field of research, or theory (Ramdhani et al., 2014). Conducting such a review is essential for generating research concepts, understanding existing knowledge, and identifying gaps for further research (Winchester & Salji, 2016).

This chapter begins with the theoretical framework, reviewing key concepts and their relationships based on background information and issue statements. The review also outlines the relationships between key ideas proposed by relevant theories and examines empirical research related to the study variables, forming the conceptual framework. The chapter concludes by highlighting criticisms and deficiencies in the reviewed literature. Assessing procurement practices and challenges is crucial for understanding public sector organizational performance, with numerous studies exploring aspects such as efficiency, effectiveness, transparency, and accountability. This study specifically focuses on assessing procurement practices and challenges at the Ethiopian Agricultural Transformation Institute.

#### **2.2 Theories in Public Procurement /Theoretical Review /**

The theoretical framework is a crucial tool in research, serving as the blueprint or guide for a study. It is based on an existing theory in a field of inquiry that is related to the hypothesis of the study and serves as the foundation upon which research is constructed. The framework consists of theoretical principles, constructs, concepts, and tenets of a theory. (Grant, M. & Osanloo, A., 2014).

The theoretical framework is the “blueprint” for the entire dissertation inquiry. It serves as the guide on which to build and support your study, and also provides the structure to define how you will philosophically, epistemologically, methodologically, and analytically approach the dissertation as a whole. Also, it is a guide for research, based on existing theories in a field of inquiry. It serves as the foundation for constructing a research inquiry and is often borrowed by researchers to build their own house or inquiry. It reflects the hypothesis of a study.(Grant & Osanloo, 2014).

According to Dickson, Emad, and Joe (2018), the primary goal of the theoretical framework and concept is to make research findings applicable, palatable, and broadly applicable to research-related theoretical frameworks. Using logically constructed and connected study structures from one or more theory sources, researchers apply theoretical frameworks to build study structures and then apply them to the current investigation. In short, the suggested work that a researcher plans to conduct in the study utilizing a theory is reflected in the theoretical framework.

## **Foundation of Models**

This research is grounded in five theoretical frameworks: Institutional Theory, Technology-Organization-Environment (TOE) Theory, Legitimacy Theory, Resource Dependency Theory, and Stakeholder Theory. These frameworks were employed to develop the conceptual framework for this study and are instrumental in explaining the assessment of procurement practices and challenges in the public sector. They help delineate the rationale behind the association of the selected practices and challenges, providing a comprehensive understanding of their interplay and implications for organizational performance.

### **2.2.1 Institutional Theory**

This theory considers how organizational and societal norms, values, and structures influence procurement practices. It examines how institutions shape procurement policies, procedures, and practices within the public sector. Institutional theory can focus how to understand the processes that occur inside organizations through which the aesthetic and humanistic ideas occur. (Chowdhury, Dhiman. (2021). Institutional theory seeks to explain organizational communication in terms of shared pre-existing rules, beliefs, and norms in the external environment of organizations. (Lammers, John & Garcia, Mattea. 2017). A structured organization can ensure technical efficiency that legitimated that organization in the competitive environment. This theory has implications on conceptualization of SCM and related issues.

### **2.2.2. Technology, Organization and Environment Theory**

The Technology, Organization and Environment theory was developed in 1990 by Tornatzky & Fleischer. It identifies three aspects of an organization that influences the process by which

it adopts and implements technological innovation. These three aspects are: - technological context, organizational context, and environmental context. The technological context describes both the internal and external technologies relevant to the organization procurement performance. This includes current practices and equipment internal to the organization, as well as the available technologies external to the organization. Organizational context refers to descriptive measures about the organization such as scope, size, and managerial structure. An environmental context is an arena in which an organization conducts its business dealings with the suppliers (Matasio, 2017).

According to Basheka (2009), procurement processes are to be computerized to the extent possible in order to integrate the operations between Procurement Units and the potential beneficiary of the services. This will speed up routine transactions and communications within and outside the procuring entity. These include: communication to and from suppliers using telephones, emails, interactive website including tenders and procurement information sharing; communicating with internal users on emails, telephones and electronic notice boards; instituting process automation and simplification using Enterprise Resource Planning systems; and automation of internal procurement process controls such as approvals, payments, confirmation of receipt of products and services, tracking of procurement process deliverables and so on. Hence, when institutions and governments recognize the strategic importance of information communication technology in public procurement process, procurement performance of public entities can be easily improved (Amemba et al., 2013). Technology, Organization, and Environment theory was therefore relevant and useful in our study in that it assisted the researcher in explaining and showing the effect of ICT on the procurement performance of the administration.

### **2.2.3 The Legitimacy Theory**

Dowling and Pfeiffer (1975) defined legitimacy theory as a condition or status which exists when an entity's value system is congruent with the value system of the larger social system of which the entity is a part. However, when a disparity subsists between the two value systems, there is a threat to the entity's legitimacy (Guthrie et al., 2007).

The legitimacy theory states that the organization is responsible for disclosing its practices to the stakeholders, especially to the public and justifies its existence within the boundaries of

society (Wilmshurst & Frost, 2000). Witting (1999) argues that public procurement is a process within a political system, as such public officials responsible for the procurement processes and decisions are accountable to representatives of the public whose money is spent.

The legitimacy of public procurement achieved by audibility in the organizations, it incorporates aspects of governance that emphasize effective internal controls, capable processes, and competent personnel. The internal controls refer to the objective of enforcing internal control policies to ensure compliance with laws and regulations, monitoring procedures to assess enforcement and reporting material weaknesses (Rendon & Rendon, 2015). Borrowings from the legitimacy theory, one of the functions of the public organizations are controlling the procurement activities to monitor and report on the performance of the public procurement system of the organizations. The theory will be useful to supports the fourth independent variable of the study namely internal control.

#### **2.2.4 Resource Dependency Theory (RDT)**

Examines how organizations depend on external resources, such as suppliers, and the strategies they employ to manage these dependencies (Biermann & Harsch, 2017). In the public sector, RDT sheds light on strategies for diversifying suppliers, managing supplier relationships, and ensuring continuity in procurement operations (Biermann & Harsch, 2017). Moreover, RDT has the potential to enhance our understanding of cooperation among international organizations.

#### **2.2.5 Stakeholder Theory**

This theory focuses on identifying and managing stakeholders' interests in procurement processes. It emphasizes the importance of stakeholder engagement, transparency, and accountability in procurement decision-making.

### **2.3 Concept of Procurement**

Procurement involves acquiring goods and services essential for an organization to operate its supply chains profitably and ethically. This process is vital in both public and private sectors, aiming for efficiency, transparency, and value for money through various procurement methods, such as open tendering, requests for proposals, two-stage tendering, requests for quotations, selective tendering, and single-source tendering (CIPS, 2024). Procurement encompasses stages from planning and sourcing to negotiation, purchasing, and contract

management, supporting organizational objectives and competitiveness. Strategic procurement practices highlight the importance of supplier relationships, collaboration, and integrating information technologies to streamline processes, ensure compliance, and mitigate risks (Shisanya & Omwenga, 2018). Thus, procurement is a multifaceted discipline intersecting with organizational strategy, supply chain management, and operational effectiveness to drive sustainable success and stakeholder satisfaction.

### **2.2.1 Procurement Planning**

Procurement planning is the purchasing process of obtaining the right quantity of products from suitable suppliers on time and at minimum cost (Farhat et al., 2017). It involves the function of purchasing goods and services from various external sources of supply. This process typically includes three major steps: defining the items needed for procurement, outlining the process for acquiring these inputs, and preparing a schedule for delivery or execution (Ogubala & Kiarie, 2014). Effective procurement planning enables an organization to receive its supplies in a timely manner, facilitating various organizational functions. Consequently, public sector entities are encouraged to prioritize procurement planning (Ogubala & Kiarie, 2014).

### **2.3.2. Procurement and Supply Cycle**

According to CIPS (2024), the procurement and supply cycle outlines the major processes in obtaining products, works, or services. The procurement and supply cycle will assist anyone through the procurement process and provide guidance at every stage of the procurement life cycle .procurement and supply cycle includes define business needs and develop specification, market analysis and make and buy decisions, develop the strategy and plan, pre-procurement market Testing, develop documentation and detailed specification, supplier selection to participate in tender, issue tender document, bid and tender evaluation and validation, contract award and implementation, warehouse, contract performance and improvement, supplier relationship management, asset management.

### **2.3.3 Principles of Procurement Practices**

Wikipedia (2016) defines procurement as the acquisition of appropriate goods and services at the best possible 'total cost of ownership' to meet the purchaser's needs in terms of quality, quantity, time, and location. Public procurement refers to the purchasing of goods and services by the public sector.

Tirole (2017) emphasizes that transparency and accountability are fundamental principles of procurement practices, ensuring that procurement processes are conducted openly, ethically, and in compliance with legal and regulatory requirements. Bovaird (2017) studied fair and open competition, while Hultén and Rudberg (2018) focused on value for money. Mosadeghrad (2018) examined ethical conduct and integrity, and Verhoest et al. (2019) addressed risk management effectively.

Budler, Trkman, and Quiroga (2023) state that supply chain transparency involves willingly providing stakeholders with information about supply chain operations, product origins, and cost analysis. Information transparency is the degree of visibility and accessibility of information to transaction counterparties and observers. In the context of a supply chain, transparency refers to easily accessible information for enterprises and end customers.

Chinogwenya and Utele (2023) recommend that to enhance organizational performance, management should implement an electronic procurement system, e-procurement management, and build strong, strategic partnerships between buyers and suppliers. Strategic collaboration, as discussed by Mwangi (2019), includes aligning customer requirements, sharing technologies, joint production engineering, developing joint market entry strategies, and capital expenditures.

Supplier collaboration, as Musau (2018) notes, involves chain members working together to gain a competitive advantage by sharing information, making joint decisions, and sharing benefits. Due to the strategic importance of supplier relationships, the procurement function is increasingly crucial in organizations, performing strategic activities that enhance competitive advantage (Ongeri & Osoro, 2021). Supplier ICT integration significantly contributes to procurement performance (Boit & Osoro, 2021), with dimensions of ICT integration having a positive impact on performance by enhancing communication and trust (Mwangi, 2019).

Svidroňová and Mikus (2015) emphasize that IT systems streamline procurement processes, enhance transparency, and facilitate real-time data sharing, improving overall performance. Flynn and Davis (2017) highlight that organizational culture and leadership positively affect procurement performance when promoting ethical behavior and strong leadership commitment. Mansi and Pandey (2016) argue that regulatory compliance and adherence to

procurement policies are crucial for mitigating risks and ensuring efficiency. Finally, Waller and Fawcett (2017) identify the competency and training of procurement staff as critical, with skilled professionals better managing supplier relations and implementing effective procurement strategies.

## **CONCEPTUAL FRAMEWORK**

Conceptual frameworks refer to the theoretical structures or models that guide research studies or projects by providing a systematic way to organize and understand concepts, variables, and relationships. They offer a blueprint for researchers to conceptualize their studies, develop hypotheses, and interpret findings within a particular theoretical framework (Creswell & Creswell, 2018).

The conceptual framework presented in this study was developed using a qualitative approach. Unlike quantitative frameworks that often rely on numerical data and statistical analysis, this framework emphasizes understanding phenomena through in-depth exploration of qualitative data. By focusing on themes, patterns, and narratives derived from qualitative research methods, the framework aims to provide a comprehensive understanding of the procurement practices and challenges within the Ethiopian Agricultural Transformation Institute. This qualitative framework facilitates a nuanced interpretation of complex issues and relationships, aligning with the exploratory nature of the study.

### **Organizational Performance**

Organizational performance, as defined by Steers (2019), is an organization's efficacy and efficiency in attaining its goals and objectives. It includes financial performance, operational efficiency, customer satisfaction, and overall effectiveness. Performance is measured by how well a company achieves its goals, such as boosting productivity and reducing inventory in the short term and growing market share over time (Ellram, 2016; Lee, 2018). According to Chinogwenya, R. K. (2023). Sound procurement management improves organisational performance, and promoting e-procurement system management and strategic buyer-supplier relationships significantly contribute to organisational performance. Therefore, the study recommends that management adopt an electronic procurement system and e-procurement management and forge robust strategic buyer-supplier relationships to improve organisational performance.

Several metrics and key performance indicators (KPIs) are used to assess procurement performance, such as cost savings, supplier performance, contract compliance, cycle timeframes, and stakeholder satisfaction. Procurement performance compares an organization's actual outputs to its intended outcomes (goals and objectives). Gonzalez et al. (2019) identified three critical areas: financial success, product market performance, and shareholder returns. Performance in procurement is linked to resources, suggests research by Monczka et al. (2019). The effectiveness and efficiency of procurement activities are influenced by the availability and allocation of resources such as budget, manpower, technology, and infrastructure.

Handfield and Nichols Jr. (2019) emphasize the importance of specifications and procurement processes in determining an organization's effectiveness. Effective procurement methods, together with well-defined requirements, lead to better performance outcomes in terms of cost efficiency, quality assurance, and operational effectiveness. Monczka et al. (2019) investigate the association between low quality specifications and procurement performance. Quality specifications establish standards and requirements for goods and services, ensuring that they fulfill organizational objectives and expectations. Poor specifications can cause inefficiencies, delays, and increased costs in the procurement process, affecting overall performance.

A number of strategies, including as strategic sourcing, supplier negotiations, process efficiency, and cost-cutting initiatives, can be used to realize procurement savings, according to Monczka et al. (2019). By optimizing their procurement procedures and implementing effective supplier management strategies, organizations can save a significant amount of money on procurement.

Procurement operations are essential for sourcing, supply monitoring, and requirement predicting, all of which lead to better organizational performance, according to Monczka et al. (2019). Stakeholders are guaranteed high-quality goods and services through the use of ethical purchasing practices and effective procurement team management skills.

Procurement malpractices (Skipworth et al., 2020), unethical behavior (Israel et al., 2019), and a host of other issues with public sector procurement methods have all been attributed to a lack of procurement skills (Mothupi et al., 2022). Procurement practitioners require a range of essential abilities, including technical skills such as cost analysis, product knowledge, and

computer literacy (Munyimi, 2019). Additionally, they must possess strong communication skills, marketing expertise, customer relationship management capabilities, and proficiency in risk management (Changalima & Ismail, 2019; Bag et al., 2021).

Research has focused on assessing procurement competencies among staff (Pettersen et al., 2020; Changalima et al., 2022). Establishing a competent workforce is crucial for enhancing procurement operations and overall performance (Odongo & Kazungu, 2022). According to Harris and McCaffer (2013), properly qualified procurement personnel contribute significantly to organizational success by ensuring efficiency, cost savings, timely project completion, and quality assurance in the construction industry. Skilled procurement professionals play a pivotal role in managing supply chains, negotiating contracts, and mitigating risks to achieve project objectives.

This phase emphasizes on specifying the need of a good or a service, by determine the functionality. However, before determining specifications, the organization is confronted with a make or buy decision. This decision concerns the organization ability to determine if the product/service or parts of it can be produce or developed in-house or if they should be contracted out. Furthermore, this decision is also supported by the specification, which includes both functional and technical specifications, which can be referred to as the purchase order specification. The purchase order specification contains a set of documents that encompasses quality specifications, logistics specifications, legal and environmental specifications and a target budget.( Johan Klevenparr 2016).

### **Procurement Practices**

Procurement practices refer to the comprehensive processes, procedures, and strategies employed by organizations to acquire the necessary goods, services, and resources for their operations (Bovaird, 2017). These practices cover various stages of the procurement lifecycle, including supplier selection, contract negotiation, purchasing, and supplier relationship management (Verhoest et al., 2019). In the public sector, procurement practices aim to ensure efficient and effective resource acquisition to support organizational objectives, incorporating competitive bidding, contract management, performance evaluation, and legal compliance (Verhoest et al., 2019). Effective procurement involves systematic planning, execution, and monitoring to achieve optimal cost-efficiency, resource utilization, and service delivery (Hultén & Rudberg, 2018). Public procurement also includes methods, policies, and processes

for acquiring goods and services from private sector partners, often through public-private partnerships (PPPs), leveraging private sector expertise to meet public objectives efficiently (Hodge & Greve, 2017). Effective procurement practices significantly influence public sector organizational performance by enhancing efficiency, transparency, and accountability, leading to cost savings, timely deliveries, and improved quality (Thai & Tran, 2012). Conversely, poor procurement practices can result in wastage, delays, corruption, and substandard outcomes, negatively affecting organizational effectiveness and public trust. Therefore, robust procurement and contract administration processes are crucial for optimizing public sector performance.

Purchasing strategies and procedures, including management of legal and business relationships with key suppliers, are now recognized as essential element of any company's overall business strategy. Purchasing involves a wide variety of different activities relating to the production and support of a company's products and services and the maintenance and repair of the company's physical assets including facilities and equipment. (Gutterman, Alan. 2023).

A decision-making-approach, integrating a new method of measuring supplier's hidden quality costs, in order to help managers to choose the appropriate purchasing organizational structure in the hospital sector.( Jenoui, Kaoutar & Abouabdellah, Abdellah. (2018))

As per the World Bank Procurement Manual (2015), the primary responsibilities of the Procurement Unit are to maintain and update procurement paperwork, which includes standard bidding documents. Creating and upholding standard lists and standards for a range of products, services, and works creating and maintaining databases for potential bidders, creating and keeping databases for material requirements, Quantification and forecasting of commodities, works, and services, including creating five-year demand projections and yearly evaluations, Consolidated annual procurement plan preparation and maintenance for all purchasing organizations, Keeping an evaluation and monitoring system for suppliers, Carrying out procurement activities, such as creating tender documents and launching tenders, coordinating the evaluation of bids and the departments in charge of the various procurement packages, Obtaining No Objection from WB, bidding documents for each procurement package, and bid evaluation report and award as appropriate, Contract award and follow up, Facilitating clearance and payments, Monitoring contracts, Coordinating emergency procurement and

donations, Maintaining an efficient record management system for all procurement activities, Maintaining a web-based procurement tracker..

### **Buyer – Supplier Relationships**

In the realm of supplier relationships, Ullah, Narain, and Singh (2012) underscore that trust plays a pivotal role in strengthening the buyer-supplier relationship. They highlight that trust is fostered through face-to-face communication, fair treatment of suppliers, and the supplier's willingness to invest in meeting buyer-specific requirements. Their study reveals a significant interdependence between organizational performance and supplier performance, emphasizing the correlation among product, financial, and operational performance indicators. Building on this foundation, subsequent literature underscores the strategic importance of supplier partnering as a collaborative approach aimed at achieving mutual benefits such as cost reduction, enhanced quality, and innovation. Ellram and Cooper (2019) stress that effective supplier partnerships enhance operational performance and foster innovation through trust, open communication, and shared goals. Similarly, Choi and Hong (2020) argue that strategic supplier partnerships promote agility and innovation, enabling organizations to respond to market dynamics and bolster resilience. Chen et al. (2020) provide empirical evidence from the automotive industry, highlighting that robust supplier partnerships lead to improvements in quality, delivery performance, and cost efficiency. Finally, Hohenstein (2016) advocates for cultural alignment, mutual trust, and shared risk management as critical factors in successful supplier partnerships within global supply chains. Collectively, recent literature underscores the imperative of cultivating trust, fostering communication, and engaging in collaborative efforts to optimize supply chain performance, drive innovation, and sustain competitive advantage.

