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# **Factors Affecting Procurement Performance of an Organization: The Case of World Health Organization Ethiopia County Office**

**By**

**Fasika Mesfin Haile  
(GSE/8770/11)**

**A Thesis report submitted to the Addis Ababa University, School of Commerce for the requirement for the Award of the Degree of Masters of Arts in Logistics and Supply Chain Management**

**Advisor:**

**Shiferaw Mitiku (Ph.D.)**

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SCHOOL OF COMMERCE

DEPARTMENT OF LOGISTICS AND SUPPLY CHAIN MANAGEMENT POSTGRADUATE  
PROGRAM

FACTORS AFFECTING PROCUREMENT PERFORMANCE OF AN ORGANIZATION: THE  
CASE OF WORLD HEALTH ORGANIZATION ETHIOPIA COUNTY OFFICE

By: FASIKA MESFIN HAILE

**Examining Committee:**

Advisor	Signature	Date
_____	_____	_____

Internal Examiner	Signature	Date
_____	_____	_____

External Examiner	Signature	Date
_____	_____	_____

## **DECLARATION**

I, the undersigned, hereby declare that the work contained in this thesis is original work of my own, has not been presented in any of other universities, and that all sources of material used for the thesis have been duly acknowledged.

Name: Fasika Mesfin

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

## **CERTIFICATION**

This is to certify that FASIAKA MESFIN HAILE has conducted this research work on the topic entitled “FACTORS AFFECTING PROCUREMENT PERFORMANCE OF AN ORGANIZATION: THE CASE OF WORLD HEALTH ORGANIZATION ETHIOPIA COUNTY OFFICE” under my supervision. This work is original in nature and it can be submitted for the partial fulfillment of the requirements for the award of the degree of Master of Arts in Logistics and Supply Chain Management.

Shiferaw Mitiku (Ph.D.) \_\_\_\_\_

Date: \_\_\_\_\_

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**The researcher**

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## Acronyms and Abbreviations

WHO – World Health Organization

WCO - World Health Organization country office

CCS-Country Cooperation Strategy

SOPs - Standard Operating Procedures

UN – United Nations

LTAs - Long Term Agreements

MSC: Management Support Cluster

TL/CL: Team Lead/Cluster Lead

5 Rs: The five rights of procurement, or key purchasing variables or purchasing factors

## ***ABSTRACT***

The main objective of the study was to examine factors affecting procurement performance of the organization the case of World Health Organization Ethiopia Country Office. The researcher identified eight independent variables that influence procurement performance based on literature reviews. These are: lack of procurement planning, lack of proper resource allocation, lack of staff competency, failure to follow proper procurement procedure, market environment related challenges, ICT related challenges, Political environment related challenges and Economic environment related challenges. The study's hypothesis was that procurement determinants (independent variables) influence WHO-Ethiopia office procurement performance (dependent variable). The research plan is built around descriptive and explanatory research methods. The researcher handed out 80 questionnaires, 60 of which were completed and returned. Throughout the study, both primary and secondary data were employed. Structured and semi structured questionnaires were created for primary data. The findings of this study show that the independent variables (lack of procurement planning, Lack of proper resource allocation) positively affect the dependent variable and (Political environment related challenges) negatively affect the dependent variable (procurement performance) with significant level  $P < 0.005$  while the remaining factors (Lack of Staff competency, Failure to follow proper procurement procedure, Market environment related challenges, ICT related challenges, Political environment related challenges and Economic environment related challenges) were the least determining factors of procurement performance with insignificant level  $P > 0.005$  respectively. The study recommends that, requesting units are responsible for developing acquisition plans in cooperation with Procurement Officials in a timely manner. Procurement plans should be developed in advance of each budgetary cycle to allow the concerned procurement office the necessary lead time to develop its procurement strategies, including the consolidation of requirements to leverage economies of scale and the organization can apply best value for money (the optimal combination of whole-of-life costs and quality/or fitness for purpose of the good or service to meet the user's requirement) principle which is one of the organization's procurement principles and reduce process lead-time. The researcher recommends resource allocation must be utilizes using transparent information flow between the requesting unit and procurement team so that proper and sufficient budget allocation should be done to a specific task in a timely manner to avoid longer lead-time of procurement process. The researcher further recommends the organization to improve its working relationship with all stakeholders who are working closely with the organization or concerned government authorities, to create a conducive working environment.

