Factors Affecting Procurement Performance in the Case of Awassa Textile Share Company

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Abstract

The main objective of the study was to assess factors affecting procurement performance in Awassa Textile Share Company. The study was conducted to examine the impacts of staff competency, procurement procedure and resource allocation on procurement performance. Descriptive research design was used in executing the study. The targeted group of the study was top level managers, middle level managers and procurement staffs who are pertinent to the process, function and decision making of procurement. These were the entire group of interest for study consisting 40 employees. Accordingly, the sampling technique was purposive sampling. Primary data was collected using questionnaire. Descriptive and inferential data analysis methods were used. All respondents filled in and returned the questionnaire, making the response rate 100

Index terms— procurement performance, staff competency, procurement procedure and resource allocation on procurement

1 Factors Affecting Procurement Performance in the Case of Awassa Textile Share Company

Senait Beyan Hamza ? , Asefa Gerbi ? & Seid Hussen Ali ? Abstract-The main objective of the study was to assess factors affecting procurement performance in Awassa Textile Share Company. The study was conducted to examine the impacts of staff competency, procurement procedure and resource allocation on procurement performance. Descriptive research design was used in executing the study. The targeted group of the study was top level managers, middle level managers and procurement staffs who are pertinent to the process, function and decision making of procurement. These were the entire group of interest for study consisting 40 employees. Accordingly, the sampling technique was purposive sampling. Primary data was collected using questionnaire. Descriptive and inferential data analysis methods were used. All respondents filled in and returned the questionnaire, making the response rate 100%. Pearson Correlation Coefficient computed and tested indicated that a positive relationships (r= 0.138) between procurement planning and procurement performance. The same thing is true for staff competence (r=0.415) and the relationship to be statistically significant at 1% level (p=0.008, <0.01). There is a positive relationship (r=0.093) between procurement procedures and procurement performance. Computation for resource allocation indicated that there is a strong positive relationship (r=0.714) and procurement performance. It was also found that the relationship to be statistically significant at 1% level (p=0.000, <0.01). The study conducted a multiple regression analysis so as to determine the influence of the independent variables on procurement performance. The significance level of staff competence and resource allocation were 0.016 and 0.00 respectively (p < 0.05). The two factors were the most related factors affecting procurement performance. Procurement planning with p = 0.183 and procurement procedure with p = 0.781 were the least related factors affecting procurement performance. Based on the ANOVA, the significance value 0.000 is less than 0.05 thus the model is statistically significant in predicting how the independent variables influence the procurement performance in Awassa Textile SC. The F critical at 5% level of significance was 2.64.

The F calculated from the ANOVA table is 13.075, which is greater than the F critical **??**2.64). This shows that the overall model was significant.

Introduction rocurement practices are a set of activities undertaken by an organization to promote effective management of its supply chain (Sollish & Semanik, 2012). It is the foundation for private firm's success. Its proper practices lead to competitive purchase and getting quality materials. The main goals of procurement are related with quality, financial and technical risks reduction, creating integrity in the organization and safeguarding from competition **??**Walter et al, 2015). Procurement is vital to organizations and its strategies have become part of a business success. It boosts efficiency and competitiveness and to realize these, it is vital to give emphasis about the strategic factors that affect the performance of the procurement function.

Internal and external forces are influencing the ability to recognize the procurement goal. Relations among different elements like professionalism, staffing levels and budget resources, organizational structure whether centralized or decentralized, procurement regulations, rules, guidelines, and internal control policies, all have impact on the performance of the procurement function and needs consideration (Kim et al, 2013). For the development of African countries it is vital to have efficient public procurement system and tangible commitments should be exerted to make the best possible use of public resources (Kabaj, 2003).

In the private sector procurement performance caused financial loss due to delivery of poor quality work materials, loss of value for money and inflated prices. Decrease in Profitability of private sector adds up due to poor procurement performance (Juma, 2010). According to Migai (2010), in the private sector, poor procurement performance is the problem for its growth and it becomes the causes for delay in delivery, increase defects, and delivery of low quality goods or no delivery at all. In the private sector poor procurement performance has been a problem because of traditional procurement procedures, incompetent staff, poor coordination of procurement activities, failure to embrace e-procurement, absence of quality assurance policies and proper regulations (Juma, 2010).