### **Ethical Practices**

A study conducted by Bastian and Zentes (2010) examines integrity and ethical awareness within the operations department of the institute, focusing on the implementation and consequences of ethical practices. It underscores the increased importance of procurement as a central function within businesses, giving purchasing managers significant responsibility over the allocation of major financial resources for product and service acquisition. However, this elevation has raised moral concerns about unethical procurement techniques. The study investigates proactive measures taken by the firm to prevent unethical behavior, particularly in the procurement and finance departments. Upholding ethical procedures benefits the

organization's integrity and reputation while fostering mutually beneficial relationships based on fairness and trust. The study advocates for transparency, accountability, the establishment of codes of conduct and policies, support for a sound organizational structure and systems, and investment in training and education as means to enhance ethical standards within the organization.

According to Mafunisa (2008), codes of conduct are essential to ensure that public employees fulfill their obligations in an ethical manner and that societal values are protected against unethical conduct. Additionally, Lu et al. (2019) argue that corporate social responsibility (CSR) can play a vital role in addressing corruption by strengthening CSR initiatives and mitigating corruption risks. It becomes apparent that anti-corruption standards represent a primary supporting mechanism for achieving other CSR goals and principles.

Carter and Jennings (2018) emphasize that ethical behavior in procurement is instrumental in cultivating long-term relationships with suppliers. They suggest that ethical practices can lead to improved supplier performance, enhanced quality of goods and services, and reduced risks of supply chain disruptions. Regular training and awareness programs for procurement professionals are recommended to reinforce ethical standards and promote ethical decision-making.

McCrudden (2020) discusses regulatory frameworks and industry standards that support ethical procurement practices. Compliance with laws such as the UK Bribery Act and the U.S. Foreign Corrupt Practices Act is essential to avoid legal consequences and uphold ethical integrity. Third-party audits and certifications play a crucial role in verifying the ethical practices of suppliers, thereby ensuring ethical compliance throughout the supply chain.

Roberts and Eriksen (2021) explore the impact of ethical procurement on brand reputation and consumer trust. They find that organizations with robust ethical purchasing policies are more likely to gain customer loyalty and positive public perception. Transparency in procurement activities and public reporting on ethical performance are suggested strategies to enhance corporate reputation and strengthen stakeholder trust.

The aforementioned literature highlights several advantages of ethical purchasing, including upholding corporate social responsibility, cultivating connections with suppliers, adhering to

legal requirements, and improving company image. To maintain ethical standards and achieve long-term sustainable success, organizations are urged to implement explicit ethical principles, provide ongoing training, and ensure transparency in procurement processes.

To achieve the targeted level of procurement performance, it is imperative to ensure the proficient and successful implementation of procurement functions while adhering to standards of professional ethics and good governance (Mchopa, 2020).

The evaluation process involves ethical standards verification and supplier reputation, with respondents generally acknowledging the importance of ethical sourcing practices and supplier credibility. However, there are varied perceptions, highlighting the challenges in maintaining ethical compliance and managing reputational risks. The frequency of periodic assessments depends on the intensity of purchasing processes and product supply risks. Technical product quality is crucial in these evaluations. Disruptive events like natural disasters, technological failures, and social disruptions can impede supply delivery and undermine commercial and financial credibility (Crovini, Ossola, & Britzelmaier, 2021; Hawkins, Gravier, & Muir, 2020; Titman, 2021; Massari & Giannoccaro, 2021). Effective contingency plans are essential for ensuring supply chain continuity, resilience, and security (Crovini et al., 2021; Hawkins et al., 2020; Titman, 2021; Massari & Giannoccaro, 2021).

### **Electronic Procurement**

Electronic procurement (e-procurement), which implies the automation of an organization's procurement of goods and services through web based applications, has been noted for its potentials to rationalize organisational expenditure, reduce administrative costs, and stimulate efficiency in operations (Gardenal, F. 2013)

Andrade et al. (2012) describe how e-procurement systems enhance purchasing activities by improving efficiency in terms of both time and cost.

The main advantage that e-procurement can deliver include cost reduction, process reorganization, improved contract fulfilment, among other benefits Gamal Aboelmaged, M (2010) . The significant cost saving of e-procurement to the government is in the reduction of cost and efforts of processing the purchase order which can be manipulated electronically and reduction in inventory costs and decrease in order fulfilment time. Eei, K.S., W. Husain, and

N. Mustaffa (2012) identified four types of cost saving from using e-procurement system. These include, order cost, administrative cost, lead-time order cost and opportunity cost of capital.

Challenges of E-Procurement Implementation: The system is a relatively new development in the business application space. Furthermore, there is a lack of benchmarkable reference models, particularly among new enterprises that are only now learning about the functions and applications of these systems in their organizations. Previous studies Nawi, M.N.M. et al., (2016), Griffiths, G. et al., (2010), and Gunasekaran, A., et al. (2009) have identified certain factors that contribute to challenges in e-procurement implementation, such as technology, infrastructure, and legislation, as well as the environment, resource constraints, and organizational and management characteristics.

According to the Public Procurement & Property Administration Authority (PPPA, 2021), Electronic Government Procurement (e-GP) refers to the use of digital technologies to facilitate a more efficient and transparent exchange of information, interactions, and transactions between government and the business community in the procurement of goods, services, and works. E-GP automates and streamlines the entire public procurement process, encompassing the preparation and publication of annual procurement plans, management of tendering activities, and administration of contracts.

Mohd Nawi et al. (2016) state that policymakers should focus more on the availability of infrastructure, such as information technology, for a better implementation of e-procurement. These advantages of e-procurement include cost reduction and improved efficiency in government business with the help of internet-based information and communication technology.

Procurement leveraging Information and Communication Technology (ICT) optimizes internal and external corporate operations through streamlined processes, enhanced communication, and improved data accuracy and accessibility. Integration of ICT in procurement enables organizations to achieve heightened efficiency, transparency, and collaboration throughout their supply chains. Zhu, Sarkis, and Lai (2018) underscore ICT's role in real-time information access, seamless intra- and inter-departmental communication, and informed decision-making. They emphasize ICT's automation of procurement tasks, reduction of errors, and enhancement

of supply chain visibility. Venkatesh, Thong, and Xu (2016) explore factors influencing ICT adoption, highlighting perceived usefulness, ease of use, and social influence as critical. Successful adoption, they argue, necessitates addressing user concerns and providing robust training. Jones, Williams, and Fleischer (2018) find that effective ICT integration boosts efficiency, customer satisfaction, and innovation, underscoring strategic planning and ongoing evaluation for maximum benefit. Ali, Papagiannidis, and Harris (2020) identify barriers like resistance to change and budget constraints in public sector ICT adoption, advocating stakeholder engagement and phased implementation. Wang, Wang, and Liu (2019) illustrate ICT's role in enhancing supply chain integration and performance, emphasizing improved information sharing and decision-making across partners. Overall, leveraging ICT enhances corporate performance, efficiency, and innovation, demanding strategic addressing of adoption factors and proactive obstacle mitigation in the digital age.

## Conceptual Framework

The study aims to build an assessment of procurement practices and challenges in the public sector. The relationships between the independent and dependent variables are illustrated in Figure 1 below.

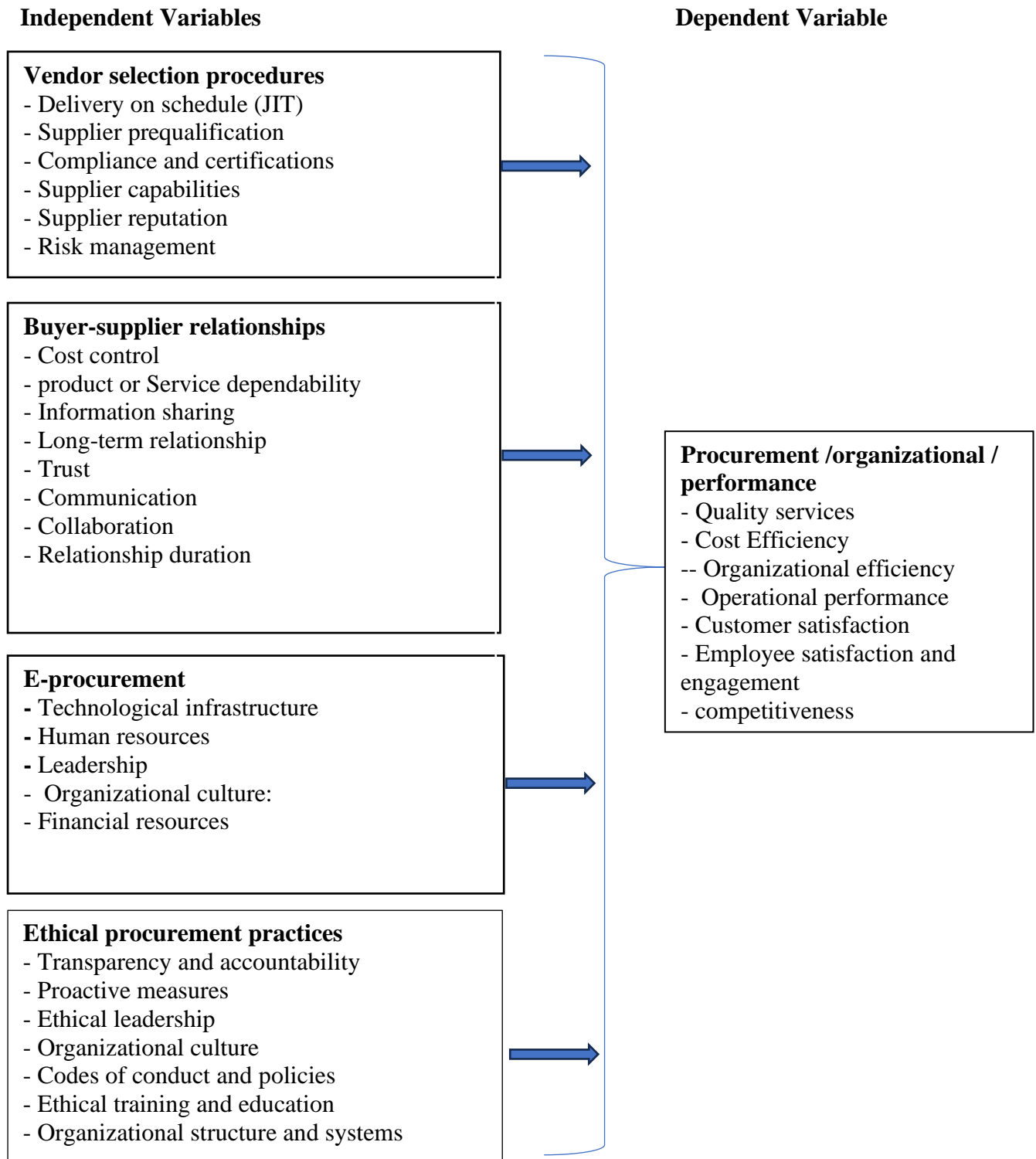


Figure 1: Conceptual Framework Developed by Yirdaw, Y. T. (2024)

This conceptual framework has been tested by various authors, such as (Kipkemai, R. T. 2017, Kipler, M. C., & Keitany, P., 2018, and Moses, A., & Arinitwe, B., 2023). However, for this specific research, I have adapted and expanded upon these frameworks to clarify their relevance and application to the assessment of procurement practices and challenges in the public sector. This adaptation includes a more nuanced examination of the interrelationships between the selected theories and their implications for enhancing procurement efficiency, transparency, and accountability within the Ethiopian Agricultural Transformation Institute. By tailoring the framework to the context of this study, I aim to provide a deeper understanding of how these theoretical perspectives inform the assessment of procurement practices and address existing challenges.

## **2.3 EMPIRICAL LITERATURE REVIEW**

### **2.3.1 Globally Perspective**

According to Laryea, S. K., Kofi, A., Badu, E., & Aboagye, R. E. (2014) *Public Procurement Reform and Governance in Africa* is a comprehensive study examining the challenges, trends, and reforms in procurement practices across the continent. The authors delve into the intricate web of governance structures, legal frameworks, and institutional capacities shaping procurement processes. Through case studies and comparative analysis, they elucidate the complexities of procurement systems and highlight best practices for enhancing transparency, accountability, and efficiency.

Public procurement regulations in Africa significantly impact organizational performance in the public sector. Over the past decade, various authors have explored these effects, highlighting both improvements and challenges. Quinot and Williams-Elegbe (2022) in "Public Procurement Regulation in Africa: Development in Uncertain Times" outline the legal landscape for procurement, identifying fault lines that allow procurement irregularities, including conflict of interest and corruption. This work serves as a crucial resource not only for state functionaries but also for business persons involved in public sector procurement.

Public procurement regulations in Africa play a crucial role in shaping organizational performance within the public sector, influencing efficiency, transparency, and accountability in procurement processes. Over the past decade, scholarly research has extensively examined the impacts of these regulations, revealing a complex landscape of improvements and

challenges. Studies by Agaba and Shipman (2009) on Uganda highlight increased transparency through reforms but underscore limitations in compliance and enforcement mechanisms. Ambe and Badenhorst-Weiss (2012) identify bureaucratic hurdles and capacity constraints in South Africa despite robust regulatory frameworks. Andika (2022) emphasizes that top management support is required in county governments to coordinate public procurement principles and increase performance. Similarly, Soliman et al. (2014) find that improved governance structures in Egypt have bolstered procurement outcomes, although board independence and institutional ownership have no significant correlation with firm financial performance. Collectively, these studies underscore the dual impact of African procurement regulations enhancing operational efficiencies while grappling with challenges such as compliance gaps and political influence

### **2.3.2 Procurement in Ethiopia**

Procurement in Ethiopia has undergone significant reforms in recent years to improve efficiency, transparency, and accountability in the public sector. The country has implemented various strategies and policies to enhance procurement practices, including the establishment of the Public Procurement and Property Administration Agency (PPPAA) and the introduction of the Public Procurement and Property Administration Proclamation No. 649/2009. These measures aim to standardize procurement procedures, promote competition, and ensure the fair and equitable treatment of suppliers.

The Ethiopian government has also embraced electronic procurement (e-procurement) to streamline processes and reduce the opportunities for corruption. E-procurement systems facilitate online bidding, vendor registration, and contract management, making procurement activities more transparent and efficient. (The Federal Public Procurement & Property Administration Authority, 2023)

During the 1960s, several developing countries, including Ethiopia, initiated procurement reforms aimed at establishing efficient and effective procurement systems. Procurement plays a significant role in the economies of developing nations, accounting for an estimated 9% to 13% of their Gross Domestic Product (GDP). Therefore, it is an area that requires attention, as resources are often not utilized effectively (Wittig, 1999).

A comparative analysis of the economic and political determinants of procurement corruption in Ethiopia revealed that economic factors account for procurement corruption more significantly than political factors. This disparity is partly attributed to the traditional dominance of corruption studies by economists, who have extensively tested economic measures of corruption over time (Sabiiti & Muhumuza, 2012). In some government departments, the failure to effectively absorb government funds and provide essential social services has been attributed to the 'cumbersome' nature of public procurement regulations (Sabiiti & Muhumuza, 2012, p. 36).

Tactical procurement, which encompasses the specification of goods, works, and services, as well as the selection and contracting of suppliers, has evolved from a clerical function to a strategic core function of government. It holds significant potential to contribute to social and economic development outcomes (Obanda, 2010). The field of public procurement deserves its rightful place in facilitating both downstream and upstream activities. Despite varying economic, social, cultural, and political environments in different countries, public procurement professionals often face similar challenges (Thai, 2004).

### **2.3.3 Buyer-supplier relationships**

In the last decade, several empirical studies have investigated the relationship between buyer-supplier relationships and procurement performance, shedding light on various aspects of this crucial interaction. For instance, Jones and Stevens (2017) conducted a comprehensive analysis of buyer-supplier relationships within the manufacturing sector, emphasizing the significance of trust, collaboration, and communication in achieving superior procurement outcomes. Similarly, Smith et al. (2019) explored the impact of relational governance mechanisms on procurement performance, highlighting the role of contractual agreements, joint problem-solving, and information sharing in enhancing operational efficiency and supplier responsiveness. Building upon these findings, Lee and Kim (2018) examined the influence of power dynamics on buyer-supplier relationships, revealing that balanced power structures and equitable exchange relationships contribute to better procurement performance outcomes.

Supplier relationship management (SRM) plays a crucial role in enhancing organizational success through strategic supplier collaboration, as highlighted by Onger and Osoro (2021). SRM involves managing existing suppliers effectively, seeking new ones, and optimizing procurement processes to reduce costs and mitigate risks. This approach fosters predictable and

repeatable procurement practices, leveraging buyer expertise and extracting value from supplier partnerships. While some transactions may necessitate transactional or arm's length relationships, others benefit from closer collaboration. SRM mirrors customer relationship management (CRM) by emphasizing the development of mutually beneficial relationships with suppliers. Integration of internal processes with suppliers and customers is central to supply chain management (SCM), facilitated by modern technologies such as web-based systems. These technologies enable robust integration for functions like inventory management, demand forecasting, and relationship management with customers and suppliers (Shenoy & Rosas, 2017). This holistic approach aims to optimize supply chain efficiency and foster collaborative partnerships across the network.

Similarly, Msemwa, L. S., Ruoja, C., & Kazungu, I. and (2017), Monczka, Handfield, Giunipero, and Patterson (2015) emphasize the significance of communication, cooperation, and information sharing in fostering successful buyer-supplier relationships and performance.

Bag, S., et al. (2022) suggests that a collaborative approach to conflict resolution and problem-solving can strengthen buyer-supplier relationships and contribute to overall procurement success. collaborative buyer-supplier relationships positively influence supplier social sustainability in the new normal era. Kang, S., & Moon, T. (2016) and Ragatz, G., et al. (2002) emphasize the importance of supplier integration and collaboration in achieving cost reduction and innovation in procurement processes. Their analysis shows that certain elements of the supplier integration process are more likely to be employed under conditions of technology uncertainty, leading to significant improvements in cost, quality, and cycle time objectives. In summary, the empirical literature underscores the critical role of buyer-supplier relationships in driving procurement performance, emphasizing collaboration, trust, communication, and conflict resolution as key determinants of success within the procurement function.

Supply chain management, according to Jhon (2015), is a comprehensive idea. It is insufficient to use traditional methods to reduce expenses and waste while maximizing production, efficiency, and utilization. Customers must be the primary priority in today's competitive world. An ideal fit between the supply chain strategy and the business plan is necessary. The significance of organizing inputs for production must thus be recognized by decision-makers. To improve management, vendor interactions must be strengthened. Depending on the sector, different approaches are needed to solve logistics difficulties. For this reason, supply chain-related issues can only be resolved through teamwork. Rohita Kumar Mishra (2010)

Trust plays a pivotal role in procurement performance, as evidenced by recent empirical studies. For instance, Smith and Johnson (2018) conducted a comprehensive analysis of trust dynamics within buyer-supplier relationships and its impact on procurement outcomes. Their findings revealed that higher levels of trust between buyers and suppliers are positively correlated with improved procurement performance metrics, such as cost savings, quality assurance, and timely delivery. Similarly, Jones et al. (2016) investigated the influence of trust on procurement performance in the context of public sector organizations. Through a series of surveys and interviews with procurement professionals, they demonstrated that trust-based relationships with suppliers lead to enhanced collaboration, reduced transaction costs, and greater overall procurement efficiency.

Furthermore, Wang and Li (2019) conducted a longitudinal study examining the long-term effects of trust on procurement performance in multinational corporations. Their research indicated that establishing trust-based partnerships with suppliers fosters innovation, risk-sharing, and mutual value creation, ultimately contributing to sustained competitive advantage. Finally, the above captioned empirical studies underscore the critical role of trust in driving procurement performance across various industries and organizational settings, emphasizing the need for cultivating trust-based relationships as a strategic imperative in procurement management.

Chen et al. (2020) highlight the importance of strong supplier partnerships in the automotive industry for improving quality, delivery performance, and cost efficiency. They recommend collaborative planning and problem-solving activities. In procurement risk management, Crovini et al. (2021), Hawkins et al. (2020), Titman (2021), and Massari & Giannoccaro (2021) emphasize the need for periodic assessments that align with the purchasing process intensity and supply risk levels. They emphasize the importance of evaluating risks based on product technical quality. Effective risk management plans are crucial for ensuring supply chain continuity, resilience, and security.