***Key words:*** Lack of procurement planning, Failure to use proper resource allocation, lack of staff competency, Lack of procurement procedures, external environments related challenges.

# CHAPTER ONE

## INTRODUCTION

This chapter covers the general introduction parts of the study it presents research problems, the objectives of the study, its significances, scope and limitations, and the organization of the paper.

### Background of the study

Procurement practices are a series of activities carried out by a company to ensure that its supply chain is managed effectively Sollish & Semanik (2012). Procurement has avital function in supporting the public sector to achieve its objectives and to be conscious of future uncertainty. It is the foundation for any organization success. Quality, financial and technical risk reduction, competition protection, and system integrity are all aims of the procurement system. Non-procurement aims are intertwined with the system's economic, social, and political objectives. Walter N. M, Christopher M. & Kepha O. (2015). According to Chartered Institute of Procurement & Supply (CIPS), procurement can control spend, organizations can spend more than two thirds of revenue on procurement, so even minor cost reductions might have a significant impact. It also prevents corruption, which accounts for up to 25% of the cost of procurement contracts in developing countries and up to 10% of corporate costs worldwide.

An article raised a relevant and valid questions “Why is Procurement not on the CEO’s agenda?” and “Why is Procurement not strategically important?”. The article claims that “there is a general lack of understanding in top management of the potential impact of procurement on total business performance and competitiveness, but due to a lack of understanding of how the value chain is constructed, procurement lacks initiative and bravery in influencing senior management,” top management’s one-dimensional cost focus and lack of total measurement, lack of understanding of the research & development potential in the supply chain and lack of skills in business development and value creation in Procurement (WHO Procurement Manual 2021).

Procurement goals fail to be recognized both by internal and external forces. Professionalism, staffing levels, and financial resources, organizational structure (centralized or decentralized), procurement regulations, rules, guidelines, and internal control procedures all have an impact on

the procurement function's performance and must be taken into account. Kim M. K., Lopetchart K.K. & Drake M.A. (2013).

Procurement process often encounter absence or lack of planning, incomplete specification or requirement, insufficient fund, poor of coordination between cross sectional departments, short notice request, lack of open competition and transparency, corruption. In many businesses, there is a shortage of skilled and qualified procurement specialists who are capable of conducting and managing procurements. Inflexible and bureaucratic systems of procurement process lead to failure to meet deadline, contract delays, increased costs, create unnecessary pressure to procurement practitioners and absence of fair competition or failure to compliance to procurement policy and procedure, all of these have a detrimental impact on the procurement process and results.

Procurement performance in the private sector triggered financial loss because of delivery of poor-quality work materials, loss of value for money, and inflated prices. Reduction in profitability enhances poor procurement performance (Juma, 2010). In the private sector, poor procurement performance has been a problem because of traditional procurement procedures, staff incompetence, inadequate procurement coordination, a failure to embrace e-procurement, and a lack of quality assurance policies and standards (Juma, 2010).

In most firms, procurement is still seen as a complement rather than a fundamental part of corporate operations, according to (Dale 2010). As a result, the amount of resource allocation and investment in the procurement function in the private sector is affected. For years, the impact of specific characteristics on procurement performance, as well as their impact on overall organizational efficiency, has been a hot topic. Incompetent workers, antiquated procurement practices, poor coordination of procurement activities, and a lack of suitable legislation are all factors that contribute to poor procurement performance. Despite the fact that several studies focus on procurement performance in other countries, it appears that no study on factors impacting procurement performance in the World Health Organization's Ethiopia country office has been undertaken. This encouraged the researcher to conduct the study in WHO-Ethiopia Country Office to assesses factors affecting procurement performance.

The following basic research questions were created for this study: What are the effects of procurement: *planning, resource allocation, staff competency, procurement procedure related questions as internal factors and external factors (market environment, ICT, political, and Economic environment related challenges)* and *Procurement performance Rating with regard to 5 R's (Right quality, right time, right place, right source and right quantity)* on procurement performance in WHO-Ethiopia Country Office? The study's ultimate goal was to measure and investigate the elements that influence procurement performance in the WHO Ethiopia national office.