Activities of procurement usually suffer from neglect, poor co-ordination, lack of open competition and transparency. Corruption may also occur in the various processes of procurement. It is common to observe lack of trained and qualified procurement specialists who are competent to conduct and manage procurements in various private companies. Inflexible and bureaucratic systems of procurement contribute to contract delays, increased costs and lack of fair competition, all of which affect the procurement process and performance negatively.

Different challenges drawn from internal and external factors in the organizations affect private sector procurement. Attracting and retaining talent in the procurement space is among the top concerns for companies already dealing with the current complex pricing pressures (Berger & Humphrey, 2007). According to Dale (2010), procurement is still realized as supplement rather than essential to business operations in most organization. As a result, in the private sector this affects the level of resource allocation and investment to procurement function.

The influence of certain factors on procurement performance has been in focus for years, together with their impact on the overall organizational efficiency. Poor procurement performance is usually due to incompetent staff, traditional procurement procedures and poor coordination of procurement activities and lack of proper regulations. Despite the fact that there are various studies that focus on procurement performance in other countries, it seems there is no known study that has been conducted on factors affecting procurement performance in textile industries of Ethiopia. This prompted the researcher to conduct the study in Awassa Textile Share Company with a view to establish factors affecting procurement performance.

For the study the following basic research questions were designed: What are the effects of procurement planning, procedures, staff competency, and resource allocation on procurement performance in Awassa Textile Share Company? What kind of relationship exists betweenthe factors and procurement performance in Awassa Textile Share Company?

The overall objective of the study was to assess and examine factors affecting procurement performance in Awassa Textile Share Company of Ethiopia.

2 II.

3 Literature Review a) Procurement

Procurement is referred to as acquisition of goods, services, capabilities and knowledge required by businesses, from the right source, the right quality, in the right quantity, at the right price and at the right time to maintain and manage a company's primary and support activities (Giunipero et al. 2006;Hines, 2006;Porter 1998;Triantafillou (2007), **??**an, 2000). According to Mangan et al (2008), procurement is a process of identifying and obtaining goods and services. It includes sourcing, purchasing and covers all activities from identifying potential suppliers to delivery to the beneficiary.

4 b) Factors Affecting Procurement

The following are major factors affecting procurement performance. These are: i. Procurement Planning Procurement planning is the purchasing function through which organizations obtain products and services from external suppliers (Burt et al, 2004). A procurement plan defines and documents the details of purchases from suppliers needed for a particular department. According to Basheka (2008), procurement planning is the major function that sets the stage for successive procurement activities. Likewise, James (2004) describes that

the principles of planning can be implemented in an atmosphere of complete harmony. He further states that, as a function, procurement planning endeavors to answer the questions as to what one wants to procure; when to procure it; where to procure them from; when the resources be available; the methods of procurement to be used; how timely procurement or failure will affect the user of the items; the procuring and disposing entity; efficiency in the procurement process; and the people to be involved in the procurement. Peter (2012) states that good procurement plan should describe the process in detail to appoint pertinent suppliers contractually. At the beginning, the items needed to procure are defined, and then the process for acquiring those items is expounded in detail. Finally the timeframe for delivery is scheduled. Moreover based on Quentin (2003), procurement planning is important due to the following reasons: it helps to decide what to buy, when and from what sources; it allows planners to determine if expectations are realistic; particularly the expectations of the requesting entities, which usually expect their requirements met on short notice and over a shorter period than the application of the corresponding procurement method allows; it is an opportunity for all stakeholders involved in the processes to meet in order to discuss particular procurement requirements.

5 ii. Staff Competency in Procurement Process

Armstrong and Baron (1995) explain that competency is the application of knowledge and skills, performance delivery, and the behavior required to get things done very well. Besides competency indicates adequacy of knowledge and skills that enable someone to act in various situations (Aketch and Karanja, 2013). According to Russell (2004), absence of adequate knowledge in procurement matters, may end up with serious consequences including breaches of codes of conduct.