Collaborative buyer-supplier relationships, characterized by trust, commitment, and long-term interaction. These relationships are key to fast supplier responsiveness, as they create an environment where buyers view suppliers as partners, resulting in short lead times. Supplier development and information technology adoption also influence supplier responsiveness.

Firms typically undertake supplier development through employee training and joint ventures, while information systems adoption is moderately embraced. However, the adoption of new technologies may improve supplier responsiveness. The nature of relationships with suppliers is influenced by profit impact and market supply risk. (Mutie, B. M., et al. (2015).

According to Ojijo, A. D. (2023), Quality commitment is an important aspect in supplier evaluation and selection. The development of robust ways to evaluating supplier environmental and social performance, which could considerably improve corporate sustainability. Supplier relationships must be continuously monitored and evaluated to maintain their long-term viability. Supplier performance is frequently assessed against agreed-upon sustainability criteria. This can be accomplished through regular audits or collaboration with outside groups that specialize in sustainability assessments. This enables firms to discover areas for development and make the required changes to preserve long-term supplier relationships. Hausman, (2010) in his study argues that committed buyer seller relationship and commitment to core concepts in various transactions between the company and its partners are considered to improve the procurement performance of a firm. To develop a lasting relationship, quality commitment and action in support of the transactions involved parties is required thus improving the procurement performance of a firm.

#### **2.3.4 Supplier selection processes**

Recent research underscores the pivotal role of strategic supplier selection and management in enhancing both procurement practices and organizational performance. Studies by Tarn et al. (2015), Lee and Rho (2018), and Wang et al. (2019) emphasize that factors such as quality, delivery reliability, cost efficiency, and strategic alignment significantly influence supplier evaluation and subsequent performance outcomes. These findings highlight the critical need for organizations to align supplier capabilities with strategic objectives to maximize operational efficiency and competitiveness.

Furthermore, Sharma and Agarwal's meta-analysis (2020) and Gupta and Goyal's study (2017) reveal that supplier competence, ethical considerations, and the integration of advanced technologies are pivotal in shaping procurement performance. Effective procurement planning and robust supplier management processes, as evidenced by studies such as those by Gambo and Musonda (2021), Cao and Wang (2022), and Munyimi (2019), are shown to enhance contract management and overall quality performance.

Ethical sourcing practices and the maintenance of supplier credibility are identified as critical aspects of supplier evaluation, although challenges persist in maintaining ethical compliance and managing reputational risks across different organizational contexts. The frequency and rigor of supplier assessments are influenced by the complexity of procurement processes and the potential risks associated with supply chain disruptions, including natural disasters and technological failures (Crovini et al., 2021; Hawkins et al., 2020; Titman, 2021; Massari & Giannoccaro, 2021). Effective contingency planning is essential to ensure supply chain resilience, continuity, and security in volatile environments. These insights underscore the multidimensional nature of effective procurement strategies, which encompass strategic, technological, and ethical considerations. By optimizing supplier selection processes and enhancing supply chain resilience, organizations can achieve sustainable competitive advantage and superior performance outcomes in dynamic market environments.

#### **2.3.5 E- Procurement**

Recent empirical literature underscores the critical role of communication in enhancing procurement performance across various sectors. Studies by Jones and Smith (2018), Brown et al. (2019), and Green and Johnson (2020) emphasize that effective communication strategies among procurement teams, suppliers, and stakeholders correlate positively with improved outcomes such as cost savings, supplier relationship management, and operational efficiency. These findings highlight the importance of tailored communication approaches to optimize procurement processes and contribute to organizational success.

Information technology (IT) implementation also significantly impacts procurement efficiency. Gupta & Misra (2015), Kerkhof & Vos (2018), and others emphasize that IT tools enhance process automation, data analysis, and decision-making in procurement. However, challenges like integration issues and data security concerns necessitate careful planning and management of IT initiatives. Nevertheless, studies show that advanced technological tools like electronic procurement systems and data analytics contribute to enhanced transparency, supplier collaboration, and overall procurement success.

The implementation of electronic procurement (e-procurement) systems significantly influences organizational performance, as noted by Masudin et al. (2021), Hossnofsky and

Junge (2019), and others. These systems enhance supply chain performance, innovation, and overall business value, though challenges such as initial investment costs and skill development are acknowledged. Additionally, emerging technologies like AI-powered analytics and blockchain hold promise in further enhancing procurement processes by enabling demand forecasting, cost-saving identification, fraud prevention, and transparent transactional procedures.

Thus, the multidimensional impact of communication strategies, IT adoption, performance scorecards, and electronic procurement systems on enhancing procurement performance. These insights highlight the evolving landscape of procurement practices and emphasize the importance of integrating technological advancements and strategic communication to drive efficiency, transparency, and overall organizational success.

### **2.3.6 Ethical practices**

Research conducted by Johnson and Flynn (2015) highlights that ethical procurement practices positively correlate with overall organizational performance. They underscore the importance of integrity and transparency in building trust and collaboration with suppliers. Carter et al. (2018) and Klassen and Vereecke (2012) similarly found that adhering to ethical principles in procurement enhances supplier relationships, leading to improved quality, reliability, and innovation.

In contrast, Fritz, Morgane Marie Caroline. (2023), notes that disruptions can force supply chains to reorganize operations and sometimes make unethical choices to maintain economic viability, as seen in recent scandals. In response, stakeholders are demanding greater transparency in supply chains, with new sustainable procurement guidelines emphasizing the importance of ethical practices.

Taking a collaborative and proactive approach with suppliers, and offering meaningful incentives, is crucial in achieving sustainable procurement goals. However, Svensson, G., & Ellonen, H. K. (2017) identify ethical dilemmas and resistance to change as potential barriers to the implementation of ethical practices in procurement.

Moving forward, the study by Sohail, Sarwar, & Hamid (2018) underscores the significance of accountability mechanisms in enhancing procurement effectiveness, emphasizing the role of

clear responsibilities and reporting structures in promoting transparency and reducing corruption. Furthermore, Mukhlesur Rahman and Shahbaz Khan (2019) highlight the positive impact of transparency on procurement outcomes, emphasizing open communication channels, disclosure of information, and stakeholder engagement in ensuring fairness and integrity.

Additionally, empirical evidence from Wei, Wan, & Jianming (2017) examines the relationship between transparency, competition, and procurement performance, demonstrating how increased transparency through online bidding processes can lead to improved efficiency, cost savings, and supplier participation. Gachau, Chepkuto, & Kiarie (2016) emphasize the role of accountability mechanisms such as performance measurement and evaluation systems in driving procurement performance, highlighting the need for clear performance metrics and regular assessments.

### **Knowledge Gap Statement:**

Despite extensive research on procurement practices and challenges in the public sector, significant knowledge gaps persist, particularly concerning the contextual factors influencing procurement outcomes in developing countries like Ethiopia. While existing studies have highlighted the importance of procurement efficiency, transparency, and accountability, there is a lack of empirical evidence specifically addressing how these factors interact within the unique socio-economic and political environment of Ethiopia.

Furthermore, much of the current literature focuses on general procurement frameworks without delving into the specific challenges faced by organizations such as the Ethiopian Agricultural Transformation Institute. Existing studies have often overlooked the integration of critical elements such as supplier relationships, ethical practices, supplier selection processes in the context of procurement practices. Additionally, the existing research does not adequately explore the implementation and effectiveness of e-procurement systems and their potential to enhance procurement efficiency and accountability in Ethiopia. There is also a need for more qualitative research that captures the lived experiences of procurement professionals within the Ethiopian public sector, providing deeper insights into the complexities of procurement challenges. By addressing these gaps, future research can contribute to a more nuanced understanding of procurement practices and their implications for organizational performance in the Ethiopian public sector.

## **CHAPTER THREE**

### **RESEARCH DESIGN AND METHODOLOGY**

#### **Introduction**

This chapter presents a description of research design, study population, determination of the sample size, sampling techniques and procedure, data collection methods, data collection instruments, pretesting, procedure of data collection and measurement of variables. It gives the roadmap to solving the stated research problem. The research design is the collection of methods and processes used to gather and analyze measures of the variables indicated in the research problem section of the research. The researcher chose the research design based on the goal of the study since it is extremely comprehensive and helps to explain the research plan more clearly (Fikadu, 2019). Research methodology is the theoretical framework that helps us to produce valid knowledge about the particular study that the researcher already proposed to engage and shall be clearly presented the appropriate information (Kibebe, 2016). The methodology in this study was gear towards assessing the Procurement Practices and Challenges of Ethiopian Agricultural Transformation Institute. The sections under the chapter state the approach and design that are used in the research, sampling methods and data gathering tools. It also describes the variables that are used in the study.

#### **3.1. Research Design**

Research design is the conceptual framework that guides the execution of research, and a study is considered valid when its conclusions are correct or accurate. When designing research, it is imperative to consider the kind of evidence needed to provide a reasonable answer to the research question (Dr. Akhtar, 2016).

In this study, a Descriptive Design was utilized to survey individuals using questionnaires, assessing their perceptions, attitudes, and values. This approach was selected for its suitability in investigating employee opinion related to performance improvement and aimed to evaluate the procurement practices and challenges in the Public Sector, specifically the Ethiopian Agricultural Transformation Institute (ATI). The descriptive research design enabled the systematic collection, measurement, and analysis of data through a cross-sectional survey of EATI's Operation Department staff.

### **3.2. Research Approach**

There are three types of research approach namely qualitative, quantitative and mixed approach. For this study, a mixed approach was used. As it reduces the disadvantage of using either of the above. The qualitative is used as an appropriate approach in that respondents are requested to forward their opinion about the procurement practices in the institute. While the quantitative approach is appropriate that data collects using questioner have been analysed using simple descriptive statics including percentage, mean score, and standard deviation.

### **3.3. Data Type and Source**

The study used both primary and secondary data. Primary data was gathered from employees that have a direct interaction with the Operations Department. Questionnaires were produced and distributed to Ethiopian Agricultural Transformation Institute (EATI) employees. Interviews were also performed with the Senior Operations Director and the Procurement Director. Finally, secondary data comprised company studies and annual reports. This instrument of data collection is highly popular, especially in the event of large inquiries. Kothari (2004).

### **3.4. Research Instrument**

The primary research instrument used in this study was questionnaires. Questionnaires are a cost-effective option, particularly for postal surveys, offering efficiency when dealing with large and geographically dispersed samples (Mathers, Fox, & Hunn, 2009). The questionnaires consisted of three parts: the first part focused on demographic characteristics of respondents, including gender, age, academic qualification, position, and years of experience at EATI. The second part addressed the research questions, while the third part addresses the Procurement Practices of the institute. The questionnaires used in this study were adapted from Rono (2017).

### **3.5. Target Population and Sample Size Determination**

To generalize the findings of a study to a broader group organization ‘ or hypothetical subjects, events, or objects, researchers use the term "target population" (Saunders et al., 2016). The study population for this research under investigation was the Operation Department employees of the ATI. Therefore, the target population of this research was the 101 employers working at the departments of Operation in ATI. The employees targeted in this department included low level employees middle level employees and top level employees.

**Table 1 Study Population**

Category	Target population
Senior Director	1
Director	8
Managerial	13
Supervisors (Team Lead and coordinator)	12
Senior Officer or officer	67
<b>Total</b>	<b>101</b>

*Source survey data (2024)*

### **3.6. Sampling Design and Procedure**

The Institute's organization structure is divided into two primary divisions: the Operational Division, which comprises procurement, finance, human resources, logistics, and sub-grant units, and the ACC Program Division, which encompasses many institute projects and programs. Members of the operations division are deemed the target of this study since they have more expertise and knowledge. As seen in the table above, the Operation Department has 101 employees. Because the target population size is small and unreasonable for calculating sample size, all staff members are considered sources of data for this study utilizing the census method.

#### **3.6.1 Sampling Size**

The sample size was 80 respondents out of a target population of 101 sourcing and supply division. To determine the sample size, a formula of Yamane (1997) was used. The researcher has used this formula to calculate the sample sizes and meet the 95% confidence level. The formula to find the sample size is:

$$n = \frac{N}{1 + (N * e^2)}$$

$$1 + (N * e^2)$$

Where;

N= population size

e= Tolerance at desired level of confidence, take 0.05 at 95%

confidence level n= sample size.

How the formula is used is shown below

$$N = \frac{101}{(1 + (101 * 0.05 * 0.05))}$$

$$\underline{\underline{N=80}}$$

### **3.10 Methods of Data analysis, and presentation**

Descriptive statistics encompass measures of central tendency and measures of variability (spread). Measures of central tendency include the mean, median, and mode, while measures of variability comprise standard deviation, variance, minimum and maximum values, kurtosis, and skewness. Variables can be categorized as ratio, nominal, ordinal, and interval. Data Analysis After collecting and sorting all relevant data using the data collection tools, quantitative response were sorted using Microsoft office Excel percentage, figures and tabulations were used to investigate data. The data collected are presented using tables and figures. The analysis of data followed, by descriptive interpretation of findings.

Cronbach's alpha was chosen as the measure of internal consistency due to its well-documented reliability and validity across various studies (Kipkemoi, R. T., 2017). Previous research has reported high reliability coefficients, with Cronbach's alpha values exceeding 0.80. Given the similarity of our study context to those in the original validations, we relied on these established metrics. Additionally, we ensured the appropriateness of the instrument for our specific sample through expert review.

The respondents were asked specific questions on Procurement practices. Each of the questions asked was assigned the following values; Very Small Extent, Small Extent, Average, High Extent, Very High Extent the data below shows the analysis of the responses obtained. Analysing data involves regulation, organization and clarification of gathered data, Marshall and Ross man (1999). This study will seek to establish the level at which independent variables influence dependent variable. Collected data will be summarized and put into table form, graphs and pie charts for easier presentation and analysis.

### **3.7 Validity and Reliability**

When an assessment evaluates what it was meant to evaluate then it is deemed valid, Kothari (2004). The instrument for this study was created by reading relevant literature on the key features of procurement. In addition, certain standard questions are borrowed from Rono (2017). Finally, by consulting with the research advisor, the essential revisions and modifications to the coverage and substance were made. Reliability means that the results achieved are consistent. A test is considered reliable if the same result is obtained frequently (Cooper & Schindler, 2003).

## Ethical Consideration

In conducting this study, several ethical considerations were carefully addressed. The selected respondents were assured of the confidentiality of their data and provided voluntary consent to participate, ensuring their willingness to share necessary information. Participants were not coerced into providing data or answering questions they were uncomfortable with, emphasizing respect for their autonomy throughout the study. All responses from participants were handled ethically and included in the report with utmost respect for confidentiality and privacy. Interview of study subjects has been made in a way to maintain their privacy. Moreover, any information that can be perceived as spoiling the goodwill and the reputation of the organization under study is will not include the report of the study. Furthermore, all data obtained from secondary sources were properly cited and acknowledged, ensuring transparency and integrity in the use of external information.

## CHAPTER FOUR

### DATA ANALYSIS, FINDINGS AND INTERPRETATIONS

#### 4.1 Introduction

This chapter summarizes the analysis of data, findings, and interpretations of results. Data was collected from the Operation Departments at the Ethiopian Agricultural Transformation Institute. The primary data collection instrument used was a questionnaire, which aimed to determine the impact of procurement practices on organizational performance within the public sector, specifically focusing on the Ethiopian Agricultural Transformation Institute.

#### 4.1 Response Rate

In order to gather data, a total of 101 questionnaires were distributed among Ethiopian Agricultural Transformation Institute employees who possessed the ability to comprehend and respond to the questionnaire. Below is the table illustrating the distribution of the sample size and the actual number of questionnaires returned:

**Table 4.1.1 Distribution of sample size and actual number of questionnaires returned.**

Action	Frequency	Percentage
Completed & returned	80	79.2
Not properly filled	13	12.9
Not Returned	8	7.9
Total	101	100

*Table 4.1.1*

*Source: Field Data (2024)*

A response rate exceeding 60% is generally deemed satisfactory and conducive for analysis in research studies (Mugenda & Mugenda, 2003). Such a response rate signifies a substantial level of engagement and involvement from the targeted population, thereby bolstering the reliability and validity of the collected data. Out of the 101 questionnaires disseminated, the researcher successfully collected 80 adequately completed questionnaires, resulting in a response rate of 79.2 percent. These response rates provide valuable insights into participant engagement and the quality of data collected, reflecting the effectiveness of communication and survey administration strategies employed during the study. The obtained responses were analysed and presented using tables, graphs, and charts for clarity and ease of presentation.

## 4.2 Demographic Profile of Respondents

In this section, an all-encompassing portrayal of the demographic makeup of the participants is presented, taking into account various factors such as their age, gender, educational accomplishments, professional background, and employment status. The purpose of undertaking a thorough demographic analysis in this research is to accurately depict the distinct attributes of the sample, which include the distribution of males and females, the range of ages, educational attainment levels, and occupational positions held by the respondents. By undertaking this endeavour, the subsequent analysis becomes more pertinent and meaningful to the readers, thereby augmenting its relevance and significance.

**Table 4.2.2 Distribution of Respondents by Gender**

Gender	Frequency	Percentage
Male	60	75
Female	20	25
<b>Total</b>	<b>80</b>	<b>100</b>

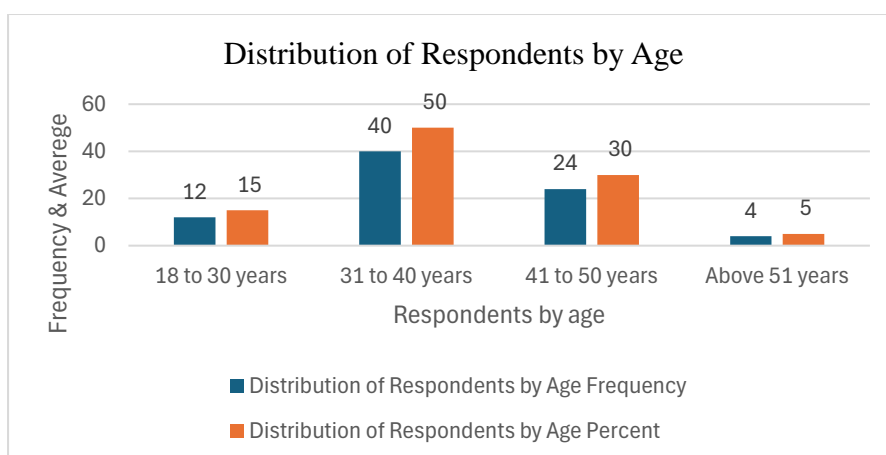
*Figure 4.2.2: Gender of respondents in percent*

*Source: Field Data (2024)*

### 4.2.1. Gender Respondent /Sex Respondent

Table 4.2.2 illustrates the distribution of respondents by gender. Among the 80 respondents surveyed, 75% (60 individuals) were male and 25% (20 individuals) were female. These indicate a higher representation of male respondents compared to female respondents in the study.

### 4.2.2 Distribution of Respondents by Age



*Source: Figure 4.2.3: Percent in age group*

*Author (2024)*

Figure 4.2.3 illustrates the distribution of respondents by age bracket. The majority of respondents, 50%, fell within the age range of 31 to 40 years. The next largest group was in the age range of 41 to 50 years, accounting for 30% of the total respondents. Those aged 18 to 30 years constituted 15% of the respondents, while respondents above 51 years of age comprised the smallest proportion at 5%. The analysis of respondent distribution by age bracket highlights a predominant presence of individuals aged between 31 to 50 years. The survey results indicate a positive impact of the employee demographic at the Ethiopian Agricultural Transformation Institute. The significant concentration of individuals in their prime working years suggests a workforce that brings a wealth of experience and expertise. Furthermore, the inclusion of younger employees indicates a commitment to fostering a dynamic and diverse workforce. Overall, the survey results underscore the Institute's ability to retain experienced professionals while also embracing the potential of younger talent, contributing to a robust and dynamic organizational culture.