## Background of the organization

The World Health Organization (WHO or the Organization) is the specialized agency for global health within the United Nations system. The Constitution of WHO was adopted on 22 July 1946, came into force on 7 April 1948 and the first World Health Assembly opened in Geneva on 24 June 1948. WHO's goal is to "achieve the best possible standard of health for all peoples," according to the Constitution.

The First World Health Assembly defined six geographical areas - Africa, America, Southeast Asia, Europe, Eastern Mediterranean and Western Pacific. Under WHO regional office for Africa-AFRO, WHO-Ethiopia country office is one of the country offices that are found under AFRO. WHO at country level presence is the platform for effective engagement with the member states for advancing the global agenda; contributing to national health policies, strategies, and plans; and for bringing country realities and perspectives to global policies and priorities. WHO country presence, therefore, refers to the work of the Secretariat as a whole carried out through a physical WHO presence that varies depending on the Member States' needs and capacities. This represents the work carried out by the Organization through country offices, including sub-national and decentralized sub-offices in provinces and districts.

The Country Cooperation Strategy (CCS) is an instrument that guides WHO's work in countries. It establishes a medium-term strategy for technical collaboration with a specific Member State in support of the country's national health policies, strategies, and objectives.

At the country level, the office works in partnership with government authorities like the Ministry of Health, Ministry of Foreign Affairs, Ethiopian Food and Drug Authority (EFDA), Food,

Medicine and Health Care Administration and Control Authority (FMHACA), Ethiopian Public Health Institute (EPHI) and other ministries and government institutions as appropriate. In general, a Basic Agreement is concluded between WHO and the government concerned which sets out the administrative and legal framework for the technical cooperation between the parties.

Procurement is a crucial duty in ensuring that the WHO's mandate is carried out effectively. In 1948, the World Health Assembly recognized the need for a procurement service at WHO, recommending that an office be established "to advise on the acquisition of vital pharmaceuticals, biological products, and other medical supplies." The WHO's procurement function was initially controlled at headquarters, with only limited delegated authority for conducting procurement transactions to the regions and country offices. The delegation of procurement authority at WHO has changed significantly over the years, following its decentralized mode of operation, in which the six regions have significant autonomy, with the Director-General has delegated authority to the regional directors in this regard.

The procurement function of the World Health Organization is complex and broad in scope. It is inextricably linked to the success of the Organization's program priorities and necessitates close and ongoing collaboration with several technical and administrative disciplines (technical, such as for planning demand, prequalifying products and manufacturers of vaccines and other critical biological and antiviral treatments; and administrative, such as for budgetary and payment procedures). In addition to ongoing contact and outreach with key manufacturers of health products and medical supplies, WHO is participating in various harmonization activities with sister United Nations organizations in areas of common interest and disaster preparedness.

## **Statement of the problem**

According to Senait B. Asefa G. & Seid H. (2016) procurement is critical to businesses, and its tactics have become an integral aspect of their success. It increases efficiency and competitiveness. In most instance the value of the procurement function is not recognized while functions like Human Resource and Finance can have their performance measures, this is not the case with procurement functions in fact the procurement function has not been given the recognition it deserves in developing countries, in most public entities, regardless of the effort by the partners

like the World Bank, the International Trade Organization, the United Nations Conference on Trade and Development, the World Trade Organization and, others (Kakwezi & Nyeko 2019).

Many procurement activities in developing countries continue to be neglected, lack proper direction, poor coordination, slow due to a large amount of bureaucracy, lack of open competition and transparency, lack of accessibility, varying levels of corruption, and a lack of appropriately trained and qualified procurement personnel capable of conducting and managing the procurement process in a professional, timely, and cost-effective manner Abebe A. (2017). The study further elaborate Mamiro, (2010), Poor procurement planning and management of the procurement process, which includes demands that are not adequately defined and approximated, unrealistic budgets, and deficiency of procurement personnel abilities, is described as one of the biggest setbacks in public procurement.