According to Banda (2009), many organizations do not have staff with the right competence critical to good procurement process management. As a result considerable and continuous investment is incurred in training and development (Sultana, 2012) and there is a need for extensive external training for human resources to be able to improve and contribute to the efficiency of organizations (Appiah, 2010).

Moreover, Saunders (1997) advises that multiskilling offers employees with a variety of skills and should be developed extensively. Hence, all employees need broad and continuous education and training. Leenders and Fearon (2002) noted that qualifications are crucial for value-based management which requires employees to assess and improve processes while contributing to team performance. Baily et al, (2005) suggested that the existence of top-down objectives with related performance measures, and process guidelines link individual or group performance to the firm's goals and expectations of upper management which require good qualifications. Banda (2009) stated that many organizations lack competent staffs with the proper knowledge for good procurement process management. He further noted that authorities should give greater emphasis for developing competence to adopt best practice more widely. According to Berger & Humphrey (2007), a procurement function that is carried out professionally is the core of delivery of any service on value for money principle. Furthermore, Sultana (2012) stated that in order to sustain economic growth and effective performance, it is important to optimize the contribution of employees to the aims and goals of the organizations.

Therefore, competence can ensure that the benefits of new products and services are brought to the attention of the right person in the organization.

6 iii. Procurement Procedures

Moncska et al (2010)stated that procedures provide guidance to staffs what to follow in the execution of activities put constraints on behavior and show how the procurement function should work to achieve strategic objectives. Organizations need standard procurement procedures which cover all aspects of the procurement cycle, including supplier selection, contract negotiations, order placement and payment (Oumaand Jennifer, 2014). Procedural procurement ensures orderliness and efficiency in any procurement department. Baily et al (2005) discussed that public procurement procedures tend to be characterized by high levels of bureaucracy independent of order value; poor communications and focusing on unit price rather than long-term relations. Ineffective procurement procedures would end up with failure of the objectives of government policy. Burt et al. (2004) stated that every organization is expected to develop procedures to enable its personnel implement policies and plans; designed to meet objectives. Jones and George (2009) noted that bureaucratic mechanisms are controlled by a comprehensive system of formal rules and standard operating procedures that shapes and regulates the behavior of divisions, functions and individuals.

Moncska et al (2010) noted that the procurement function has a significant impact on business performance. As a result, traditional procedures are becoming obsolete in modern organizations.

Finally based on (Eriksson and Westerberg, 2011), procurement perceptions are affected by the existing organizational structure, quality of internal communication system, past experience and resources available. Without elaborate and effective procurement procedures, government policy objectives would fail to meet the desired objectives.

iv. Resource Allocation Resource allocation is the process of determining the best way to use available assets or resources in the execution of a given project. Companies attempt to allocate resources by minimizing costs and maximizing profits using strategic planning methods, operational guidelines and implement policies and procedures that move the business toward the achievement of its goals (Shantanu et al, 2012).

164 Resource allocation begins at strategic planning when a company formulates its vision and goals for the future.
165 Most of the public entities lack clear accountability on how the resources provided impact on their performance
166 therefore going against the fundamental principles of public procurement, Ouma Danis et al, (2014).Tangible
167 resources are assets that can be seen and quantified such as production equipment, manufacturing plants, and
168 formal reporting structures. Intangible resources include assets that typically are rooted deeply in the firm's
169 history and have accumulated over time (Michael and Hoskisson, 2007).

7 c) Procurement Performance

171 Smith and Conway (1993) identified seven key success factors which influence procurement, namely: a clear
172 procurement strategy, effective management information and control systems, development of expertise, a role in
173 corporate management, an entrepreneurial and proactive approach, co-ordination and focused efforts.

174 Furthermore, Ombaka (2009) outlined that effective procurement process is one which utilizes good practices
175 by avoiding corruption. Evaluation of suppliers before selecting them can significantly improve the performance
176 of the procurement function in carrying out its mandate (Martin, 2004). Private enterprises evaluate suppliers
177 before awarding contracts to supply different goods, services or carry out works. **??**hoy Similarly, Van (2006)
178 stated that there is a link between procurement process, efficiency, effectiveness and performance. Performance
179 is a key driver for competitiveness and for improvement of quality of services. Assessment of procurement
180 performance helps organizations to reduce cost, enhance profitability, assured supplies, quality improvements
181 and competitive advantage.