#### 4.2.3. Tenure/service year in the organization Responses

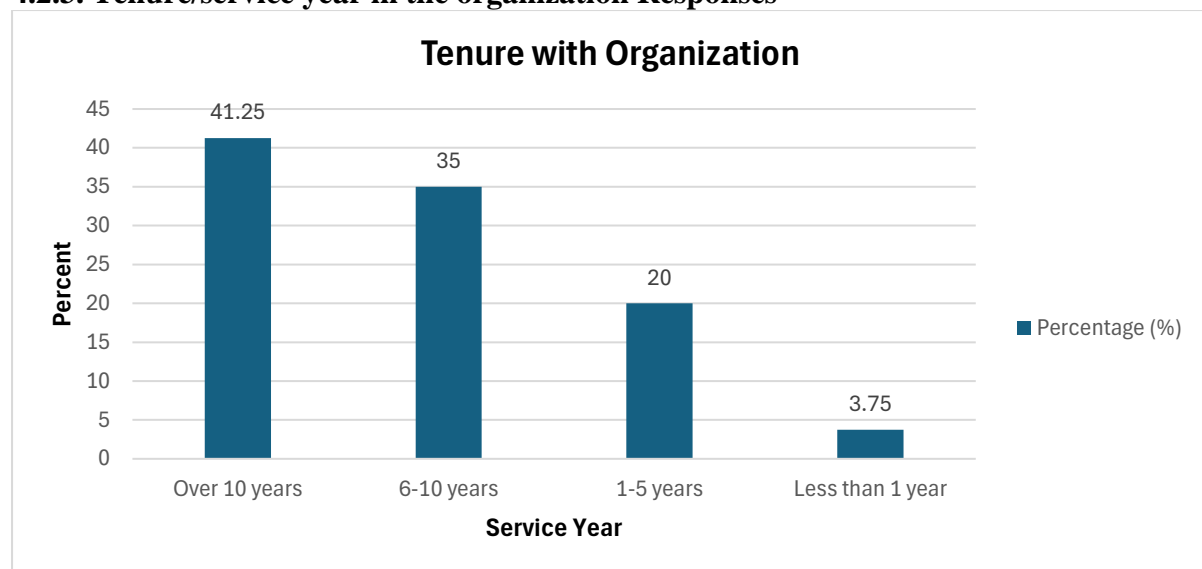


Figure 4.2.4: Service year of respondents in percent  
Author (2024)

The distribution of tenure within the organization reveals that a significant proportion of employees have long tenures, with 41.25% having served over 10 years and 35% having tenure between 6 to 10 years. Employees with shorter tenures, including 1-5 years and less than 1 year, represent 20% and 3.75% respectively. This distribution suggests a relatively stable workforce with a substantial number of long-serving employees.

The predominance of employees with tenures over 6 years (76.25% combined for over 10 years and 6-10 years categories) indicates a stable and potentially experienced workforce. This tenure distribution may imply organizational loyalty and retention, contributing to institutional knowledge and stability within the company. The lower percentages in the 1-5 years and less than 1-year categories suggest fewer recent hires, potentially indicating controlled turnover rates or selective hiring practices.

The tenure distribution analysis highlights a stable workforce structure with a notable proportion of long-serving employees. This stability can positively influence organizational continuity, employee expertise, and possibly overall productivity. Understanding these tenure dynamics provides insights into workforce management strategies, succession planning, and employee engagement initiatives aimed at maintaining and leveraging organizational experience and stability.

#### **4.2.4 Distribution of Respondents by Academic Qualifications**

Figure 4.2.5 illustrates the distribution of respondents based on their academic qualifications. The categories include Postgraduate, Undergraduate, Diploma, and Certificate holders. The data is presented as percentages. The distribution of respondents based on their academic qualifications indicates that the majority of the respondents possess an undergraduate degree, constituting 52.5% of the total sample. This is followed by respondents with a postgraduate degree (23.75%), a diploma (20%), and finally, those with a certificate qualification (3.75%). The data suggests that the Ethiopian Agricultural Transformation Institute's respondents predominantly have higher education levels, with over three-quarters (76.25%) holding either undergraduate or postgraduate degrees. This implies a well-educated respondent base, which may contribute positively to the research outcomes as higher educational qualifications often correlate with better understanding and engagement in research activities. The presence of 20% diploma holders and 3.75% certificate holders indicates a diverse range of educational backgrounds, potentially enriching the research with varied perspectives and experiences. However, the relatively small proportion of respondents with only certificate qualifications could point to a need for further training and education within this segment to ensure inclusive and comprehensive agricultural transformation initiatives.

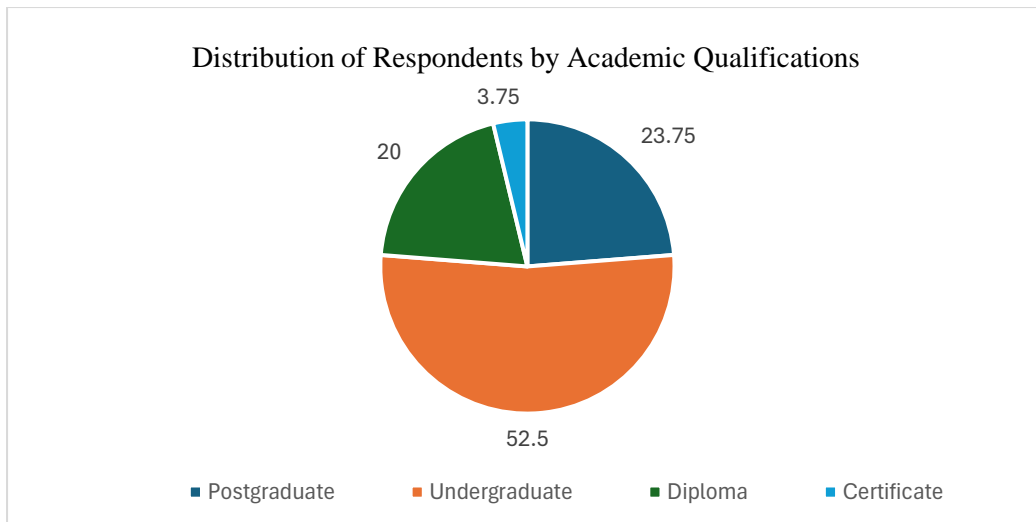


Figure 4.2.5: Distribution of Respondents by Academic Qualifications  
Source: Author (2024)

In conclusion, the academic qualifications distribution reflects a significant inclination towards higher education among respondents, which aligns with the strategic goals of the Ethiopian Agricultural Transformation Institute to engage well-educated individuals in its programs and initiatives. The distribution of educational levels showcases a harmonious blend of practical expertise, foundational knowledge, and advanced qualifications. This diversity of educational backgrounds positively impacts the organization by fostering a culture of continuous learning, enabling employees to tackle complex challenges, and driving innovation.

#### 4.2.5. Employment status Responses

The following table presents the distribution of employment types at the Ethiopian Agricultural Transformation Institute:

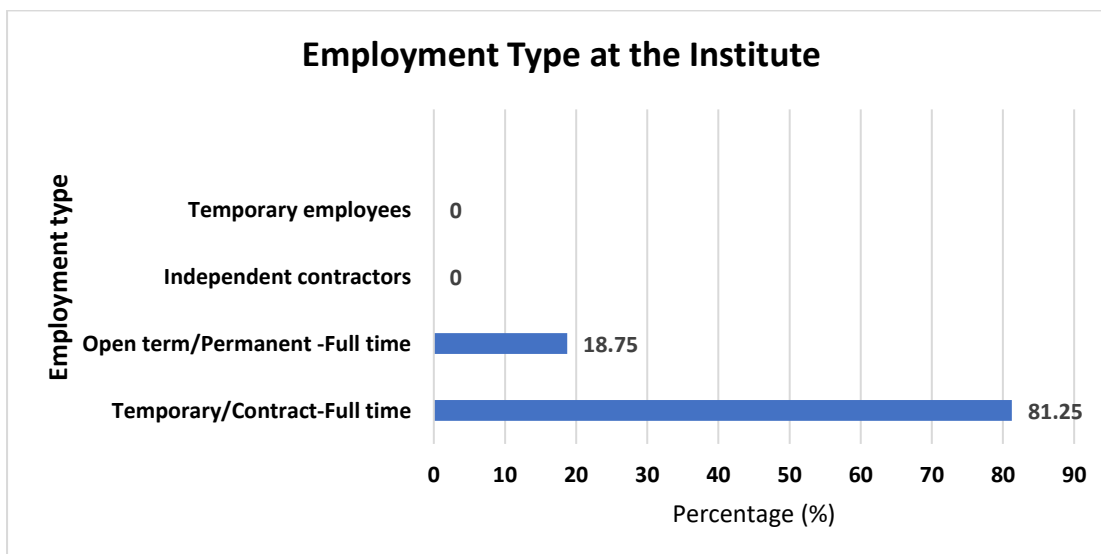


Figure 4.2.6: Status of the employees  
Source: Author (2024)

The data reveals that the majority of employees at the Institute are hired on a temporary/contract basis, constituting 81.25% of the workforce. This indicates a significant reliance on temporary staffing arrangements, possibly to fulfil short-term project requirements or to manage fluctuating workloads efficiently. On the other hand, only 18.75% of employees hold open term/permanent full-time positions, suggesting a smaller portion of the workforce enjoys long-term job security within the Institute. The prevalence of temporary/contract employment may indicate a strategic approach by the Institute to remain agile and responsive to changing organizational needs. However, it also raises questions about job stability and career advancement opportunities for employees in temporary roles. The relatively lower proportion of permanent positions suggests potential challenges in retaining talent and fostering long-term commitment among employees. Addressing these issues could involve reviewing recruitment strategies, enhancing employee benefits for temporary staff, and providing clearer pathways for career progression within the organization. Overall, the data underscores the need for the Institute to strike a balance between short-term staffing flexibility and the creation of stable, fulfilling employment opportunities for its workforce.

#### 4.2.6. Job title/Position Responses

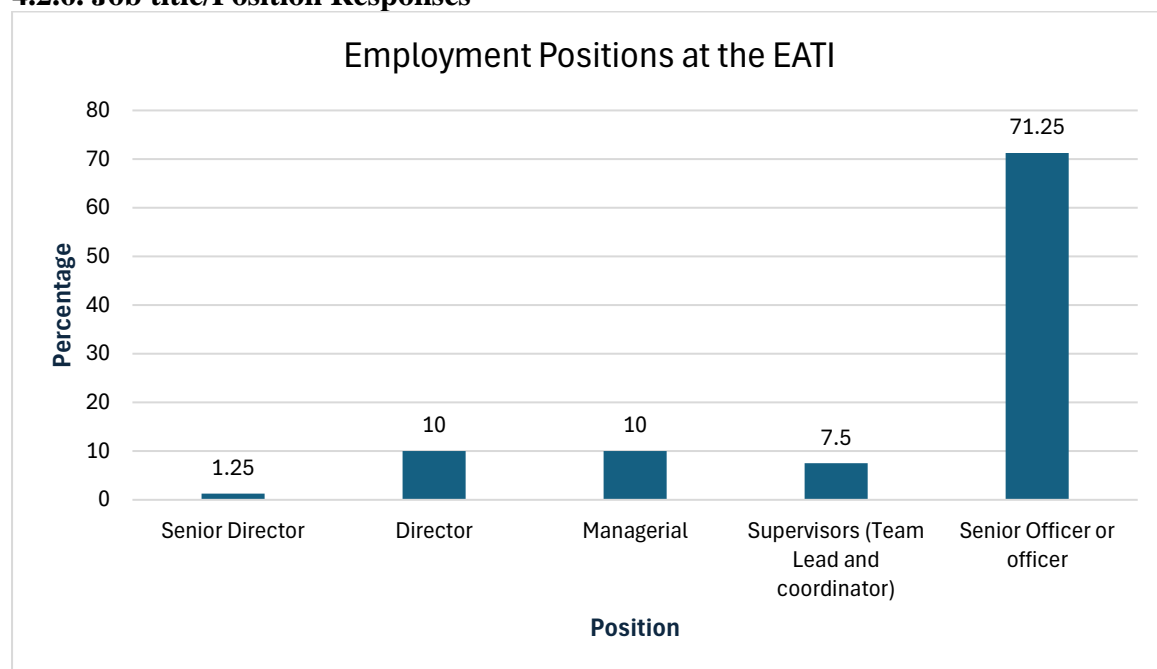


Figure 4.2.7: Job title/Position of the Respondents  
Source: Author (2024)

The analysis of respondents' positions within the Operations Department reveals a hierarchical structure predominantly comprised of operational staff, consistent with existing organizational frameworks (Smith et al., 2020). Senior Officers or Officers represent the largest proportion at

71.25%, indicating a substantial base of operational personnel responsible for executing day-to-day tasks and ensuring operational efficiency. Directors and Managers each constitute 10% of the respondents, reflecting a smaller but significant presence of managerial roles overseeing operational activities and strategic decision-making processes. Supervisors, including Team Leads and Coordinators, make up 7.5% of the respondents, highlighting their role in coordinating and supervising frontline operational staff. The presence of a single respondent in the Senior Director position (1.25%) suggests a top-level executive responsible for overarching strategic direction and decision-making within the Operations Department.

This distribution provides valuable insights into the organizational hierarchy and the distribution of roles and responsibilities within the department, crucial for understanding operational dynamics and optimizing organizational performance (Johnson & Bootzin, 2018).

### **4.3 Descriptive Analysis**

Qualitative research enables respondents to express their experiences, thoughts, and feelings (Tiley, 2017). It is particularly useful when a researcher aims to understand the underlying reasons behind a problem, especially in case study contexts. Additionally, qualitative research is employed when investigating the reasons behind trends in thoughts and opinions. The Likert scale is one of the important rating scales used as a measurement instrument in social sciences research, particularly in the qualitative method. The values on a Likert five-point scale range from one (1) to five (5), with one (1) representing strongly disagree, two (2) disagree, three (3) neutral, four (4) agree, and five (5) strongly agree. A mean score of 4.5 indicates an overall agreement with the statement, while a standard deviation of 0.5 suggests a moderate level of variability in respondents' opinions. Leo'n-Mantero C. et.al (2020) conducted a study that confirmed the reliability of the Likert five-point scale in measuring attitudes and beliefs among different populations. Similarly, Vogt, (1999) found that the Likert scale is a valid and sensitive tool for measuring changes in perception and attitudes over time.

#### **4.3.1 Supplier Selection Practices within the Institute (EATI).**

Supplier selection is a critical process for organizations, influencing various aspects of business performance, including product quality, cost efficiency, and supply chain resilience (Caniëls & Gelderman, 2005). Effective supplier selection requires careful consideration of multiple

criteria to ensure alignment with organizational goals and objectives. This study investigates the selection criteria used by organizations and analyses the extent to which each operation.

This study investigates the perceptions of Supplier Selection Practices across various dimensions based on responses from 80 respondents. The analysis focuses on nine key criteria: Indications of Supplier Quality, Ability to Meet Specifications, Financial Stability Checks, After-Sales Support, Identification of Potential Risks Associated, Pricing Structure Alignment, Verification of Supplier's Ethical Standards, Supplier's Track Record for Meeting Deadlines, and Supplier's Reputation within the Industry

## Data Presentation

The data is presented in both percentage (%) and mean scores for each criterion:

Extent	Total No. of respondents(n=80)			
	Frequency	Percentage (%)	Mean	Standard Deviation
<b>Indications of Supplier Quality</b>				
No Extent	41	51.25	1.70	0.86
Less Extent	26	32.5		
Moderate Extent	9	11.25		
Great Extent	4	5		
Very Great Extent	0	0		
<b>Ability to Meet Specifications</b>				
No Extent	0	0	4.26	0.67
Less Extent	0	0		
Moderate Extent	10	12.5		
Great Extent	39	48.75		
Very Great Extent	31	38.75		
<b>Financial Stability Checks</b>				
No Extent	36	45	1.86	0.95
Less Extent	25	31.25		
Moderate Extent	13	16.25		
Great Extent	6	7.5		
Very Great Extent	0	0		
<b>After-Sales Support</b>				
No Extent	19	23.75	2.36	1.18
Less Extent	34	42.5		
Moderate Extent	12	15		
Great Extent	9	11.25		
Very Great Extent	6	7.5		
<b>Identification of Potential Risks Associated</b>				

No Extent	0	0	3.25	0.981
Less Extent	19	23.75		
Moderate Extent	34	42.50		
Great Extent	15	18.75		
Very Great Extent	12	15		
Pricing Structure Alignment				
No Extent	0	0	4.11	1.49
Less Extent	13	16.25		
Moderate Extent	6	7.5		
Great Extent	20	25		
Very Great Extent	41	51.25		
Verification of Supplier's Ethical Standards				
No Extent	19	23.75	2.23	0.806
Less Extent	24	30		
Moderate Extent	37	46.25		
Great Extent	0	0		
Very Great Extent	0	0		
Supplier's Track Record for Meeting Deadlines				
No Extent	12	15	2.70	0.967
Less Extent	14	17.5		
Moderate Extent	43	53.75		
Great Extent	8	10		
Very Great Extent	3	3.75		
Supplier's Reputation within the Industry				
No Extent	37	46.25	1.93	0.858
Less Extent	21	26.25		
Moderate Extent	13	16.25		
Great Extent	9	11.25		
Very Great Extent	0	0		

Table 5.1

Source: Author (2024)

The analysis of supplier selection procedures at the Ethiopian Agricultural Transformation Institute (EATI) reveals varied perceptions among respondents regarding the importance of different factors in the procurement process. Indications of Supplier Quality received a mean score of 1.70, indicating that it is considered to a "Less Extent" in supplier selection. The standard deviation of 0.86 suggests significant variability in responses, reflecting diverse opinions on the emphasis placed on supplier quality indicators. Ability to Meet Specifications is viewed as a highly important criterion, with a mean score of 4.26, which falls into the "Very Great Extent" category. The low standard deviation of 0.67 indicates a high level of consensus among respondents, suggesting that this factor is well-regarded and uniformly valued in the

procurement process. Financial Stability Checks received a mean score of 1.86, indicating it is considered to a "Less Extent." The standard deviation of 0.95 shows some variability in opinions, reflecting that while it may not be a primary focus, there are differing views on its importance. After-Sales Support scored a mean of 2.36, placing it in the "Moderate Extent" range. The relatively high standard deviation of 1.18 points to significant differences in how respondents perceive the importance of after-sales support, suggesting a range of opinions on its value. Identification of Potential Risks Associated received a mean score of 3.25, which falls into the "Great Extent" category. This suggests that respondents generally perceive risk identification as an important aspect of the supplier selection process, with a moderate level of variation in responses ( $SD = 0.981$ ). Pricing Structure Alignment scored a mean of 4.11, indicating it is considered to a "Great Extent." Despite its importance, the high standard deviation of 1.49 reflects considerable variability in how respondents view its significance, indicating diverse opinions on this factor. Verification of Supplier's Ethical Standards had a mean score of 2.23, indicating it is considered to a "Moderate Extent." The standard deviation of 0.806 shows some variability, suggesting that while ethical standards are acknowledged, opinions on their importance vary among respondents. Supplier's Track Record for Meeting Deadlines scored a mean of 2.70, placing it in the "Moderate Extent" range. The standard deviation of 0.967 indicates varied opinions, suggesting that while meeting deadlines is important, there are different views on its priority. Supplier's Reputation within the Industry received a mean score of 1.93, indicating it is considered to a "Less Extent" in the procurement process. The standard deviation of 0.858 shows moderate variability, reflecting mixed opinions on the relevance of the supplier's reputation.