Getahun, (2015) did a study on the effectiveness of procurement planning and implementation in Ethiopia, and found that the procurement plan format was incoherent. The study also notes that the plan and reporting format given by the organization does not indicate the detailed lead-time. It merely displays the process's set time limit. The format of the performance reporting does not match that of the plan. It just displays the procurement type and quantity, making it impossible to track the performance level. Urgent/unplanned procurement requisitions, as well as a lack of technology use in the procurement process, are both challenges in the procurement unit, according to the report.

Studies in the United States have shown that the ability to recognize organizational procurement goals is influenced largely by external and internal factors. These include the relations among different basics such as the levels of staffing, professionalism, procurement regulations, structure of the organization whether decentralized or centralized, guidelines, and internal control policies. These factors have to be considered as their interactions influence the procurement performance of an organization Kim, Lopetcharat & Drake (2013).

In addition to the aforementioned considerations, the following issues were recognized as the significant influence on procurement performance based on an informal assessment with WHO procurement staffs and staffs who are working in other units. These are: submitting request without procurement plan/lack of procurement plan from the program unit, provision of budget that has a

short award end date, inadequacy of the allocation of resources or budgets to the demanded materials, delay of approval of documents in the respective bodies/signatories, considering the current emergency situation within the country most of the requests are needed to be handled urgently. However, the actual time given by the requester to procure the demanded goods or services are very short, lack of long-term agreement (LTA) for repetitively requested items, incapability of the local vendors to supply the demanded materials at the required time with the required quality, absence of updated prequalified list of suppliers, shortage of currency. Therefore, most of the problems mentioned in above needs the involvement of researchers in order to verify them and the involvement of responsible approvers in the procurement process etc. If the above problems are discovered in such type of informal assessment, if there is a possibility to explore depth study on the critical influencing factors can affect procurement performance there is a big chance to get some other problems in the case organization. This encouraged the researcher to conduct the study Factors Affecting Procurement Performance of an Organization: The Case of WHO Ethiopia County Office.

Apart from these, there were other international empirical research on procurement performance, but none of them focused on the impact of procurement planning, staff competency, resource allocation, procurement procedures and external factors on procurement performance. The majority of these research were carried out in other nations, with varying demographics, economic, political, and environmental elements, as well as institutional setups. Hence their findings could not be generalized to the WHO procurement performance.

### **1.3. Research Question**

- i. How procurement planning affects the performance of procurement in WHO-Ethiopia country office?
- ii. How resource allocation affects procurement performance in WHO-Ethiopia country office?
- iii. How staff competency influence procurement performance in WHO-Ethiopia country office?
- iv. How does organization procurement procedure influence procurement performance in WHO-Ethiopia country office?
- v. How the external factors like market environment, ICT infrastructure, political and socio-economic environment influence performance of procurement in WHO-Ethiopia country office?

## **1.4. Objective of the Study**

The research has the following general and specific objectives based on the questions above:

### **1.5.1 General objective**

The general objective of this research is to examine the existing procurement procedure and practices and its challenges in the performance of WHO procurement Ethiopia office.

### **1.5.2 Specific objective**

The specific objectives of the research are:

- i. To examine the effect of procurement planning on the performance of procurement in WHO Ethiopia Country Office.
- ii. To examine how the resource allocation affect procurement performance in WHO Ethiopia Country Office
- iii. To determine the extent to which staff competency affects procurement effectiveness in the WHO Ethiopia country office.
- iv. To analyze the influence of procurement procedure on procurement performance in WHO Ethiopia Country Office.
- v. To investigate how the external factors influence performance of procurement in WHO-Ethiopia country office.

## **1.5. Significance of the Study**

The study will offer the selected organization with essential information on current procurement procedures as well as influencing factors impacting procurement performance at the WHO Ethiopia County office. It assists the researcher in identifying and providing a broad grasp of procurement performance and influencing factors.

The study will intend to empirically inform decision-makers and others concerned about the challenges that exist in performing procurement activities within WHO. First to suggest ways and means of tackling the problem at hand to fill in current gaps specified by the problem. Second, it adds to the existing body of knowledge in the area. Further to shed light for further studies.