182 However, Batenburg and Versendaal (2006) noted that use of inappropriate means can be a barrier to change
183 and may lead to a deterioration of procurement operations. Migai (2010) also describes that a number of private
184 sector organizations are losing out because of their failure to develop quality preventive and quality assurance
185 models within the supply chain.

186 Base on the above literature review and by adopting from Triantafillou (2007), a research conceptual framework
187 was designed. III.

8 Independent Variable Dependent Variable

9 Research Methodology

190 The study adopted quantitative research method. The researcher followed a descriptive inquiry along with
191 causal research design to examine the influence of one variable over other. The design was used to describe the
192 characteristics of the independent variables (procurement planning, staff competency, procurement procedures
193 and resource allocation) and the dependent variable/procurement performance.

10 a) Target population and Sampling technique

195 Top level managers, middle level managers and procurement staffs were pertinent to the process, function and
196 decision making of procurement function in Awassa Textile Share Company. These were the entire group and
197 target group of the study. This group of interest consisted of 40 employees. Other employees were not related
198 with procurement process at all, so they were irrelevant to the study. Accordingly, the sampling method was
199 purposivenon probability sampling technique.

11 b) Sources of Data and data collection tools

201 Primary data was collected using questionnaires targeting top and middle level managers as well as procurement
202 staffs. Secondary data included literature (journals, magazines, other past studies, books and other relevant
203 documents) on major research about procurement performance in Ethiopia and abroad. A closed-ended
204 questionnaire and Likert scale was used to measure the responses from the respondents.

12 c) Method of Data analysis and Presentation

206 Descriptive and inferential statistics were used for data analysis. Statistical Package for Social Sciences (SPSS
207 Version 20) was utilized as the main descriptive statistical tool to analyze the data and determine the extent of
208 relationships between the independent and dependent variables. Inferential statistics (correlations and multiple
209 regression analysis) were used to give a measure of the relationships between two or more variables and establish
210 if there was any relationship or there existed a cause-effect relationship between the variables. Analyzed Data is
211 presented using graphs (frequency tables, means and standard deviation) and figures.
212 IV.

13 Results and Discussion

14 a) Reliability Analysis

The four (4) constructs representing the independent variables recorded a Cronbach's alpha statistics of more than 0.7. The reliability statistics are presented in Table 1 below. The dominant number is males comprising 80% of the staffs. Only one fifth of the respondents were females.

15 ii. Academic qualification

The level of the respondent's education was also part of the questions in the questionnaires. From the research findings 42.5% of the respondents acquired university degrees, while 47.5% were college (diploma) graduates and 10% of the respondents were secondary school certificates. The study requested the respondent to indicate whether they are from management level or from procurement staff in the organization. From the study findings majority of the respondents (65%) are middle level managers. Procurement staffs comprise 27.5% and top level managers 7.5%. These findings depict that all the management levels and procurement staff in Awassa Textile Share Company were represented in this study. The study requested the respondent to indicate the number of years they had served in the organization. From the research findings Sixty per cent of the staffs involved in the study served in the company 21 years and above and the ones who served up to 5 years were only 7.5 years. Majority of the staffs served for quite a number of years (21 years and above). The ones who served for 16 to 20 years comprise 7.5%. Those who served for 11 to 15 years comprise 22.5% of the respondents. This implies that majority of the respondents in Awassa Textile share company, had worked for a considerable period of time and therefore they were in a position to give credible information relating to this study. Valid N (list wise) 40

As observed from Table 6 above, majority of the respondents agreed that procurement planning did not help to estimate the time required to complete the procurement process as shown by mean of 2.33. Respondents understood that procurement planning helps in resource allocation and also recognized that poor procurement planning leading to big budget deficits as shown by with mean of 4.15 and 4.25 respectively. Majority of the respondents further agreed that procurement was not carried out according to set plan as shown by mean 2.93.Respondent also agreed that procurement planning did result into compliance to set procedures as shown by mean 3.35 . Besides respondents answered that procurement plan did not involves concerned functional unit as shown by mean 2.5.