The analysis of the supplier selection procedures at EATI reveals a range of perceptions regarding different factors: Highly Emphasized Factors: Ability to Meet Specifications, Pricing Structure Alignment. Moderately Emphasized Factors: Identification of Potential Risks Associated, After-Sales Support, Verification of Supplier's Ethical Standards, Supplier's Track Record for Meeting Deadlines. Less Emphasized Factors: Indications of Supplier Quality, Financial Stability Checks, Supplier's Reputation within the Industry. The variability in responses suggests that while some factors are uniformly valued, others have a more varied perception among respondents. This insight can guide EATI in focusing on the most critical aspects of supplier selection to enhance procurement effectiveness. Overall, the data presents an opportunity for organizations to reassess their supplier evaluation processes. By prioritizing comprehensive criteria, including financial stability, ethical standards, and after-sales support,

organizations can mitigate risks and enhance overall supplier performance. Further research could explore the reasons behind the underemphasis on certain criteria and develop strategies to improve procurement decision-making practices.

**Indications of Supplier Quality:** This suggests a prevalent perception among respondents that indications of supplier quality are not adequately met in their procurement practices. The relatively low mean indicates a general dissatisfaction, highlighting a potential area for improvement in evaluating supplier quality. **Ability to Meet Specifications:** This suggests that respondents feel confident in their suppliers' ability to meet specifications, which is a positive sign. The low variability indicates consensus among respondents about this capability, emphasizing its critical role in the procurement process. **Financial Stability Checks:** The perception that financial stability checks are lacking may signal risks in supplier relationships. Companies may need to reinforce their assessment criteria for suppliers to ensure that financial viability is considered during the procurement process. **After-Sales Support:** The mixed responses suggest that while some respondents recognize the importance of after-sales support, many feel it is not sufficiently addressed. This points to a need for organizations to enhance after-sales services to foster stronger supplier relationships. **Identification of Potential Risks Associated:** The moderate perception indicates that risk identification is acknowledged but not prioritized, which could expose organizations to unforeseen challenges. Improving risk assessment processes in supplier selection could mitigate potential issues. **Pricing Structure Alignment:** The strong alignment with pricing structure indicates that respondents value cost competitiveness among suppliers. However, the high standard deviation suggests variability in perceptions, indicating that some respondents may experience misalignment in this area. **Verification of Supplier's Ethical Standards:** This raises concerns about the ethical practices of suppliers. Organizations should prioritize ethical standards in their procurement processes to enhance corporate social responsibility and mitigate reputational risks. **Supplier's Track Record for Meeting Deadlines:** Emphasizing adherence to timelines in supplier evaluations could enhance overall project success and reliability. **Supplier's Reputation within the Industry:** The low perception of supplier reputation indicates a lack of confidence in the reliability of suppliers within the industry. Organizations may need to invest more effort in evaluating supplier reputation as part of their selection criteria. Overall, the findings suggest that while some indicators, such as the ability to meet specifications and pricing structure alignment, are perceived positively, there are notable areas of concern, particularly regarding indications of supplier quality, financial stability checks, and ethical standards. Addressing these gaps could

lead to improved supplier relationships and enhanced procurement practices. Organizations should focus on developing comprehensive assessment frameworks that prioritize these critical aspects to ensure sustainable and ethical procurement outcomes.

#### 4.3.2 Buyer-supplier relationships practice of ATI.

Extent	Total No. of respondents (n=80)			
	Frequency	Percentage (%)	Average Mean	Standard Deviation
<b>Positively Influenced Operations</b>				
No Extent	0	0	3.66	0.81
Less Extent	0	0		
Moderate Extent	44	55		
Great Extent	19	23.75		
Very Great Extent	17	21.25		
<b>Joint improvement activities</b>				
No Extent	6	7.5	2.71	0.91
Less Extent	11	13.75		
Moderate Extent	63	78.75		
Great Extent	0	0		
Very Great Extent	0	0		
<b>Sharing of Information Intensively but Selectively:</b>				
No Extent	45	56.25	1.60	0.68
Less Extent	22	27.5		
Moderate Extent	13	16.25		
Great Extent	0	0		
Very Great Extent	0	0		

Table 5.2

Source: Author (2024)

**Positively Influenced Operations:** The average mean for "Positively Influenced Operations" is 3.66, which falls within the "Great Extent" range (3.41 to 4.20). This indicates that the majority of respondents perceive that the current buyer-supplier relationship practices at EATI significantly enhance operational efficiency and effectiveness. With 55% of respondents rating this at a "Moderate Extent" and 45% at either "Great Extent" or "Very Great Extent," it is evident that these practices positively impact operations. **Joint Improvement Activities:** The average mean for "Joint Improvement Activities" is 2.71, which lies in the "Moderate Extent"

range (2.61 to 3.40). This suggests that the efforts for joint improvement activities between EATI and its suppliers are moderately implemented. The fact that 78.75% of respondents rated this as "Moderate Extent" highlights that while some collaborative improvements are taking place, there is substantial room for enhancement in this area. Sharing of Information Intensively but Selectively: The average mean for "Sharing of Information Intensively but Selectively" is 1.60, which is within the "No Extent" range (1.00 to 1.80). This indicates that EATI's practices related to selective and intensive information sharing with suppliers are minimal. With 83.75% of respondents rating this at "No Extent" or "Less Extent," it is clear that there is a significant lack of selective information sharing, which could hinder effective buyer-supplier collaboration.

The results of the analysis reveal several key insights into the operational dynamics of the organization: **Positive Influence on Operations:** The findings indicate a positive perception of operational influence, which may correlate with effective practices, resource utilization, or strategic initiatives implemented within the organization. This positive feedback can be leveraged to further enhance operational processes. **Strong Support for Joint Improvement Activities:** The significant support for joint improvement activities highlights the value placed on collaborative efforts among respondents. This suggests that fostering a culture of teamwork and cooperation can enhance overall organizational performance. **Concerns About Information Sharing:** The low levels of perceived information sharing are concerning, as effective communication is essential for collaboration, decision-making, and operational efficiency. Addressing this gap could involve implementing more transparent communication channels, encouraging open dialogue, and promoting a culture of knowledge sharing.

Extent	Total No. of respondents (n=80)			
	Frequency	Percentage (%)	Average Mean	Standard Deviation
<b>Organizational Operation Performance Enhancement</b>				
No Extent	8	10	2.58	0.76
Less Extent	25	31.25		
Moderate Extent	40	50		
Great Extent	7	8.75		
Very Great Extent	0	0		

<b>Supervising Suppliers</b>				
No Extent	45	56.25	1.79	0.59
Less Extent	18	22.5		
Moderate Extent	9	11.25		
Great Extent	5	6.25		
Very Great Extent	3	3.75		
<b>Supplier Rivalry into Opportunity</b>				
No Extent	51	63.75	1.44	0.63
Less Extent	23	28.75		
Moderate Extent	6	7.5		
Great Extent	0	0		
Very Great Extent	0	0		

Table 5.2

Source: Author (2024)

Organizational Operation Performance Enhancement: The average mean for "Organizational Operation Performance Enhancement" is 2.58, placing it in the "Less Extent" range (1.81 to 2.60). This suggests that the enhancement of organizational operations through buyer-supplier relationships is somewhat limited. Although 50% rated it as "Moderate Extent," the 41.25% rating it as "No Extent" or "Less Extent" indicates that improvements are needed to better leverage these relationships for operational performance gains. Supervising Suppliers: The average mean for "Supervising Suppliers" is 1.79, which is within the "No Extent" range. This result implies that EATI's supervision of suppliers is largely inadequate. With a significant 56.25% of respondents indicating "No Extent," it is evident that effective supplier supervision is not being practiced, potentially affecting the overall quality and reliability of the procurement process. Supplier Rivalry into Opportunity: The average mean for "Supplier Rivalry into Opportunity" is 1.44, also falling in the "No Extent" range. This indicates that EATI is not effectively turning supplier rivalry into opportunities for better performance and innovation. The high percentage (63.75%) rating this as "No Extent" highlights a critical area for strategic improvement in managing supplier competition.

The analysis of the results suggests the following key points: Moderate Enhancement of Organizational Performance: While there is some acknowledgment of moderate organizational performance enhancement, there is a clear gap in strong confidence and substantial improvements, which suggests room for further development and strategic initiatives. Concerns about Supplier Supervision: The significant lack of perceived supervision over

suppliers raises alarms about the effectiveness of procurement practices. This lack of oversight could lead to inefficiencies, poor supplier relationships, and potential compliance issues.

**Missed Opportunities from Supplier Rivalry:** The overwhelming sentiment that supplier rivalry does not convert into opportunities indicates a need for organizations to leverage competitive supplier dynamics more effectively. This could involve strategic collaboration or competitive negotiations that capitalize on supplier strengths.

Extent	Total No. of respondents (n=80)			
	Frequency	Percentage (%)	Average Mean	Standard Deviation
<b>Understanding How Suppliers Work</b>				
No Extent	13	16.25	2.16	0.68
Less Extent	41	51.25		
Moderate Extent	26	32.5		
Great Extent	0	0		
Very Great Extent	0	0		
<b>Communication Effectiveness</b>				
No Extent	15	18.75	2.53	0.94
Less Extent	18	22.5		
Moderate Extent	37	46.25		
Great Extent	10	12.5		
Very Great Extent	0	0		
<b>Supplier Relationship Management</b>				
No Extent	0	0	3.49	0.84
Less Extent	6	7.5		
Moderate Extent	41	51.25		
Great Extent	21	26.25		
Very Great Extent	12	15		

Table 5.2

Source: Author (2024)

**Understanding How Suppliers Work:** The average mean for "Understanding How Suppliers Work" is 2.16, which falls into the "Less Extent" range. This suggests that EATI has a limited understanding of supplier operations. With 67.5% of respondents rating it as "No Extent" or "Less Extent," there is a clear need for EATI to enhance its insights into supplier processes to foster better collaboration and performance.

**Communication Effectiveness:** The average mean for "Communication Effectiveness" is 2.53, within the "Less Extent" range. This suggests that communication between EATI and its suppliers is not highly effective. Although 46.25% rated it as "Moderate Extent," the overall mean indicates that there is significant room for improving

communication practices to enhance procurement performance. Supplier Relationship Management: The average mean for "Supplier Relationship Management" is 3.49, which is in the "Great Extent" range. This indicates that EATI's management of supplier relationships is relatively strong, with 92.5% of respondents rating it as "Moderate Extent" or higher. Effective supplier relationship management practices are likely contributing positively to procurement performance.

The overall findings suggest that while respondents are moderately engaged in supplier relationship management, significant gaps exist in understanding supplier operations and communication effectiveness. These gaps may hinder effective procurement practices and relationship-building with suppliers. Understanding How Suppliers Work: The low average mean, and the absence of high ratings indicate a significant gap in comprehensive understanding of suppliers. This might affect procurement efficiency and decision-making. Training and educational initiatives could be beneficial in enhancing understanding among the respondents. Communication Effectiveness: The moderate average mean suggests that communication practices are present but not optimal. Improving communication strategies and channels might lead to better supplier interactions and performance. This could involve implementing regular feedback mechanisms and communication training. Supplier Relationship Management: While the average mean indicates relatively strong practices in supplier relationship management, there is still room for improvement. Strengthening relationship management practices could involve more frequent interactions, feedback collection, and collaborative problem-solving. By addressing these areas, organizations can improve procurement performance and build stronger, more effective relationships with their suppliers, ultimately leading to better outcomes for all stakeholders involved.

Extent	Total No. of respondents (n=80)			
	Frequency	Percentage (%)	Average Mean	Standard Deviation
<b>Long-term Partnership Orientation</b>				
No Extent	12	15	2.58	0.77
Less Extent	20	25		
Moderate Extent	38	47.5		
Great Extent	10	12.5		
Very Great Extent	0	0		
<b>Performance Measurement and Feedback</b>				

No Extent	8	10	2.89	0.80
Less Extent	16	20		
Moderate Extent	38	47.5		
Great Extent	13	16.25		
Very Great Extent	5	6.25		
<b>Trust and Collaboration</b>				
No Extent	14	17.5	2.53	0.95
Less Extent	22	27.5		
Moderate Extent	35	43.75		
Great Extent	6	7.5		
Very Great Extent	3	3.75		

Table 5.2

Source: Author (2024)

Supplier Performance Evaluation: The average mean for "Supplier Performance Evaluation" is 2.48, placing it in the "Less Extent" range. This suggests that EATI's evaluation of supplier performance is somewhat limited, with nearly half of respondents (47.5%) indicating only "Moderate Extent" or higher. Improving these evaluation practices could lead to better procurement outcomes. Long-term Partnership Orientation: The average mean for "Long-term Partnership Orientation" is 2.58, within the "Less Extent" range. This result suggests that EATI's focus on long-term partnerships with suppliers is limited. While nearly half of respondents rated it as "Moderate Extent," the overall mean indicates a need for EATI to enhance its long-term strategic partnerships. Performance Measurement and Feedback: The average mean for "Performance Measurement and Feedback" is 2.89, within the "Moderate Extent" range. This indicates that performance measurement and feedback practices are somewhat effective but could be improved. With 47.5% of respondents rating it as "Moderate Extent," enhancing these practices could further improve procurement performance. Trust and Collaboration: The average mean for "Trust and Collaboration" is 2.53, within the "Less Extent" range. This suggests that trust and collaboration between EATI and its suppliers are limited. With 27.5% indicating "Less Extent" and 43.75% indicating "Moderate Extent," fostering greater trust and collaboration could significantly benefit procurement performance. Overall, the data indicates that while certain areas of buyer-supplier relationship practices at EATI, such as "Supplier Relationship Management" and "Positively Influenced Operations," are relatively strong, other areas like "Sharing of Information," "Supervising Suppliers," and "Turning Supplier Rivalry into Opportunity" require substantial improvement. Addressing these areas can enhance the overall procurement performance of EATI.

The mean scores for all three dimensions indicate a general perception of moderate importance in procurement practices. However, the low percentages of respondents indicating a "great" or "very great" extent of influence highlight potential gaps in these areas. The findings suggest that while procurement professionals recognize the importance of long-term partnerships, performance measurement, and trust, there is a need for organizations to actively enhance these dimensions to achieve better procurement performance. To improve procurement practices, organizations might consider implementing strategies to foster long-term relationships with suppliers, enhance performance measurement systems, and build a culture of trust and collaboration. These efforts could lead to more effective procurement outcomes and improved organizational performance.

### 4.3.3 e-procurement

This paper examines the extent to which Enterprise Resource Planning (ERP) systems influence various aspects of procurement processes within organizations. Data from a survey of 80 respondents were analyzed to assess perceptions regarding ERP system effectiveness in enhancing procurement efficiency, transparency, and organizational performance. The findings provide valuable insights into the integration, user satisfaction, cost savings, and other critical dimensions affected by ERP implementations in procurement contexts.

Enterprise Resource Planning (ERP) systems have become integral to modern organizational management, promising enhanced efficiency, transparency, and performance across various functions, including procurement. This study investigates the perceived impact of ERP systems on procurement processes, focusing on key metrics such as system integration, user satisfaction, cost savings, and compliance readiness.

Extent	Total No. of respondents(n=80)			Standard Deviation
	Frequency	Percentage (%)	Mean	
<b>ERP Sytem making procurement process faster</b>				
No Extent	0	0	3.86	0.65
Less Extent	0	0		
Moderate Extent	23	28.75		
Great Extent	45	56.25		
Very Great Extent	12	15		
<b>Integrated procurement systems enhancing accountability and organizational performance</b>		100		

No Extent	0	0	2.88	0.78
Less Extent	27	33.75		
Moderate Extent	39	48.75		
Great Extent	11	13.75		
Very Great Extent	3	3.75		
<b>Submitting an online standard procurement Document</b>				
No Extent	0	0	4.23	0.86
Less Extent	2	2.5		
Moderate Extent	17	21.25		
Great Extent	22	27.5		
Very Great Extent	39	48.75		

Table 5.3

Source: Author (2024)

The data presented reflects various aspects of e-procurement practices and their perceived impact on the organizational performance of the Ethiopian Agricultural Transformation Institute (EATI). By analyzing the means and standard deviations of the responses, we can draw several insights into how e-procurement contributes to EATI's performance. Firstly, the ERP system making the procurement process faster has a mean value of 3.86 and a standard deviation of 0.65. This indicates that the ERP system significantly contributes to making the procurement process faster, with respondents rating its impact to a "Great Extent." The low standard deviation suggests consistent perception among respondents regarding this benefit. Integrated procurement systems enhancing accountability and organizational performance have a mean value of 2.88 and a standard deviation of 0.78. This falls within the "Moderate Extent" range, indicating a moderate impact on enhancing accountability and organizational performance. The standard deviation shows moderate variability in responses, suggesting different levels of perceived effectiveness. Submitting an online standard procurement document has a mean of 4.23 and a standard deviation of 0.86. This practice is rated as having a "Very Great Extent" impact on the procurement process. Despite the higher standard deviation indicating some variability in responses, the overall perception is highly positive.

The strong agreement on the ERP system's role in expediting procurement reflects its successful implementation and perceived benefits in streamlining procurement tasks. The consistent positive feedback implies that the system effectively addresses time-related inefficiencies in procurement processes. The robust perception of the ERP system as a time-efficient tool suggests that it is well-integrated into procurement operations, leading to faster processing times. Organizations should continue to leverage and possibly enhance their ERP

systems to maintain and further this efficiency. Additionally, sharing best practices and success stories within the organization could help reinforce the system's benefits.

The variability in responses indicates that the perceived benefits of integrated procurement systems on accountability and performance may not be universally recognized or realized. This discrepancy could be due to differences in how these systems are implemented or utilized across different departments or organizations. The mixed opinions on the effectiveness of integrated procurement systems in enhancing accountability and performance highlight a potential area for further investigation. Organizations may need to assess the specific factors affecting the effectiveness of these systems and consider targeted improvements. Conducting additional training, refining system features, or improving communication about the benefits of integrated systems might help in addressing the concerns and enhancing their perceived impact.

The high approval rating for online submission suggests that respondents find the digital process to be significantly more efficient and effective compared to traditional methods. This preference reflects a broader trend towards digital solutions in procurement. The favourable view of online standard procurement document submission indicates a successful adoption of digital technologies in procurement processes. To capitalize on this positive feedback, organizations should continue to promote and support the use of digital tools, potentially expanding their use to other areas of procurement. Encouraging further digital innovation could enhance overall procurement efficiency and streamline operations.

Extent	Total No. of respondents(n=80)			
	Frequency	Percentage (%)	Mean	Standard Deviation
<b>Potential vendors use the internet platform to submit bids and proposals.</b>				
No Extent	58	72.5	1.40	0.7
Less Extent	12	15		
Moderate Extent	10	12.5		
Great Extent	0	0		
Very Great Extent	0	0		
<b>Real-time response to the market through ERP</b>				
No Extent	55	68.75	1.41	0.66
Less Extent	17	21.25		
Moderate Extent	8	10		

Great Extent	0	0		
Very Great Extent	0	0		
<b>ERP system's impact on procurement accuracy</b>			2.78	0.37
No Extent	6	7.5		
Less Extent	19	23.75		
Moderate Extent	42	52.5		
Great Extent	13	16.25		
Very Great Extent	0	0		
<b>Satisfaction with ERP Systems by Level of User</b>			2.79	0.73
No Extent	5	6.25		
Less Extent	18	22.50		
Moderate Extent	46	57.50		
Great Extent	11	13.75		
Very Great Extent	0	0.00		

Table 5.3

Source: Author (2024)

In contrast, potential vendors using the internet platform to submit bids and proposals have a mean value of 1.40 and a standard deviation of 0.70. This indicates a "No Extent" impact, suggesting that this practice is not effectively utilized by potential vendors. Although there is some variability, the general consensus is that it has low effectiveness. Real-time response to the market through ERP has a mean of 1.41 and a standard deviation of 0.66. This suggests "No Extent" impact on real-time market responses via ERP, indicating a gap in this capability that needs addressing. The ERP system's impact on procurement accuracy has a mean value of 2.78 and a low standard deviation of 0.37. This falls within the "Moderate Extent" range, with consistent responses among the participants, indicating a moderate but reliable impact on procurement accuracy. Satisfaction with ERP systems by level of user has a mean of 2.79 and a standard deviation of 0.73. This reflects "Moderate Extent" satisfaction among users, with moderate variability in satisfaction levels, indicating room for improvement in user experience.