## **1.6. Scope of the Study**

The subject scope of this study also delimited to the organization's point of reference towards internal challenging factors like procurement planning, resource allocation, staff competency, procurement procedure while external factors like (market environment, ICT infrastructure, political and socio-economic environment influence) affect performance of procurement.

The area of the study/the geographic scope of this study/ is also delimited to the case organization that is World Health Organization Ethiopia county office through assessment.

## **1.7. Limitation of the Study**

The study will be conducted in World Health Organization Ethiopia country office. Due to the policy of data security I should get security access and approval from the responsible departments. The main limitation of the study was the inability to move freely and interact with resources due to the Covid- 19 prevention protocols.

## **CHAPTER TWO**

### **RELATED LITRATURE REVIEW**

The researcher has reviewed relevant literatures in the study area that are connected to the title in this chapter. As a result, the chapter covers concepts and ideas, procurement procedures inside the company, and procurement performance. The research's conceptual framework and empirical evidence are also given.

#### **2.1. Theoretical Literature Review**

##### **2.1.1 Procurement**

The term procurement is usually confused with purchasing. Procurement is a modern, complicated process that encompasses a broader range of activities than purchasing. According to Lyson and Farrington (2006), prior to making a purchase, procurement operations include identifying and defining a company's needs, scanning the market to find possible suppliers, and gathering intelligence. Traditional definitions of purchasing, they reasoned, are antiquated and inadequate when it comes to what organizational buys actually accomplish. They claim that purchasing is reactive, transactional, and tactical, whereas procurement is proactive, relational, and strategic, with procurement playing an integrated role in modern enterprises. As a result, it has found its way into numerous organizational charts and job descriptions. In a nutshell, procurement is defined as "a business function or a supply chain player responsible for acquiring inputs or supplies to support an organization's corporate strategy and competitive advantage."

As a result of the above explanation, procurement can be defined as a business function that acquires inputs (goods and services) for an organization at the right price, source, quantity, time, and source to meet the needs of users while also contributing to the organization's financial and corporate objectives.

According to UN Practitioner Handbook revised (2017) procurement has been elevated to a strategic function within more and more organizations. Procurement officers, as well as individuals who work in or assist that job, hold a unique position of trust and are held to high professional

standards. The United Nations procurement reform effort recognizes the development of professional and ethical abilities and qualifications for UN procurement officials.

In addition, WHO eManual defines Procurement as the overall process of acquiring goods and/or services through purchasing, leasing, rental, hire-purchase or other legal arrangements with entities outside the organization.

The essentiality of proper management of procurement is emphasized by the fact that it demands for a substantial portion of any organization's resources and time. Considering the dynamic competitive market environment, it is necessary for every organization to maintain an efficient and effective procurement function to minimize administration cost and to keep well-informed of the market conditions to procure goods and services at the **right price, quality and time**.

According to Sollish and Semanik (2012) Procurement practices are a series of activities carried out by a company to ensure that its supply chain is managed effectively. It is the foundation for an organization to achieve their goals. Its best practices result in cost-effective purchases and high-quality goods. Procurement's key objectives are to improve quality, reduce financial and technical risks, build organizational integrity, and protect against competition Walter, Christopher and Kepha (2015).

### **2.1.2 Principles of procurement**

According to N. Mnguni (2012) the objective of successful procurement was stated as procuring the right requirements or quality in the right quantities at the right time and at the right price from the right source, and with delivery at the right place. However, it is not possible to achieve all these elements of the set objective at the same time. Sometimes the price was right, but the supplier with the right price may have been unreliable in that goods or services were delivered to the customers late. On occasion, the price was very high, but the quality of the goods or services may have been the best, so that the buyer had to settle by concession between the various rights.

N. Mnguni (2012) further stated that "procurement is based on core principles of behavior, which are best described as pillars of procurement". The five pillars of procurement are: Value for Money; Open and Effective Competition; Ethics and Fair Dealing; Accountability and Reporting and Equity.

Most obviously, any procurement entities whether in public procurement, private procurement and united nations procurement have a major goal of obtaining value for money, and all are concerned to ensure an efficient procurement process. Furthermore, the contemporary concept of Corporate Social Responsibility has become the concern of all public, private or non-government non-profit organizations like united nation procurement.