16 Correlation Coefficient

The first research question sought to establish the effect of procurement planning on procurement performance in Awassa Textile SC. Pearson Correlation Coefficient computed and tested. The result indicates (Table 7 below) a positive relationships (r = 0.138) exist between procurement planning and procurement performance. The relationship was not however statistically significant. The result indicates a positive correlation (13.8%) between procurement planning and procurement performance. However the relationship was not significant at 95% significant level.

17 c) Effects of Staff competence on procurement performance investigate

From the study findings, as observed from Table 8

18 Correlation Coefficient

The second research question sought to establish the role of staff competence in procurement performance in Awassa Textile SC. Pearson Correlation Coefficient computed and tested. The results as tabulated in Table 9 indicates that there is a positive relationship (r=0.415) between staff competence and procurement performance. In addition, it was found that the relationship to be statistically significant at 1% level (p=0.008, <0.01).

19 d) Effects of procedures on procurement performance

From the study findings, as observed from Table 10 below, majority of the respondents neutral about 'procurement procedure monitors procurement process', 'procurement procedure helps in solving legal problem' and 'procurement procedure enhances transparency' as shown by mean of 3.18, 3.15, and 3.10 respectively. Respondents also understood that without procurement procedures it would be difficult to come up with efficient procurement as shown by mean 4.10. All respondents did not agree that procedure in place influence the procurement performance as shown by mean 2.45. Respondent also agreed that procurement procedure have caused delays in decision making and service delivery as shown by mean 3.57 and 3.60 respectively.

20 Correlation Coefficient

The fourth research question sought to establish how resource allocation influence procurement performance in Awassa Textile SC. Pearson Correlation Coefficient computed and tested at 1% significance level. The results as

tabulated in Table 13, indicates that there is a strong positive relationship (r=0.714) between resource allocation and procurement performance. In addition, the researcher found the relationship to be statistically significant at 1% level (p=0.000, <0.01).

21 Regression Analysis

The study conducted a multiple regression analysis to determine the relationship between independent variables and the dependent variable.

22 Coefficient of determination

The coefficient of determination clarifies the extent to which changes in the dependent variable can be explained by the change in the independent variables.

The four independent variables that were studied (procurement planning, staff competence, procurement procedure and resource allocation), explain 55.3% of the procurement performance as represented by the Adjusted R square. The R square was 0.599, and the adjusted R square was 0.553. Since the Adjusted R square was 0.553, there was evidence that the data used in analyzing the relationship between the independent variables and procurement performance was closely related.

23 ANOVA

Analysis of Variance (ANOVA) was used to establish whether there was difference between the independent variables and procurement performance. The significance value (p-value) 0.000 in the study is less than 0.05 thus the model is statistically significant in predicting how the independent variables influence the procurement performance in Awassa Textile SC. The F critical at 5% level of significance was 2.64. The F calculated from the ANOVA table is 13.075, which is greater than the F critical **??**2.64). This shows that the overall model was significant. X4 is the Resource allocation while ? is an error term at 95% confidence level.

The regression was: $Y = 0.163 + 0.265X1 + 0.448X2 + 0.057X3 + 0.634X4$

The above equation established that taking all factors into account (procurement planning, staff competency procurement procedures and resource allocation) constant at zero, procurement performance would be 0.163. The findings further indicate that taking all other independent variables constant, a unit increase in staff competence will lead to a 0.448 increase in procurement performance. The p-value was 0.016 which is less than 0.05 and thus the relationship was significant. It was also indicated in the study that a unit increase in resource allocation leads to a 0.634 increase in procurement performance. The p-value was 0.000 and thus the relationship was significant. The result from the study indicates that resource allocation contributed most to the procurement performance. The study conducted a multiple regression analysis so as to determine the influence of the independent variables on procurement performance. The significance level of staff competence and resource allocation were 0.016 and 0.00 respectively ($p < 0.05$). The two factors were the most related factors affecting procurement performance. Procurement planning with p = 0.183 and procurement procedure with p = 0.781 were the least related factors affecting procurement performance.