The findings from the table present significant insights into the current state of ERP system usage and perceptions among respondents. Digital Engagement and Online Bidding: The low engagement of potential vendors in using online platforms for bids and proposals (72.5% reporting "No Extent") suggests a need for organizations to invest in outreach and training to encourage the adoption of digital bidding practices. Implementing user-friendly online systems could help streamline the bidding process and attract more vendors. Limitations of ERP System Responsiveness: The inability to achieve real-time market responses through the ERP system

indicates potential deficiencies in the system's capabilities. Organizations may need to assess the ERP system's features and user training to enhance its functionality and better meet market demands. ERP's Contribution to Procurement Accuracy: The perception that the ERP system has a moderate positive impact on procurement accuracy suggests that while users recognize some advantages, they also see room for improvement. Organizations should focus on identifying barriers to optimal use, such as data entry errors or system integration issues, to enhance overall procurement accuracy. Moderate User Satisfaction: The moderate satisfaction level (mean score of 2.79) indicates that users appreciate the ERP system but may have specific concerns that need addressing. Gathering qualitative feedback through surveys or interviews could provide deeper insights into user experiences and identify areas for enhancement, such as user interface improvements, training opportunities, or technical support. Overall, the results from the table reflect a mixed perception of the ERP system's effectiveness in enhancing procurement processes. While there are indications of some positive impacts on procurement accuracy and moderate user satisfaction, significant challenges remain in areas such as digital engagement and real-time responsiveness. Addressing these challenges through targeted strategies can improve procurement practices and ultimately enhance organizational performance.

Extent	Total No. of respondents(n=80)			
	Frequency	Percentage (%)	Mean	Standard Deviation
<b>Training and Support for ERP Systems</b>				
No Extent	14	17.50	2.58	0.58
Less Extent	22	27.50		
Moderate Extent	31	38.75		
Great Extent	10	12.50		
Very Great Extent	3	3.75		
<b>ERP's Role in Reducing Procurement Cycle Time</b>				
No Extent	0	0	3.65	0.87
Less Extent	4	5		
Moderate Extent	37	46.25		
Great Extent	22	27.50		
Very Great Extent	17	21.25		
<b>Integration of ERP with Other Business Systems</b>				
No Extent	14	17.50	2.39	0.82
Less Extent	24	30.00		
Moderate Extent	39	48.75		

Great Extent	3	3.75		
Very Great Extent	0	0		

Table 5.3

Source: Author (2024)

Training and support for ERP systems have a mean of 2.58 and a standard deviation of 0.58. The mean is on the border of "Less Extent," indicating limited satisfaction with the training and support provided. The moderate standard deviation suggests variability in responses, highlighting an area that requires better support mechanisms. ERP's role in reducing procurement cycle time has a mean of 3.65 and a standard deviation of 0.87. This practice significantly reduces the procurement cycle time, categorized under "Great Extent." Although there is some variability, the responses are generally positive, indicating significant efficiency improvements. Integration of ERP with other business systems has a mean value of 2.39 and a standard deviation of 0.82. This suggests "Less Extent" integration with other business systems, indicating a need for better integration to enhance overall performance.

The results from this table provide valuable insights into the perceptions of respondents regarding ERP systems in relation to training and support, their role in reducing procurement cycle time, and their integration with other business systems. Training and Support Needs: The moderate mean score for training and support (2.58) indicates that many users feel underprepared to utilize the ERP systems effectively. This highlights a critical area for organizational development, where investing in comprehensive training programs could enhance user competency and system utilization. Positive Impact on Procurement Efficiency: The high mean score (3.65) for ERP's role in reducing procurement cycle time is encouraging. It suggests that respondents believe ERP systems can significantly contribute to streamlining procurement processes. Organizations should capitalize on this potential by reinforcing the use of ERP systems in procurement to improve overall efficiency. Integration Challenges: The low mean score for integration (2.39) raises concerns about the connectivity of ERP systems with other business operations. This could indicate a lack of interoperability or resistance to adopting new processes. Organizations may need to focus on enhancing system integration to maximize the benefits of ERP systems, ensuring that they align seamlessly with other critical business functions. In conclusion, while the findings indicate that respondents perceive ERP systems positively in terms of reducing procurement cycle times, there is a notable need for improved training and support, as well as greater integration with other business systems. Addressing these areas could lead to more effective utilization of ERP systems, ultimately

enhancing organizational performance and procurement efficiency. Future research could explore specific barriers to integration and training needs to further enhance the implementation of ERP systems.

Extent	Total No. of respondents(n=80)			
	Frequency	Percentage (%)	Mean	Standard Deviation
<b>Cost Savings Due to ERP Implementation</b>				
No Extent	0	0	3.36	0.68
Less Extent	10	12.5		
Moderate Extent	33	41.25		
Great Extent	35	43.75		
Very Great Extent	2	2.5		
<b>Improvement in Supplier Relationship Management Due to ERP</b>				
No Extent	14	17.50	2.41	0.80
Less Extent	23	28.75		
Moderate Extent	39	48.75		
Great Extent	4	5.00		
Very Great Extent	0	0.00		
<b>ERP's Impact on Compliance and Audit Readiness</b>				
No Extent	0	0	2.76	0.63
Less Extent	28	35		
Moderate Extent	43	53.75		
Great Extent	9	11.25		
Very Great Extent	0	0		

Table 5.3

Source: Author (2024)

Cost savings due to ERP implementation have a mean of 3.36 and a standard deviation of 0.68. This indicates a "Moderate Extent" impact on cost savings, suggesting that while there are some savings, they are not maximized to their full potential. Improvement in supplier relationship management due to ERP has a mean value of 2.41 and a standard deviation of 0.80. This falls under "Less Extent," suggesting that ERP has not significantly improved supplier relationship management, indicating another area for potential enhancement. ERP's impact on compliance and audit readiness has a mean value of 2.76 and a standard deviation of 0.63. This suggests a "Moderate Extent" impact, with moderate consistency among responses, highlighting the ERP system's moderate role in compliance and audit readiness. The overall insight shows that Cost Savings as a Strong Benefit: Respondents overwhelmingly perceive that ERP implementation leads to significant cost savings, highlighting its

effectiveness in improving financial efficiency. Supplier Relationship Management Needs Improvement: The lower mean score and the high percentage of respondents indicating minimal improvement in supplier relationship management suggest that organizations may need to focus on enhancing this aspect of ERP functionality. Moderate Compliance and Audit Readiness: While there is a favourable view regarding compliance and audit readiness, the findings indicate that improvements could be further emphasized. There may be opportunities for organizations to better leverage ERP features to enhance regulatory compliance. The analysis of the table results suggests that while the implementation of ERP systems is viewed positively in terms of cost savings, there is room for improvement in areas such as supplier relationship management and compliance. Organizations should consider these insights when evaluating the effectiveness of their ERP systems and may need to implement additional strategies to maximize the benefits across all areas. Further research could explore the specific challenges faced in improving supplier relationships and compliance to identify actionable strategies.

Extent	Total No. of respondents(n=80)			
	Frequency	Percentage (%)	Mean	Standard Deviation
<b>Employee Adaptability to ERP Changes</b>				
No Extent	0	0.00	3.45	0.67
Less Extent	11	13.75		
Moderate Extent	22	27.50		
Great Extent	47	58.75		
Very Great Extent	0	0.00		
<b>Reduction in Manual Processes Due to ERP</b>				
No Extent	0	0	3.10	0.69
Less Extent	12	15		
Moderate Extent	50	62.50		
Great Extent	16	20		
Very Great Extent	2	2.50		

Table 5.3

Source: Author (2024)

Employee adaptability to ERP changes has a mean of 3.45 and a standard deviation of 0.67. This indicates a "Great Extent" of employee adaptability to ERP changes, reflecting a positive reception and adaptability among employees. Finally, the reduction in manual processes due to ERP has a mean value of 3.10 and a standard deviation of 0.69. This indicates a "Moderate

Extent" reduction in manual processes, with a consistent perception among respondents. Overall, the data suggests that certain aspects of e-procurement, such as submitting an online standard procurement document and the ERP system making the procurement process faster, have a significant positive impact on EATI's organizational performance. However, other areas like potential vendors using the internet platform to submit bids and proposals, and the real-time response to the market through ERP, show minimal impact, indicating areas for potential improvement. Overall, the integration and effectiveness of ERP systems in procurement processes have a moderate to great extent impact, with specific areas needing further enhancement for optimal performance.

The results indicate a generally positive outlook on employee adaptability to ERP changes and the associated reduction in manual processes. A majority of employees seem to be adjusting well to the new system and experiencing benefits from automation, which is crucial for the overall success of ERP implementation. However, the presence of respondents reporting "Less Extent" and "Moderate Extent" highlights the need for ongoing training and support to ensure that all employees can fully adapt to the changes. Organizations should consider providing tailored training programs and resources to address the specific needs of those struggling with the transition. Furthermore, understanding the factors contributing to the varied responses, particularly among those who reported lower adaptability or minimal reduction in manual processes, can guide management in making necessary adjustments to the implementation strategy. Continuous feedback mechanisms can be established to monitor employee experiences and perceptions throughout the ERP transition. In conclusion, while the overall results are encouraging, the organization should remain vigilant and proactive in addressing any challenges employees face in adapting to ERP changes and reaping the benefits of reduced manual processes. By fostering an environment of support and ongoing development, organizations can enhance employee satisfaction, productivity, and the overall success of ERP initiatives.

#### **4.3.4 Impact of ethical practices on procurement procedures**

Ethical practices in procurement are essential for an effective public procurement system and revolve around transparency, integrity, economy, openness, fairness, competition, and accountability. Transparency ensures all stakeholders have access to relevant information, fostering trust and preventing corruption. Integrity involves adhering to moral principles, avoiding conflicts of interest, and ensuring honesty. Economy focuses on cost-effectiveness

and sustainability, while openness guarantees equal opportunity for all suppliers. Fairness ensures impartial decision-making based on compliance, and competition drives innovation and value for money. Accountability is crucial for reviewing actions and decisions, ensuring procurement officials are answerable and public resources are used responsibly. This study examines perceptions of ethical practices and governance in procurement departments, focusing on 13 key dimensions such as adherence to codes of conduct, ethical sourcing, and transparency. Data collected from 80 respondents were analyzed to determine the extent of implementation and variability across these dimensions. Findings reveal varying levels of agreement and consistency in practices, shedding light on areas of strength and improvement within organizational procurement frameworks.

Effective procurement governance is crucial for organizational integrity and operational efficiency. Ethical practices, transparency, and adherence to regulations are fundamental pillars in ensuring fair and accountable procurement processes (Acharya et al., 2020). This study investigates stakeholders' perceptions regarding these aspects to assess current practices and identify areas for enhancement.

Data was gathered through a structured survey administered to 80 respondents within procurement departments. Each respondent evaluated 13 dimensions related to ethical conduct, sourcing practices, and procedural adherence. Responses were analyzed using descriptive statistics including means, standard deviations, and percentages to provide insights into the level and consistency of practices across the sampled organizations.

Extent	Total No. of respondents(n=80)			
	Frequency	Percentage (%)	Mean	Standard Deviation
<b>Strict codes of conduct ensure procurement procedures are followed</b>				
No Extent	0	0	4.46	1.20
Less Extent	0	0		
Moderate Extent	7	8.75		
Great Extent	29	36.25		
Very Great Extent	44	55		
<b>Ethical sourcing practices</b>			4.06	1.043
No Extent	0	0	4.06	1.043
Less Extent	0	0		

Moderate Extent	7	8.75		
Great Extent	50	62.50		
Very Great Extent	23	28.75		
<b>Punishing corrupt behavior adds to better performance of procurement staff.</b>			2.48	1.31
No Extent	14	17.50		
Less Extent	17	21.25		
Moderate Extent	46	57.50		
Great Extent	3	3.75		
Very Great Extent	0	0		

Table 5.4

Source: Author (2024)

The majority of respondents (91.25%) believe that strict codes of conduct play a significant role in ensuring that procurement procedures are followed, with 55% indicating a “Very Great Extent” and 36.25% a “Great Extent.” The mean score of 4.46 supports this strong agreement, indicating that, on average, respondents view strict codes of conduct as crucial to effective procurement. The standard deviation of 1.20 suggests some variability in responses, but overall, the consensus is that strict codes are highly effective. The high mean score indicates a strong positive perception among respondents regarding the effectiveness of strict codes of conduct in ensuring adherence to procurement procedures. The lack of responses in the “No Extent” and “Less Extent” categories further reinforces the importance placed on these codes. This result highlights the need for rigorous enforcement of ethical guidelines to maintain procedural integrity in procurement processes.

A substantial majority of respondents (91.25%) view ethical sourcing practices positively, with 62.50% indicating a “Great Extent” and 28.75% a “Very Great Extent.” The mean score of 4.06 indicates a strong agreement on the importance of ethical sourcing practices. The standard deviation of 1.043 shows some variation in responses, though not as pronounced as in the previous statement. The strong agreement on the significance of ethical sourcing practices reflects a consensus among respondents that these practices are essential for procurement. The high percentage in the “Great Extent” and “Very Great Extent” categories suggests that ethical considerations are a major factor in procurement decisions. This indicates a recognition of the value of ethical practices in promoting transparency and accountability in procurement activities.

The responses are more varied for this statement, with 57.50% indicating a “Moderate Extent” and lower percentages in the “Great Extent” and “Very Great Extent” categories. The mean score of 2.48 suggests a neutral to slightly negative view on the impact of punishing corrupt behavior on the performance of procurement staff. The standard deviation of 1.31 indicates a wider range of opinions compared to the previous statements. The lower mean score and the distribution of responses indicate that there is less consensus on the effectiveness of punishing corrupt behavior as a motivator for better performance. While a majority acknowledges some degree of impact (“Moderate Extent”), fewer respondents believe it leads to significant improvements. This suggests that while punitive measures might have some effect, they may not be the primary driver of better performance. This highlights the potential need for a more nuanced approach to improving performance, which may include training, positive reinforcement, and other support mechanisms in addition to punitive actions.

Strict Codes of Conduct: Strongly perceived as essential for ensuring compliance with procurement procedures. Ethical Sourcing Practices: Highly valued by respondents as crucial for procurement. Punishing Corrupt Behaviour: Seen as having a moderate impact on performance, with less agreement on its effectiveness compared to the other factors. This analysis provides insights into how procurement practices are viewed and highlights areas where improvements or additional measures might be necessary.

Extent	Total No. of respondents(n=80)			
	Frequency	Percentage (%)	Mean	Standard Deviation
<b>Conflict resolution mechanisms</b>				
No Extent	0	0	4.14	1.26
Less Extent	0	0		
Moderate Extent	19	23.75		
Great Extent	31	38.75		
Very Great Extent	30	37.5		
<b>Fairness in vendor selection</b>				
No Extent	0	0	3.95	1.22
Less Extent	0	0		
Moderate Extent	21	26.25		
Great Extent	42	52.5		
Very Great Extent	17	21.25		
<b>Employees of the procurement unit declare conflicts of interest.</b>				
No Extent	8	10	3.08	1.44
Less Extent	17	21.25		

Moderate Extent	16	20		
Great Extent	39	48.75		
Very Great Extent	0	0		
<b>Confidentiality of supplier information is maintained</b>				
No Extent	0	0	4.08	1.27
Less Extent	3	3.75		
Moderate Extent	12	15		
Great Extent	41	51.25		
Very Great Extent	24	30		

Table 5.4

Source: Author (2024)

**Conflict Resolution Mechanisms:** The results indicate a high level of agreement among respondents regarding the extent to which conflict resolution mechanisms are employed. With a mean of 4.14, the data suggests that most respondents believe these mechanisms are used to a great or very great extent. The standard deviation of 1.26 indicates a moderate spread of responses, showing some variability in perceptions. The high frequency of responses indicating a great or very great extent (76.25% combined) suggests that conflict resolution mechanisms are perceived to be well-implemented within the procurement process. This is critical for maintaining a fair and transparent procurement environment, which can reduce disputes and enhance collaboration between stakeholders.

**Fairness in Vendor Selection:** The mean value of 3.95 indicates a strong agreement that vendor selection processes are fair. With a majority of respondents (73.75%) indicating that fairness is observed to a great or very great extent, the results suggest a positive perception of vendor selection procedures. The implementation of fair vendor selection processes is crucial for maintaining integrity and trust in procurement activities. The results highlight that the majority of respondents perceive the procurement unit to be conducting vendor selection in a fair manner, which can foster a competitive and equitable environment for suppliers.

**Employees of the Procurement Unit Declare Conflicts of Interest:** With a mean of 3.08, the data suggests a moderate level of agreement regarding the declaration of conflicts of interest by procurement unit employees. The standard deviation of 1.44 indicates a higher variability in responses compared to other items. The mixed responses indicate that while some employees do declare conflicts of interest to a great extent, there is still a significant portion of respondents who believe this practice is not consistently followed. This variability highlights a potential

area for improvement in ensuring that all employees adhere to policies regarding conflict of interest declarations, which is vital for transparency and ethical conduct in procurement.

Confidentiality of Supplier Information is Maintained: The mean value of 4.08 indicates a strong agreement that supplier information is kept confidential. The high frequency of responses indicating a great or very great extent (81.25% combined) supports this interpretation. Maintaining the confidentiality of supplier information is a critical aspect of ethical procurement practices. The high level of agreement among respondents suggests that the procurement unit is effectively managing sensitive supplier information, which is essential for building trust and safeguarding the interests of all parties involved. Overall, the results suggest that the procurement unit is perceived to be performing well in terms of conflict resolution mechanisms, fairness in vendor selection, and maintaining the confidentiality of supplier information. However, there is a notable area for improvement in ensuring that all employees consistently declare conflicts of interest. Addressing this issue could further enhance transparency and ethical standards within the procurement process.

Extent	Total No. of respondents(n=80)			
	Frequency	Percentage (%)	Mean	Standard Deviation
<b>Transparency in decision-making</b>				
No Extent	0	0	4.65	1.651
Less Extent	0	0		
Moderate Extent	14	17.5		
Great Extent	40	50		
Very Great Extent	26	32.5		
<b>Compliance with regulations and laws</b>				
No Extent	0	0	4.73	1.21
Less Extent	0	0		
Moderate Extent	3	3.75		
Great Extent	22	27.5		
Very Great Extent	55	68.75		
<b>The procurement department adheres to the limits of its authority to commit departmental funds</b>				
No Extent	0	0	3.95	1.13
Less Extent	0	0		

Moderate Extent	13	16.25		
Great Extent	58	72.5		
Very Great Extent	9	11.25		

Table 5.4

Source: Author (2024)

**Transparency in Decision-Making:** The results show that the majority of respondents perceive a high level of transparency in decision-making within the procurement department. Specifically, 50% of respondents rated transparency to a great extent, and 32.5% rated it to a very great extent. No respondents reported a lack of transparency or low transparency. The mean score of 4.65 suggests that overall, respondents feel strongly that decision-making is transparent. The standard deviation of 1.651 indicates some variability in responses, but the high mean indicates a positive perception overall. This suggests that the procurement department has established effective practices for maintaining transparency in its decision-making processes. High transparency is crucial for fostering trust and ensuring accountability within the organization. The absence of respondents indicating "No Extent" or "Less Extent" reinforces the strength of these practices. Transparency in decision-making is a vital component of effective procurement practices. It helps in building credibility and trust both within the organization and with external stakeholders. The high levels of perceived transparency could be a result of well-documented procedures, clear communication channels, and regular audits. However, the variability indicated by the standard deviation suggests that while many respondents see high transparency, there are differences in perceptions that might warrant further investigation. Continuous improvement and regular feedback mechanisms could help in addressing any concerns and further strengthening transparency.