According to S. Arrowsmith, S. Trenmer & J. FejØ (2011) they stated eight objectives of public procurement systems: Value for Money (efficiency in the acquisition of required, goods, works and services); Integrity-avoiding corruption and conflict of interest; accountability; Equal opportunities and equal treatment for providers; Fair treatment of providers; Efficient implementation of industrial, social and environmental objectives (“Horizontal policies) in procurement; Opening up public market to international trade and Efficiency in procurement process.

#### 2.1.2.1 Value for money

The optimal combination of whole-of-life costs and quality (or fitness for purpose) of the good or service to meet the user's requirement is referred to as value for money. The lowest cost bid is not used by VfM to award products and services. To conduct a well-managed procurement, it is vital to establish what the major drivers of VfM in the procurement process would be upfront and at the earliest stage of the procurement Dawn Bidne et al, (2013).

According to Dawn Bidne et al. (2013), The best combination of whole-of-life costs and quality (or fitness for purpose) of the good or service to meet the user's criteria is defined as Value for Money. The choice of goods and services based on the lowest priced offer is not Value for Money.

Additionally, according to WHO procurement handbook (2017) applying best value for money principle means selecting the offer that represents the optimum combination of technical specifications, quality and life-cycle price. Best value for money does not necessarily equate to selecting the lowest price option. Rather, it requires an integrated assessment of technical, organizational and pricing factors in relation to the objectives of the Organization. The weights attached to the various factors will depend on the circumstances of the procurement process. In

order to obtain best value for money it is important to maximize competition; limit the complexity of the procurement process as much as possible; establish clear evaluation criteria (at the time that the procurement method is selected); ensure the impartial, comprehensive and timely evaluation of offers; and to evaluate technical benefits and life-cycle costs.

### **2.1.2.2 Integrity**

According to Abebe Aberu (2017) Integrity refers to the idea that procurement should be carried out without any influence of corruption or avoiding corruption and conflict of interest. This happens in various forms of involvement between organization and bidders; among them are awarding contracts: on the basis of bribes; to firms in which one has an individual interest; to firms in which one's friends, family or business connections have an interest and to a political supporter.

There is a close and obvious connection and complementary relationship between integrity and ensuring value for money in acquiring the needs goods, services and works.

According to Practitioner's Handbook (2019) procurement process must remain free from fraud, corruption, collusion of interests and any other unethical practices. Competition in all procurement processes is a key means of ensuring fairness, integrity and transparency. In order to achieve this principle, the following must be adhered to:

- The procurement processes shall be open to all qualified suppliers who wish to participate, unless it can be clearly established that limiting the pool of potential suppliers is in the best interests of Organization.
- Specifications and terms of reference should be generic, rather than descriptions that are unnecessarily restrictive or may discourage competition. Brand names should be avoided as far as possible.
- Information concerning a particular acquisition shall be given to all prospective suppliers on an equal basis and, as far as possible, simultaneously so as to avoid the appearance of partiality.
- Discussions with prospective suppliers shall be conducted in accordance with the principle of fairness and equal treatment of all prospective suppliers.

- Staff members have a duty not to solicit or accept, directly or indirectly, any gratuity, gift, favour, entertainment or any promise of future employment from any individual or entity who has sought, or is seeking, to obtain Organization contracts.

### **2.1.2.3 Accountability**

Accountability essentially means to be responsible for our actions and decisions, and having the obligation to report and/or answer to a designated oversight entity/and the public on the consequences of those actions and decisions. Accountability considered as a value as its own right, especially in Democratic countries According to S. Arrowsmith, S. Trenmer & J. FejØ (2011).

According to R. Jeppesen (2010), accountability form a central pillar of any procurement system. The massive resources allocated through public procurement systems carry the risk of growing corruption and misuse of funds unless transparent and accountable platforms allow governments and citizens to engage in mutually responsive engagement. Even in the absence of corruption, public and civic supervision can aid in the identification of inefficiencies, resulting in increased procurement efficiency and effectiveness, which benefits improved service delivery and, ultimately, citizens.