24 V. Conclusions and Recommendations a) Conclusions

The study revealed that staff competence and resource allocation were the most related factors affecting procurement performance. Staff competence factor was measured in terms of training, motivation, procurement negotiation skills, creativity, interpersonal and analytical skills and deployment of staff based on their skills. Resource allocation factor was measured in terms of adequateness of resources, flexibility of budget allocation to fit changes in the economic environment, tender award and tender float based on resource availability and confirmation. The study indicated that a unit increase in the resource allocation would lead to a 0.634 increase in the scores of procurement performance. The study also found that a unit increase in the staff competence would lead to 0.448 increases in the scores of procurement performance.

Pearson Correlation Coefficient computed and tested. A positive relationships (r = 0.138) was observed between procurement planning and procurement performance. The relationship was not however statistically significant at 5% level (p > 0.05). Regarding the effect of staff competence on procurement performance, there is a positive relationship (r=0.415) between staff competence and procurement performance. In addition, it was found that the relationship to be statistically significant at 1% level (p=0.008, <0.01). Pearson Correlation Coefficient analysis on the effects of procurement procedures on procurement performance computed and tested there is a positive relationship (r=0.093). However the relationship was not statistically significant at 5% level (p=0.567, > 0.05). The influence of resource allocation on procurement performance in Awassa Textile SC was also observed. Pearson Correlation Coefficient computed and tested at 1% significance level indicated that there is a strong positive relationship (r=0.714) between resource allocation and procurement performance. The relationship was statistically significant at 1% level (p=0.000, <0.01).

The study conducted a multiple regression analysis to determine the relationship between independent variables and the dependent variable. The R square was 0.599, the adjusted R square was 0.553 and standard error was 0.522. Since the Adjusted R square was 0.553, which was significant enough to evidence that the data used in analyzing the relationship between the independent factors and procurement performance was closely related.

The study conducted a multiple regression analysis so as to determine the influence of the independent variables on procurement performance. The significance level of staff competence and resource allocation were 0.016 and 0.00 respectively ($p < 0.05$). The two factors were the most related factors affecting procurement performance. Procurement planning with $p = 0.183$ and procurement procedure with $p = 0.781$ were the least related factors affecting procurement performance.

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Analysis of Variance (ANOVA) was used to establish whether there was difference between the independent factors and procurement performance. The significance value 0.000 is less than 0.05 thus the model is statistically significant in predicting how the independent variables influence the procurement performance. The F critical at 5% level of significance was 2.64. The F calculated from the ANOVA table is 13.075, which is greater than the F critical **??**2.64). This shows that the overall model was significant. Moreover, the p-value in the study was 0.000 which was less than 0.05 thus the model was statistically significant in predicting how the independent variables influence procurement performance in Awassa Textile SC.

26 b) Recommendations

The following are basic recommendations: 1. Staff awareness through training should be carried out to achieve superior knowledge in entire procurement process in Awassa Textile Share Company. 2. The procurement department is advised to carry out periodic market surveys so that the information can be shared with pertinent departments in order to help them prepare procurement plan based on the existing market conditions. 3. It is recommended that relevant staffs to procurement be involved in the process of plan preparation. It is advised that preparation of annual procurement plans be participatory, frequently reviewed so as to improve on the company's performance. 4. It is worthwhile that staffs be adequately trained and sensitized in order to boost the skills and competency levels required by staffs involved in the procurement process. The company would benefit if the management (at the top and middle level), support the procurement department by allocating more resources and encourage trainings to improve the skills and knowledge of the procurement staff. 5. It is advisable that the company has to put in place to practice the procurement procedures in order to monitor the procurement process and improve procurement performance. 6. It is recommended that adequate resource be allocated and the resource frequently reviewed to fit with the changing environment in order to make the procurement performance more effective and efficient.