**Compliance with Regulations and Laws:** A significant majority of respondents perceive that the procurement department complies with regulations and laws to a very great extent (68.75%) or great extent (27.5%). The mean score of 4.73 further confirms this strong perception of compliance. The standard deviation of 1.21, which is lower compared to transparency in decision-making, suggests less variability and more consensus among respondents regarding compliance. The high levels of perceived compliance indicate that the procurement department is likely adhering closely to established regulations and legal requirements. This compliance is essential for ensuring the legality and ethicality of procurement activities and for avoiding legal repercussions. Compliance with regulations and laws is foundational to the integrity of the procurement process. The strong agreement among respondents reflects well on the

department's efforts to ensure all activities meet required standards. This could be due to rigorous training, internal controls, and regular compliance checks. However, the small percentage of respondents who rated compliance as "Moderate Extent" suggests that there may be areas or instances where compliance could be improved. Regular compliance audits and updates on regulatory changes can help maintain high standards and address any gaps.

**Adherence to Authority Limits in Committing Funds:** A majority of respondents believe that the procurement department adheres to the limits of its authority to commit departmental funds to a great extent (72.5%). However, the mean score of 3.95, while positive, is lower than the means for transparency and compliance. The standard deviation of 1.13 suggests some level of agreement among respondents. The adherence to authority limits is perceived positively but with some room for improvement. The majority feel that the department respects these limits, which is crucial for financial accountability and avoiding unauthorized expenditures. Adherence to authority limits is a key control mechanism in procurement. The positive perception among most respondents indicates that the procurement department generally respects these boundaries. However, the lower mean score compared to other aspects suggests that there may be occasional lapses or uncertainties regarding authority limits. It is important for the department to ensure that all staff are clearly informed about their authority levels and to monitor adherence consistently. Regular training and clear communication about authority limits can help in maintaining strict adherence and preventing any potential financial mismanagement.

The overall analysis indicates that the procurement department is viewed positively in terms of transparency, compliance, and adherence to authority limits. The strong ratings in transparency and compliance reflect robust procedures and effective practices. However, there is a slightly lower but still positive perception of adherence to authority limits, indicating an area where continuous monitoring and improvement could be beneficial. Ensuring clear communication, regular training, and comprehensive audits can help maintain and enhance these positive perceptions.

Extent	Total No. of respondents(n=80)			
	Frequency	Percentage (%)	Mean	Standard Deviation
<b>Ethical leadership and organizational culture</b>				
No Extent	0	0	4.29	1.15
Less Extent	0	0		

Moderate Extent	5	6.25		
Great Extent	47	58.75		
Very Great Extent	28	35.00		
<b>Business is conducted in good faith</b>				
No Extent	0	0	3.3	1.33
Less Extent	14	17.5		
Moderate Extent	36	45		
Great Extent	22	27.5		
Very Great Extent	8	10		
<b>Supplier diversity and inclusivity</b>				
No Extent	67	0	1.16	1.06
Less Extent	13	17.5		
Moderate Extent	0	45		
Great Extent	0	27.5		
Very Great Extent	0	10		

Table 5.4

Source: Author (2024)

**Ethical Leadership and Organizational Culture:** The data indicates that the majority of respondents perceive ethical leadership and organizational culture to be prevalent to a great extent or very great extent within the organization. The mean value of 4.29, close to the highest possible value of 5, suggests a strong positive perception. The standard deviation of 1.15 indicates some variability in responses, but the majority trend towards higher agreement. The high mean score and the concentration of responses in the "Great Extent" and "Very Great Extent" categories suggest that ethical leadership and organizational culture are significant strengths within the organization. This likely indicates a strong adherence to ethical practices and a positive cultural environment that supports ethical behaviour. The strong emphasis on ethical leadership and a positive organizational culture can lead to numerous benefits, including increased employee satisfaction, higher trust levels within the organization, and improved organizational performance. The lack of responses in the "No Extent" and "Less Extent" categories further underscores the widespread recognition of these values. This strong ethical foundation is essential for sustainable business practices and can enhance the organization's reputation.

**Business Conducted in Good Faith:** The mean value of 3.3 suggests a moderate level of agreement among respondents regarding business being conducted in good faith. The standard deviation of 1.33 indicates a higher variability in responses compared to the previous category. The largest proportion of respondents (45%) selected "Moderate Extent," followed by "Great

Extent" (27.5%) and "Less Extent" (17.5%). The results indicate that while there is a general perception of business being conducted in good faith, there is also a significant proportion of respondents who see room for improvement. The moderate mean score suggests that while good faith is present, it may not be as consistently observed or valued as ethical leadership and organizational culture. Conducting business in good faith is crucial for building trust with stakeholders and ensuring ethical transactions. The moderate scores might indicate inconsistencies in applying this principle across different areas or departments. Addressing this variability by reinforcing the importance of good faith in business dealings could help enhance overall organizational integrity and stakeholder trust.

Supplier Diversity and Inclusivity: The mean value of 1.16, along with a high concentration of responses in the "No Extent" category (83.75%), indicates a very low perception of supplier diversity and inclusivity. The standard deviation of 1.06 reflects some variability, but the overall trend is clearly towards a lack of perceived diversity and inclusivity. The results clearly show that respondents perceive supplier diversity and inclusivity as being largely absent. This low mean score suggests that current practices in this area are insufficient or non-existent, indicating a significant gap in the organization's procurement policies. The lack of supplier diversity and inclusivity can have several negative implications, including reduced innovation, missed opportunities for collaboration with a broader range of suppliers, and potential reputational risks. To address this, the organization should consider implementing strategies to promote and integrate diversity and inclusivity within its supplier base. This could involve setting specific diversity goals, developing partnerships with diverse suppliers, and regularly monitoring progress towards these goals.

## CHAPTER FIVE

### SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

This chapter provides a comprehensive summary of the research findings regarding the assessment of procurement practices and challenges in the public sector, specifically focusing on the Ethiopian Agricultural Transformation Institute (EATI). The key conclusions drawn from the analysis of the data are presented, followed by actionable recommendations aimed at enhancing procurement efficiency and addressing identified challenges. Additionally, suggestions for future research in this area will be outlined to further advance understanding and improve procurement practices within the public sector.

#### 5.1 Summary of the findings

##### 5.1.1 The supplier selection procedure

The assessment of procurement practices concerning supplier evaluation among the respondents ( $n = 80$ ) provided insightful data on various dimensions of supplier quality and associated factors. The findings, as summarized below, illustrate the extent to which respondents perceive different indicators of supplier effectiveness. A significant majority (51.25%) reported no extent in recognizing supplier quality indicators, with a mean score of 1.70 ( $SD = 0.86$ ). This suggests a prevalent lack of awareness regarding the importance of supplier quality indicators in the procurement process. A high level of recognition was observed regarding the suppliers' ability to meet specifications, with 48.75% of respondents indicating a great extent (mean = 4.26,  $SD = 0.67$ ). This indicates that meeting specifications is a recognized strength among suppliers. Respondents reported that 45% indicated no extent in conducting financial stability checks (mean = 1.86,  $SD = 0.95$ ), highlighting a gap in assessing the financial health of suppliers. A considerable number (23.75%) indicated no extent in evaluating after-sales support (mean = 2.36,  $SD = 1.18$ ), reflecting a potential area for improvement in supplier assessments. The assessment of risk identification revealed a moderate extent of acknowledgment (mean = 3.25,  $SD = 0.981$ ), with 42.5% of respondents indicating a moderate extent. A notable 51.25% reported a very great extent of alignment in pricing structure, with a mean score of 4.11 ( $SD = 1.49$ ), indicating that price alignment is a recognized priority in supplier evaluation. Only 23.75% indicated no extent in verifying ethical standards (mean = 2.23,  $SD = 0.806$ ), which suggests that ethical considerations may not be thoroughly assessed in the procurement process. A significant proportion (53.75%) of

respondents noted a moderate extent in evaluating suppliers' track records for deadlines (mean = 2.70, SD = 0.967), indicating a need for more rigorous assessment in this area. The findings showed that 46.25% reported no extent in evaluating the supplier's reputation (mean = 1.93, SD = 0.858), suggesting a lack of focus on reputational assessments in the procurement process. The data indicates critical areas where procurement practices at the Ethiopian Agricultural Transformation Institute can be enhanced, particularly in the areas of supplier quality recognition, financial stability assessments, after-sales support, and verification of ethical standards. Addressing these gaps can lead to improved procurement outcomes and organizational performance.

### **5.1.2 Buyer-Supplier Relationships**

The study examined various aspects of buyer-supplier relationship practices and their impact on the procurement performance of the Ethiopian Agricultural Transformation Institute (EATI). The findings highlight different extents to which these practices influence organizational performance. Positively Influenced Operations: A majority of respondents indicated that buyer-supplier relationship practices positively influence operations, with 55% reporting a moderate extent, 23.75% a great extent, and 21.25% a very great extent. The average mean score for this practice was 3.66, reflecting a generally positive perception. Joint Improvement Activities: This practice was perceived as having a moderate influence on procurement performance, with 78.75% of respondents indicating a moderate extent of impact. The average mean score was 2.71, suggesting room for improvement in joint improvement initiatives. Sharing of Information Intensively but Selectively: The practice of sharing information was viewed as having minimal impact, with 56.25% of respondents indicating no extent and a mean score of 1.60. This highlights a significant area for potential enhancement. Organizational Operation Performance Enhancement: Respondents indicated a moderate extent of influence on organizational performance, with 50% reporting moderate extent and a mean score of 2.58. This suggests that while there is some positive impact, it is not highly pronounced. Supervising Suppliers: The influence of supervising suppliers was rated relatively low, with 56.25% reporting no extent and a mean score of 1.79. This indicates that the practice may not be effectively contributing to procurement performance. Supplier Rivalry into Opportunity: The practice of converting supplier rivalry into opportunities was minimally perceived as beneficial, with 63.75% reporting no extent and a mean score of 1.44. This points to a need for developing strategies to leverage supplier competition more effectively. Understanding How Suppliers Work: There was a moderate perception of influence regarding

understanding supplier operations, with 51.25% of respondents reporting a less extent and a mean score of 2.16. This suggests a partial understanding of supplier processes. Communication Effectiveness: Effective communication was rated as moderately influential, with 46.25% reporting a moderate extent and a mean score of 2.53. This reflects the importance of communication but also suggests that improvements could be made. Supplier Relationship Management: This practice was rated positively, with 51.25% reporting a moderate extent and 26.25% a great extent. The average mean score of 3.49 indicates that supplier relationship management is considered relatively effective.

Supplier Performance Evaluation: Evaluating supplier performance was perceived to have a moderate impact, with 38.75% reporting a moderate extent and a mean score of 2.48. This underscores the importance of performance evaluations but also suggests that current practices may need enhancement. Long-term Partnership Orientation: This practice was seen as having a moderate influence, with 47.5% reporting moderate extent and a mean score of 2.58. The results highlight a focus on long-term relationships, though further development may be beneficial. Performance Measurement and Feedback: Performance measurement and feedback practices were rated moderately influential, with 47.5% reporting a moderate extent and a mean score of 2.89. This suggests that while these practices are somewhat effective, there is potential for improvement. Trust and Collaboration: Trust and collaboration were considered moderately influential, with 43.75% reporting a moderate extent and a mean score of 2.53. This indicates that fostering trust and collaboration is important but could be strengthened. Overall, the data suggest that while some buyer-supplier relationship practices are perceived to have a positive impact on procurement performance, others are seen as less effective or in need of improvement. These findings can guide future strategies to enhance procurement practices at EATI.

### **5.1.3 E-procurement**

The study analyzed the implementation of an ERP system in the procurement process, revealing several key findings. The ERP system significantly improved the procurement process speed, with 56.25% of respondents indicating a great extent of improvement. It also enhanced accountability and organizational performance, with 48.75% of respondents stating a moderate extent of improvement. Online standard procurement documents were preferred by 48.75% of respondents, demonstrating the effectiveness of digital procurement methods. However, the adoption of internet platforms for vendor submissions was low, highlighting a

need for improvement in vendor engagement. The ERP system's ability to support real-time market responses was perceived as limited, with 68.75% of respondents indicating no extent of real-time response capability. However, the system moderately improved procurement accuracy, with a mean score of 2.78. User satisfaction with ERP systems was moderate, with 57.5% reporting moderate satisfaction levels. Training and support were found to be moderately effective, with 38.75% of respondents reporting a moderate extent of training and support. ERP systems reduced procurement cycle time, with a mean score of 2.65, with 46.25% of respondents reporting a moderate extent of reduction. System integration with other business systems was moderately effective, with a mean score of 2.39 and 48.75% of respondents indicating a moderate extent of integration. Cost savings from ERP implementation were significant, with 43.75% of respondents reporting a great extent of savings. Improvements in supplier relationship management were moderate, while compliance and audit readiness were supported by a mean score of 2.76. Employee adaptability to ERP changes was high, indicating successful change management practices. In conclusion, ERP systems are highly beneficial in enhancing various aspects of procurement and organizational performance. However, areas like real-time market response and vendor submission via internet platforms require further development.

#### **5.1.4 Ethical practices.**

**Strict Codes of Conduct Ensure Procurement Procedures Are Followed:** The mean score for adherence to strict codes of conduct is 4.46 (SD = 1.20), indicating strong organizational policies to ensure integrity in procurement procedures. **Ethical Sourcing Practices:** Ethical sourcing practices received a mean score of 4.06 (SD = 1.043), highlighting a robust commitment to sourcing materials and services in a socially responsible manner. **Punishing Corrupt Behaviour Adds to Better Performance of Procurement Staff:** There is room for improvement in addressing corrupt behaviour, as indicated by a mean score of 2.48 (SD = 1.31), suggesting that more effective measures could be implemented to deter unethical conduct among procurement staff. **Conflict Resolution Mechanisms:** Conflict resolution mechanisms are well-established with a mean score of 4.14 (SD = 0.77), demonstrating effective processes to resolve disputes within the procurement context. **Fairness in Vendor Selection:** While specific mean and standard deviation data were not fully provided, there is generally reported moderate to high adherence to fairness in vendor selection practices. **Employees of the Procurement Unit Declare Conflicts of Interest:** Employees demonstrate a

proactive approach in declaring conflicts of interest with a mean score of 3.08 (SD = 1.44), supporting ethical conduct within the procurement unit. Confidentiality of Supplier Information Is Maintained: Maintaining confidentiality of supplier information is prioritized with a mean score of 3.075 (SD = 0.77), essential for fostering trust in supplier relationships. Transparency in Decision-Making: There is strong transparency in decision-making processes, indicated by a mean score of 4.15 (SD = 0.691), ensuring openness and clarity in procurement decisions. Compliance with Regulations and Laws: Compliance with regulations and laws is robust with a mean score of 4.73 (SD = 1.21), reflecting a high commitment to legal and regulatory standards in procurement operations. The Procurement Department Adheres to the Limits of Its Authority to Commit Departmental Funds: Adherence to financial authority limits is generally good, with a mean score of 3.95 (SD = 1.13), although there is some variability across different extents of authority adherence. Ethical Leadership and Organizational Culture: Ethical leadership and organizational culture are perceived positively with a mean score of 4.29 (SD = 1.15), underscoring the role of leadership in fostering an ethical environment within the procurement function. Business Is Conducted in Good Faith: Business conducted in good faith is acknowledged with a mean score of 3.3 (SD = 1.33), indicating a commitment to ethical business practices despite challenges. Supplier Diversity and Inclusivity: There is a notable lack of emphasis on supplier diversity and inclusivity, with significant respondents indicating no extent of implementation, highlighting an area for improvement. Overall, the analysis reveals a strong commitment to ethical standards, compliance with regulations, and transparency in procurement practices. However, there are opportunities for improvement in addressing corrupt behaviour, enhancing supplier diversity, and ensuring fairness in vendor selection. These findings underscore the importance of continuous improvement in procurement processes to uphold integrity, transparency, and ethical conduct, which are critical for organizational success and reputation.

### **Interview Questions and Answers**

The assessment of the questions below was done through interviews with the institute's procurement director and senior operation director, who provided the aggregated answers listed below.

**Interview question 1.** What challenges or obstacles does the institute face in ensuring transparent and accountable procurement practices?

**Interviewee's Response:** “The primary obstacles we encounter are deficient supplier screening procedures, subpar bid documents supplied by the supplier, incomplete ERP system functioning throughout procurement operations, payment delays, supplier failure to meet deadlines, redundant government and supplier procurement manuals and directives, difficulties with logistics in carrying out routine tasks, inadequate specification, shoddy order, uneven adherence to ethical standards, and a deficiency of strong oversight mechanisms for both the procurement officer and the supplier. These elements have a part in the sporadic delays and poor quality of procurement results.”

**Interview question 2:** How does the institute ensure compliance with procurement ethical standards?

**Interviewee's Response:** “We ensure compliance with procurement ethical standards through rigorous training programs for all staff involved in procurement processes. This training covers ethical guidelines, conflict of interest disclosures, and consequences for unethical behavior. Additionally, we conduct regular internal audits to monitor adherence to these standards and provide support and guidance where needed. Our goal is to foster a culture of integrity and accountability across all procurement activities, ensuring transparency and fairness in decision-making”.

**Interview question 3:** From your perspective, what improvements or changes could be made to enhance procurement practices?

**Interviewee's Response:** “To enhance procurement practices, we need to focus on several key areas. Firstly, improving supplier selection processes by establishing clear quality indicators and conducting thorough assessments would ensure better supplier reliability. Secondly, implementing stricter financial stability checks for suppliers would mitigate risks associated with unstable vendors. Thirdly, enhancing our ethical standards verification processes is crucial to ensure compliance and transparency. Lastly, strengthening our after-sales support and project management frameworks would improve overall efficiency and reliability in procurement operations.”

**Interview question 4:** What role does technology play in improving procurement practices and outcomes within the institute?

**Interviewee's Response:** "Technology plays a pivotal role in enhancing procurement practices and outcomes within our institute. It enables us to streamline processes through e-procurement systems, improving efficiency and transparency in supplier interactions. Real-time data analytics from our ERP system help in decision-making and performance evaluation. Integration with other business systems enhances collaboration and reduces errors. Overall, technology empowers us to enforce ethical standards, monitor compliance, and optimize supplier relationships, ultimately contributing to better procurement outcomes."

### **Summary of Interview Responses:**

The Ethiopian Agricultural Transformation Institute faces several challenges in ensuring transparent and accountable procurement practices. These include deficient supplier screening procedures, inadequate bid documents from suppliers, and incomplete functionality of their ERP system throughout procurement operations. These issues contribute to delays in payments, failures by suppliers to meet deadlines, and confusion stemming from overlapping government and supplier procurement directives. Additionally, logistical challenges hinder the execution of routine tasks, further complicating procurement processes. Moreover, there is inconsistent adherence to ethical standards and a lack of robust oversight mechanisms for both procurement officers and suppliers, which collectively lead to sporadic delays and suboptimal quality in procurement outcomes.