The basic principles of good procurement practice include accountability, where effective mechanisms must be in place in order to enable procuring entities spend the limited resources carefully, knowing clearly that they are accountable to members of organization; competitive supply, which requires the procurement be carried out by competition unless there are convincing reasons for single sourcing; and consistency, which emphasizes the equal treatment of all bidders irrespective of race, nationality or political affiliation Uyarra and Flanagan (2010).

According to N. Mnguni (2012) Accountability and reporting involved ensuring that any procurement practitioners and organizations were responsible for their plans, actions and outcomes. A fundamental element of accountability under the procurement framework was openness and transparency in administration, as measured by external inspection through public reporting.

#### **2.1.2.4 Equal opportunities and treatment of supplies**

In procurement, if all parties conformed with ethical standards, they could deal with each other on a basis of mutual trust and respect; conduct their business in a fair and reasonable manner and with integrity N. Mnguni (2012).

Additionally, UN Procurement Practitioner's Handbook (2017) “Impartiality implies objectivity, lack of bias, tolerance, restraint - particularly when political or religious disputes or differences arise. The staff member’s personal views and convictions remain inviolate, but he/she has not the freedom of a private person to “take sides,” to enter a dispute as a partisan, or publicly to express his convictions on matters of a controversial nature, either singly or as a member of a group. Just as the practice of impartiality will strengthen the secretariat, repeated instances of partiality, or bias, will do serious harm to the organization”.

Equal treatment may simply be a tool to achieve other public procurement goals such as obtaining the best value for money in goods, works, and services, eliminating corruption, and opening markets to competition. S. Arrowsmith, S. Trenmer & J. FejØ (2011)

#### **2.1.2.5 Fair Treatment of Supplies**

According to WHO Procurement Practitioner's Handbook (2019) ethical behaviour is essential to the conduct of organization procurement. Organization, and all persons acting on behalf of organization, must observe the highest standard of ethics throughout the procurement process. Procurement practitioners especially those involved in procurement, must never use their authority or office for personal gain or for the gain of third parties, and must seek to uphold and enhance the standing of organization as a fair and impartial partner.

Supplier fairness is sometimes considered a separate value in the procurement process. It can include principles like procedural fairness (or due "process"), in which suppliers have the right to have their case heard before a decision that adversely affects them is made, and/or the right to know why such choices are made S. Arrowsmith, S. Trenmer & J. FejØ (2011).

### **2.1.2.6 Efficient implementation of industrial, social and environmental policies in procurement**

When compared to competing products or services that fulfill the same purpose, green procurement is the process of procuring ecologically preferable items and services that have a lesser or reduced impact on human health and the environment. Products or services that contain recycled content, decrease waste, conserve energy or water, and reduce the quantity of toxins disposed of or ingested are examples of such products or services G. Kilonzo (2014)

### **2.1.3 Procurement procedure**

#### **2.1.3.1 Overview of the procurement process**

C. Mensah and G. Tuo (2018) defined a process as a set of sub processes or stages focused on achieving an output. The purchase process is a cycle or chain that depicts the steps taken by purchasing to fulfill a specific need for operational and strategic goals.

The procurement process refers to organizations identifying and implementing certain actions to ensure they can acquire goods and services to meet their needs and achieve their goals. Procurement is critical since it has a direct impact on how much money a company can save. Businesses need to assess the procurement process regularly, in order to ensure business goals are being achieved. When the procurement process isn't performing as it should or when issues arise, changes can be made. Because the primary goal of procurement is to boost efficiency, organizations must verify that they are getting the most out of their procurement process. Procurement cycle establishes what is required or done at every stage of the procurement process. It starts with identifying a need, then moves on to planning, sourcing, contracting, and contract administration, as well as storage, distribution, disposal, and evaluation.

#### **2.1.3.2 Need Identification**

Need identification is the initial step in the procurement process. To understand and define the business opportunity or business need any organization need to perform need assessment. The planning procurement process is undertaken based on the identified needs, defined types of goods

or services that need to be acquired, and by what time these goods or services need to be available must be sought ahead of time.