27 c) Future Research Direction

The research observed four independent variables (planning, resource allocation, staff competency and procurement procedures) which according to the study contribute to 60 % of the variations in procurement performance at Awassa Textile Share Company. Further research is recommended to investigate the other factors that affect procurement performance. The study pursued the effects of four independent variables on procurement performance in Awassa Textile Share Company. Further research is recommended to ascertain whether these findings would be the same or different in other textile firms of Ethiopia. [1] [2]
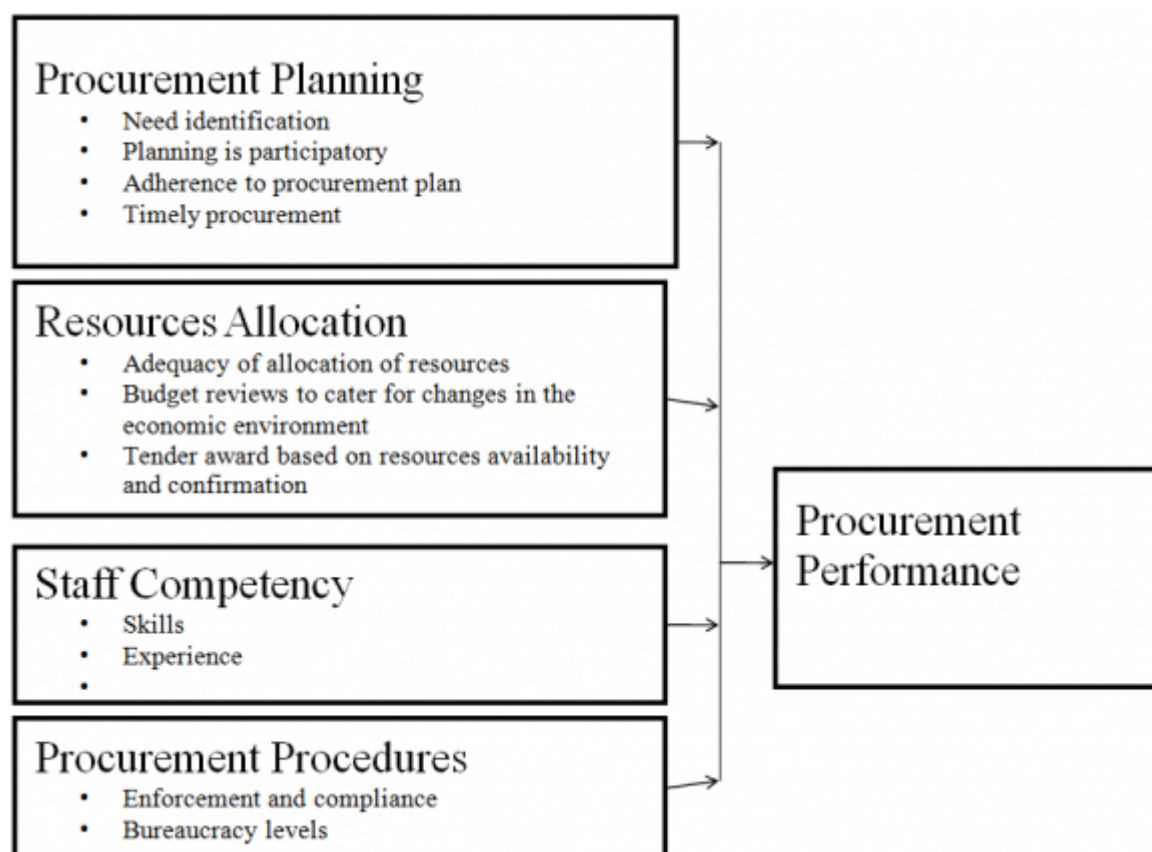
Figure 1:

1

Independent variables	Cronbach's Alpha
1. Procurement planning	0.701
2. Staff competence	0.810
3. Procurement procedure	0.710
4. Resource allocation	0.877

b) Demographic information

i. Gender of the respondents

Regarding gender, 80% of the respondents
were males while 20% of the respondents were females
(Table 2).

Frequency Table

Figure 2: Table 1 :

2

Gender	Frequency	Percent	Valid Percent	Cumulative Percent
Male	32	80.0	80.0	80.0
female	8	20.0	20.0	100.0
Total	40	100.0	100.0	

Figure 3: Table 2 :

3

Level of education	Frequency	Percent	Valid Percent	Cumulative Percent
secondary	4	10.0	10.0	10.0
college	19	47.5	47.5	57.5
university	17	42.5	42.5	100.0
Total	40	100.0	100.0	

Only 10% of the staffs are at secondary education level. The remaining 90% are of college and university graduate background. Therefore Awassa Textile share company employees were educated well enough to understand the questions and thus have given credible results.