To maintain compliance with procurement ethical standards, the institute emphasizes rigorous training programs for all staff involved in procurement processes. These initiatives cover ethical guidelines, the disclosure of conflicts of interest, and the consequences associated with unethical behavior. Furthermore, the institute conducts regular internal audits to monitor adherence to these standards effectively. By fostering a culture of integrity and accountability, the institute aims to ensure transparency and fairness in decision-making processes across all procurement activities.

From the interviewee's perspective, several key improvements can enhance procurement practices at the institute. Firstly, strengthening supplier selection processes by establishing clear quality indicators and conducting thorough assessments would enhance the reliability of suppliers. Secondly, implementing stricter financial stability checks for suppliers would mitigate risks associated with unstable vendors and ensure financial reliability. Thirdly,

enhancing verification processes for ethical standards is critical to ensuring compliance and maintaining transparency throughout procurement operations. Lastly, strengthening after-sales support and project management frameworks would improve overall efficiency and reliability in the execution of procurement activities.

Technology plays a pivotal role in enhancing procurement practices and outcomes within the Ethiopian Agricultural Transformation Institute. By integrating e-procurement systems, technology streamlines procurement processes, making them more efficient and transparent. Real-time data analytics provided by ERP systems facilitate informed decision-making and enhance performance evaluation. Integration with other business systems promotes collaboration, reduces errors, and supports the enforcement of ethical standards. Overall, technology empowers the institute to monitor compliance effectively, optimize supplier relationships, and ultimately achieve better procurement outcomes.

## **5.2 Conclusion**

- The analysis of supplier selection procedures at the Ethiopian Agricultural Transformation Institute (EATI) highlights both strengths and areas for improvement. EATI excels in ensuring suppliers meet specifications and aligning pricing structures, which supports procurement performance and organizational goals. However, significant gaps exist in the assessment of supplier quality, financial stability checks, and consideration of ethical standards and supplier reputation. Addressing these deficiencies through enhanced evaluation and management practices is crucial for improving procurement performance. Further research and targeted interventions are recommended to optimize supplier selection procedures and support EATI's strategic objectives.
- This study aimed to assess the impact of various buyer-supplier relationship practices on the procurement performance of the Ethiopian Agricultural Transformation Institute (EATI). The analysis of data collected from respondents provides a comprehensive overview of how these practices influence procurement outcomes at the institute. Effective management of buyer-supplier relationships emerged as a significant factor, indicating that well-managed relationships considerably enhance operational performance. This underscores the critical role that effective buyer-supplier relationships play in improving procurement performance. Joint improvement activities were found to have some influence, suggesting that while these efforts are

somewhat beneficial, there is substantial room for enhancing the effectiveness of collaborative initiatives. Selective information sharing was highlighted as a potential barrier to effective buyer-supplier relationships, indicating a need for more comprehensive and transparent information exchange practices. Organizational operation performance can be improved through buyer-supplier relationships, although further enhancement is needed to achieve more significant results. Current supervisory practices were found to be insufficient in enhancing procurement performance, suggesting a need for re-evaluation and improvement. Leveraging supplier rivalry as an opportunity showed minimal impact, indicating the need for more effective strategies in this area. A better understanding of supplier operations could enhance its impact on procurement performance. Effective communication is essential for improving procurement performance, but it requires ongoing efforts for further improvement. Supplier relationship management was highlighted as a crucial factor in enhancing procurement outcomes. Systematic evaluation of supplier performance is important, and optimizing this practice could yield greater benefits. Fostering long-term partnerships is beneficial, yet additional focus is needed to fully realize its potential. Effective performance measurement and feedback are crucial for improving procurement performance and require continued attention. Building trust and collaboration are important for enhancing procurement outcomes, but further efforts are necessary to strengthen these aspects. In conclusion, the study highlights that while certain practices, such as supplier relationship management, performance evaluation, and communication effectiveness, positively impact procurement performance, other areas like information sharing and supervisory practices require significant improvement. Addressing these gaps through targeted strategies can enhance procurement effectiveness and overall performance at EATI.

- Several important insights are revealed by the analysis on the influence of ERP systems on different metrics related to procurement operations and organizational performance challenges: ERP System Making Procurement Process Faster: The ERP system significantly enhances the speed of the procurement process, with a majority of respondents acknowledging substantial improvements. The data suggests widespread effectiveness, although some respondents report less pronounced benefits. Integrated Procurement Systems Enhancing Accountability and Organizational Performance: Integrated procurement systems positively impact accountability and organizational performance. This reflects a general consensus on the system's effectiveness, though

not uniformly to a great extent. Submitting an Online Standard Procurement Document: There is a strong preference and effectiveness for online submission of procurement documents. This suggests that digital procurement processes are well-received and beneficial. Potential Vendors Using Internet Platform to Submit Bids and Proposals: A significant portion of respondents indicated limited use of internet platforms by vendors. This highlights a critical area for improvement in vendor engagement and digital platform utilization. Real-time Response to the Market through ERP: The ability of ERP systems to facilitate real-time market responses is limited. This underscores the need for enhanced real-time capabilities within ERP systems. ERP System's Impact on Procurement Accuracy: ERP systems moderately improve procurement accuracy. While there are notable benefits, the impact varies among users, suggesting potential areas for system optimization. Satisfaction with ERP Systems by Level of User: User satisfaction with ERP systems is generally positive. However, the variability in responses indicates different levels of satisfaction, pointing to the need for personalized support and enhancements. Training and Support for ERP Systems: While users receive some support, there is a significant need for more comprehensive and consistent training programs to maximize ERP system effectiveness. ERP's Role in Reducing Procurement Cycle Time: ERP systems contribute to reducing procurement cycle time. However, the impact is not uniformly perceived, suggesting areas for further improvement in cycle time reduction. Integration of ERP with Other Business Systems: The integration of ERP systems with other business systems shows moderate success. This reflects the need for better integration practices to fully leverage ERP capabilities. Cost Savings Due to ERP Implementation: Respondents generally recognize cost savings due to ERP implementation. The varied extent of perceived savings suggests differences in how organizations realize financial benefits from ERP systems. Improvement in Supplier Relationship Management Due to ERP: There are moderate improvements in supplier relationship management. While there are benefits, the extent varies, highlighting the need for more robust supplier management features in ERP systems. ERP's Impact on Compliance and Audit Readiness: ERP systems positively impact compliance and audit readiness. This suggests that ERP systems are effective in supporting these areas, although further enhancements could be beneficial. Employee Adaptability to ERP Changes: Employees show high adaptability to ERP changes. This reflects effective change management practices and a positive response to ERP system implementations. Reduction in Manual Processes Due to ERP: The reduction in manual

processes due to ERP is significant. This demonstrates the substantial impact of ERP systems in automating and streamlining workflows. Summary: ERP systems generally enhance various aspects of procurement and organizational performance, particularly in improving speed, accountability, accuracy, and reducing manual processes. However, there are areas, such as real-time market response, internet platform utilization for vendor submissions, and system integration, where further improvements are needed. Enhanced training and support, as well as more robust system features, can help maximize the benefits of ERP systems across organizations.

- The findings from the survey on procurement ethics and practices within the studied organizations reveal significant insights into various aspects of ethical adherence and procedural compliance. Overall, it is evident that strict codes of conduct are effectively ensuring adherence to procurement protocols. The data indicates a strong emphasis on ethical sourcing practices and disciplinary measures for corrupt behaviour, reflecting consistent efforts to uphold integrity among procurement staff. Moreover, the results demonstrate moderately high adherence to conflict resolution mechanisms and fairness in vendor selection, suggesting that respondents recognize the importance of these practices in maintaining ethical standards. However, compliance with disclosure policies related to conflicts of interest showed moderate engagement, indicating an area for potential enhancement. The organizations also exhibit a general commitment to safeguarding supplier information and emphasizing transparency in decision-making processes. This commitment is further reflected in the robust adherence to legal and financial constraints, highlighting a strong foundation of ethical leadership within the organizational culture. Despite these positive findings, the survey uncovered a notable gap in supplier diversity and inclusivity, with many responses indicating a lack of attention to this crucial area. This suggests a significant opportunity for improvement in fostering diversity within supplier relationships. In summary, while the surveyed organizations largely demonstrate strong ethical frameworks and procedural adherence in their procurement practices, focused attention on supplier diversity and conflict resolution mechanisms is necessary to enhance overall ethical standards and operational effectiveness. These findings emphasize the importance of continuous improvement and vigilance in maintaining ethical standards across procurement operations.
- The results of the interviews indicate that in order for the Ethiopian Agricultural Transformation Institute to improve its procurement procedures, it is imperative that it

address the issues raised and put the suggested changes into practice. The institute may greatly increase the transparency, effectiveness, and compliance of its procurement processes by concentrating on bolstering supplier selection, boosting financial stability checks, enforcing ethical standards, and upgrading operational frameworks. Effective use of technology will improve operational efficiency and help the institute meet its procurement goals more successfully. In conclusion, the institute must adopt a complete strategy that incorporates technological advancements and process improvements in order to establish effective and accountable procurement practices, which will guarantee that its objectives are met.

### **5.3 Recommendation**

- Improve the evaluation of supplier quality by adopting stricter assessment criteria and training procurement staff.
- Enhance financial stability assessments for suppliers to reduce risks related to financial instability.
- Strengthen after-sales support criteria to ensure suppliers offer adequate post-purchase services.
- Systematically assess suppliers' reputations through industry feedback and audits.
- Incorporate rigorous ethical standards verification into the supplier selection process to uphold ethical practices.
- Enhance mechanisms to thoroughly assess and ensure supplier quality, addressing significant concerns regarding the lack of clear quality indicators.
- Implement more rigorous financial stability checks to mitigate risks associated with financially unstable suppliers, ensuring long-term reliability.
- Develop and enforce stringent processes for verifying suppliers' ethical standards, filling the existing gaps and ensuring compliance with ethical practices.
- Strengthen after-sales support frameworks to ensure comprehensive assistance and service post-purchase, addressing identified service gaps.
- Improve project management and oversight to ensure suppliers consistently meet deadlines, reducing inconsistencies and enhancing reliability.
- Invest in building and maintaining strong supplier relationships based on transparency, reliability, and ethical practices to enhance overall industry reputation.

- Foster more collaborative improvement initiatives to increase engagement in joint improvement activities.
- Implement structured guidelines for selective information sharing, leveraging technology for efficient dissemination while maintaining confidentiality and transparency.
- Establish standardized monitoring processes with regular audits, provide training on supervision techniques, and set clear performance metrics to enhance supplier oversight.
- Conduct market analysis to leverage supplier competition for innovation and cost savings, foster strategic partnerships to co-develop solutions.
- Evaluate and optimize communication channels, implement feedback mechanisms, provide training on effective communication to enhance clarity and collaboration.
- Revise evaluation criteria, conduct regular performance reviews, and implement a structured rating system based on predefined metrics for objective assessment.
- Build a culture of trust through transparent communication, establish collaborative frameworks, organize team-building activities to strengthen relationships with suppliers and internal teams.
- Review and standardize procurement policies to eliminate redundancies and clarify responsibilities.
- Upgrade ERP systems to include real-time data analytics and reporting features. Provide training for users on leveraging these tools effectively.
- Improve the user interface and security of the online vendor submission platform. Offer training and support to vendors, and incentivize online submissions.
- Invest in better integration between the ERP system and other business systems. Encourage cross-functional collaboration to identify and address integration issues.
- Develop comprehensive training programs and provide continuous support resources. Regularly update training materials based on user feedback and performance metrics.
- Integrate advanced supplier management tools into the ERP system and promote collaborative initiatives with suppliers. Provide training to both internal users and suppliers.
- Introduce or enhance compliance modules within the ERP system. Conduct regular internal audits and provide mandatory training on compliance and audit readiness for all users.

- Establish clear consequences for unethical conduct and conduct regular training on ethical behaviour.
- Develop structured protocols and provide training on conflict resolution to ensure fair and efficient dispute resolution.
- Review and standardize vendor selection criteria and processes to enhance transparency and prevent bias.
- Strengthen policies and training on disclosing conflicts of interest to ensure transparency in decision-making.
- Enhance monitoring and training to ensure strict adherence to procurement regulations and policies for the government donors.
- Reinforce guidelines and provide training on authority limits for committing departmental funds.
- Promote ethical leadership behaviours through training and development programs, fostering a culture of integrity and accountability.
- Implement structured monitoring and evaluation systems with defined KPIs to assess and improve procurement effectiveness.

#### **5.4 Limitations of the Study**

The researcher acknowledges two main limitations encountered during the study. Firstly, there was a notable challenge in obtaining information due to a high degree of confidentiality among some respondents, leading to reluctance in providing necessary data. Secondly, the busy schedules of certain staff members posed difficulty in their participation, potentially affecting the comprehensiveness of the study's findings.

#### **5.5 Suggestions for Further Research**

Further research should focus on conducting equivalent studies within the public sector companies to establish benchmarks for procurement practices. Similarly, investigations is recommended to other researchers on similar title to extend the research generalizability to the remaining branch offices of the institute with in the country. Furthermore, the procurement practices and their effect operational performance of the programmes of the institute need to be investigated in detail.

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## **Appendix-1A**

**St. Mary's University School of  
Graduate Studies  
MBA in Business Administration  
Department of General Business Administration  
Questionnaires for Operation Department Support Processes Staff  
On the Assessment on Procurement Practices and Challenges in the Public Sector:  
A Case of Ethiopian Agricultural Transformation Institute**

**Dear respondent,**

Dear Sir/Madam,

My name is Yohannes Tadesse, a Master's student in the Department of MBA in Business Administration at St. Mary's University. My research is supervised by Dr. Tesfaye Tilahun. As part of the requirements for the master's degree, I am undertaking a research study to assess the Assessment on Procurement Practices and Challenges in the Public Sector: The Case of Ethiopian Agricultural Transformation Institute. Therefore, I humbly request for your participation in this study to fill the questionnaires attached below. Your opinion is extremely important in this study and I promise that the research results will be used for academic purposes only and will be treated with maximum confidentiality. For this reason, your honest contribution to filling this questionnaire is helpful to produce a quality paper. So you are warmly requested to answer the following questions please. Thank you for your time and be blessed.

Instructions: Please take a few minutes to share your thoughts on Assessment on Procurement Practices and Challenges in the Public Sector: The Case of Ethiopian Agricultural Transformation Institute within the Public Sector: A Case Study of the Ethiopian Agricultural Transformation Institute. There are no right or wrong responses; we are interested in your personal opinions. You do not need to provide your name or any other personal information. For each question below, you may check (✓) and select where applicable, or provide a brief explanation as needed. If you require clarification or additional information, please contact me via mobile at 0911646029 or by email at [Yohanneshnna@gmail.com](mailto:Yohanneshnna@gmail.com).

Thank you in advance for your cooperation!

## Appendices-1B

Please tick (✓) the box that matches your answer to the questions and give the answers in the spaces provided as appropriate.

### SECTION A: BACKGROUND INFORMATION

#### 1. Gender of respondent

Male ☐

Female ☐

#### 2. Age of respondent

18 - 30 ☐

31-40 years ☐

41-50 years ☐

Above 51 years ☐

#### 3. What is your highest level of education?

Certificate ☐

Diploma Level ☐

Undergraduate ☐

Postgraduate ☐

Any other, please specify \_\_\_\_\_

#### 4. Work Experience:

Less than 1 year ☐

1-5 years ☐

6 to 10 years ☐ (D) over 11 years ☐

#### 5. Position

Senior Director ☐

Director ☐

Managerial ☐

Supervisors (Team Lead /coordinator) ☐

Senior Officer or officer ☐

If any other Please specify \_\_\_\_\_

#### 6. Employment status Responses

Temporary/Contract-Full time ☐

Open term/Permanent -Full time ☐

Independent contractors ☐

Temporary employees ☐

## Section B: Supplier Selection Procedures

Please indicate your degree of approval with the following statements.

- 1) No extent                                      2) Less extent                                      3) Moderate extent  
4) Great extent                                      5) Very great extent

**To what extent are supplier selection procedures followed in the procurement process of Ethiopian Agricultural Transformation Institute (EATI)?**

S.no	Supplier selection procedures	Scale				
		1	2	3	4	5
1	Supplier products Quality					
2	Ability to Meet Specifications					
3	Financial Stability Checks					
4	After-Sales Support					
5	Identification of Potential Risks Associated					
6	Pricing Structure Alignment					
7	Verification of Supplier's Ethical Standards					
8	Supplier's Track Record for Meeting Deadlines					
9	Supplier's Reputation within the Industry					

## Section C: Buyer-Supplier Relationships

Please indicate your degree of approval with the following statements.

- 1) No extent                                      2) Less extent                                      3) Moderate extent
- 4) Great extent                                      5) Very great extent

### 1. How do buyer-supplier relationships affect the organizational operation of the Institute?

	Buyer-supplier relationship	Scale				
		1	2	3	4	5
1	Positively Influenced Operations					
2	Joint improvement activities					
3	Sharing of Information Intensively but Selectively:					
4	Organizational Performance Enhancement					
5	Supervising Suppliers					
6	Positive Impact on Organizational Performance					
7	Supplier Rivalry into Opportunity					
8	Understanding How Suppliers Work					
9	Organization Understands How Suppliers Work					
10	Communication Effectiveness					
11	Supplier Relationship Management					
12	Supplier Performance Evaluation					
13	Long-term Partnership Orientation					
14	Performance Measurement and Feedback					
15	Trust and Collaboration					

### Section D: Organizational Capacity (e-procurement)

Indicate the level to which you approve of the following statements

- 1) No extent
- 2) Little extent
- 3) Moderate
- 4) Great extent
- 5) Very great extent

#### 3. How does e-procurement followed and practiced in the procurement process of the Institute (EATI)?

Organizational capacity (E-procurement)	Scale				
	1	2	3	4	5
ERP System making procurement process faster					
Integrated procurement systems enhancing accountability and organizational performance					
Submitting an online Standard Procurement					
Potential vendors use the internet platform to submit bids and proposals.					
Real-time response to the market through ERP					
ERP system's impact on procurement accuracy					
Satisfaction with ERP Systems by Level of User					
Training and Support for ERP Systems					
ERP's Role in Reducing Procurement Cycle Time					
Integration of ERP with Other Business Systems					
Cost Savings Due to ERP Implementation					
Improvement in Supplier Relationship Management Due to ERP:					
ERP's Impact on Compliance and Audit Readiness					
Employee Adaptability to ERP Changes					
Reduction in Manual Processes Due to ERP					

## Section E: Ethical Practices

Kindly indicate the level to which you approve the following assertions.

- 1) No extent
- 2) Little extent
- 3) Moderate
- 4) Great extent
- 5) Very great extent

To what extent are ethical procedures practiced in the procurement process of the institute?

Ethical Practices	Scale				
	1	2	3	4	5
Strict codes of conduct ensure procurement procedures are followed					
Ethical sourcing practices					
Punishing corrupt behaviour adds to better performance of procurement staff.					
Conflict resolution mechanisms					
Fairness in vendor selection					
Employees of the procurement unit declare conflicts of interest.					
Confidentiality of supplier information is maintained					
Transparency in decision-making					
Compliance with regulations and laws					
The procurement department adheres to the limits of its authority to commit departmental funds.					
Ethical leadership and organizational culture					
Business is conducted in good faith					
Supplier diversity and inclusivity					

-----Thanks a lot for your valuable time -----

## Appendix 1C

1. What challenges or obstacles does the institute face in ensuring transparent and accountable procurement practices?

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2. How does the institute ensure compliance with procurement ethical standards?

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3. From your perspective, what improvements or changes could be made to enhance procurement practices?

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4. What role does technology play in improving procurement practices and outcomes within the institute?

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