Figure 4: Table 3 :

4

Job status	Frequency	Percent	Valid Percent	Cumulative Percent
1. Top level manager	3	7.5	7.5	7.5
2 Middle level manager	26	65.0	65.0	72.5
3. Procurement staff	11	27.5	27.5	100.0
Total	40	100.0	100.0	

Figure 5: Table 4 :

5

	Frequency	Percent	Valid Percent	Cumulative Percent
1.0 to 5 year	3	7.5	7.5	7.5
2.6 to 10 year	1	2.5	2.5	10.0
3.11 to 15 year	9	22.5	22.5	32.5
4.16 to 20 year	3	7.5	7.5	40.0
5. 21 year and above	24	60.0	60.0	100.0
Total	40	100.0	100.0	

Figure 6: Table 5 :

6

	Awassa Textile Share Company			
	N	Minimum	Maximum	M
procurement plan identify materials as per the company needs	40	2	5	3.
Procurement plan helps to decide when to buy	40	1	5	3.
procurement planning helps in resource allocation	40	1	5	4.
procurement planning helps to determine a total value of the anticipated cost of the requirement	40	1	5	3.
poor procurement planning leads to big budget deficits	40	1	5	4.
procurement planning results into compliance to set procedures	40	1	5	3.

Figure 7: Table 6 :

7

Procurement performance	Procurement planning

Figure 8: Table 7 :

8

	Awassa Textile Share Company				
	N	Minimum	Maximum	Mean	Std. Deviation
staff procurement performance training improves	40	3	5	4.35	.622
staff understand procurement procedure	40	1	5	3.63	.868
organization motivate staff	40	1	5	2.43	1.152
organization value skills and experience	40	1	5	2.68	1.163

Figure 9: Table 8 :

9

Procurement performance	Staff competence

*[Note: **. Correlation is significant at the 0.01 level(2-tailed).]*

Figure 10: Table 9 :

10

Factors Affecting Procurement Performance in the Case of Awassa Textile Share Company

Procurement monitors procurement process procedure procurement procedure have caused de

It is important that all are aware
of   theset procurement
procedures
Without   procurement
procedures it would be difficult to come up with efficient
procurement

Figure 11: Table 10 :

13

| Procurement | Resource |
| performance | allocation |

Figure 12: Table 13 :

14

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.774 a	0.599	0.553	0.522

Figure 13: Table 14 :

15

Factors Affecting Procurement Performance in the Case of Awassa Textile Share Company

Model	The regression model was	df	Mean Square	F	Sig.
Regression	as follows: Sum of Squares 1 14.243	4	3.561	13.075	.000
Residual	9.532	35	.272		b
Total	23.775 Y= ?0+	39			

The regression model was as follows: Sum of Squares 1 14.243 9.532 23.775 Y= ?0+ ?1X1+?2X2+ ?3X3+ ?4X4+? Where: Y is the dependent variable (Procurement performance), ?0 is the regression coefficient/constant/Y-intercept, ?1, ?2, ?3, ?4 are the slopes of the regression equation, X1 is the Procurement planning

X2 is the Staff competence,

X3 is the Procurement procedure

Figure 14: Table 15 :

16

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.163	.745		.219	.828
Procurement planning	.265	.195	.177	1.357	.183
Staff competence	.448	.177	.351	2.530	.016
Procurement procedure	.057	.205	.034	.280	.781
Resource allocation	.634	.106	.665	5.967	.000

Figure 15: Table 16 :

.1 Correlation Coefficient

The third research question sought to establish the effects of procurement procedures on procurement performance in Awassa Textile SC. Pearson Correlation Coefficient computed and tested. The results as tabulated in **??**able 11, indicates that there is a positive relationship (r=0.093) between procurement procedures and procurement performance. However the relationship was not statistically significant at 5% level (p=0.567, > 0.01).

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