The procurement's desired goals and objectives must be identified as the first step in the planning process. However, the process is not necessarily linear. Information gathered during the information gathering stage may have an impact on the identification of objectives in some situations. An analysis of the supply market, for example, reveals that there are few sources of supply, implying that identifying suppliers capable of developing alternative products is a significant goal. As a result, the requirement definition stage of the process will be influenced. The intricacy of this process varies depending on the circumstances. In some cases, such as when the request is for a product that is used across the business in large quantities, such as automobiles, the procurement action's objectives and expected outcomes may already be clearly specified in the organizational procurement strategy. In other cases, such as the procurement of a sophisticated and high-value solution that is vital to the business or the client, such as a new ERP system, a complex network of stakeholders may exist, each with their own set of goals and intended outcomes. United nation procurement practitioner's handbook (2017).

### **2.1.3.3 Procurement Planning**

Procurement plans must be prepared in coordination with other departments within the company in order to be fully incorporated into the overall strategy A. Aberu (2017).

According to united nation procurement practitioner's handbook (2017) effective procurement planning is vital to enhance the role of the procurement function towards achieving the overall goals of the organization. It promotes transparency and accountability in the procurement process, allowing for strategic, methodical, and procedurally accurate purchase. The final goal of procurement planning is to achieve a need for goods, services or works in a timely manner and at a reasonable cost this can be done by coordination and integration of actions. It allows the company and its employees to work together smoothly to achieve the business's objectives by ensuring that the proper quality and quantity of inputs are available. Ineffective procurement strategy may result in failure to meet those objectives, endangering the organization's procurement principles and maybe tarnishing its reputation.

To avoid last-minute, emergency, or poorly planned procurement, which is opposed to open, efficient, effective, and transparent procurement, early and accurate preparation is critical. Furthermore, the majority of potential procurement savings are realized through improvements in the planning stages (for example, by combining requirements or agreeing to construct Long Term Agreements (LTAs) that might result in price reductions and lower operational expenses). Even in difficult-to-plan scenarios, such as emergencies, proactive steps can be made to improve contingency planning and better preparation for future procurement requirements.

According to Felecia N. Shaw (2010) Planning is the systematic examination of internal resources and services, and it is essential at every stage of the procurement process, including project completion. An agency begins "specing," or specification development, during the planning stage. Specifications convey what an agency requires and lay out all of the requirements for delivering the service or good and completing the project. Poorly stated specifications usually result in greater project costs, lower contract performance, and a lack of focus on accountability. On contracts where services are concrete, detailed, measurable, and constantly monitored, planning and scoping is most successful.

Effective procurement planning has a number of advantages, including: Early identification of suitable suppliers of potential products and services which are frequently requested in emergency operations and also early confirmation by suppliers on ability, capacity and willingness to respond quickly (deliver/supply/provide); Establishment of contingency stocks when applicable; whether a procurement activity is for a program/project in a high-threat security environment that necessitates additional security considerations and preparations during the procurement process; to early determine whether there are sanctions imposed against the items or certain recipient or supplier countries or whether if a special license needs to be obtained; Standardization of requirements For products/services/works requested in emergency operations, use an Invitation to Bid (ITB), Terms of Reference (TOR), or Statement of Work (SOW). Early validation of needs and requirements aids in the identification of potential hazards, as well as the defining of procurement targets, time frames, and resources needed.

#### **2.1.3.4 Requirement Definition/Required specification for goods, services or works**

Organization need and requirement must be clearly identified so that organization will be able to purchase the right goods or services, For the most often procured commodities and services, such as medical and construction, most businesses have standard requirements A. Aberu (2017).

Definition of requirements include defining and explaining what is required and how it will be obtained, gathering data, identifying potential solutions, and specifying them in specifications for goods and equipment, terms of reference (TOR) for services, or statement of work (SOW) for works. The need description should be tied to the procurement plan's objectives and timescales, rather than being established independently.

Thai, Araujo, Carter and Callender (2005) a specification, according to the definition, is a detailed description of the design, service, or materials. It specifies the requirements or specifications that must be met by the supplies. A good specification must be able to clearly describe the needed service or product to both user-stakeholders and suppliers. Physical characteristics, technical specifications, and intended application are all considerations when specifying a product.

Specifications, Terms of Reference, and Statements of Work serve as the technical foundation for the procurement and evaluation of bids, determining whether or not they meet the standards outlined in the solicitation documents. They become the "heart" of the contract that will be written and administered later. They have an impact on the procurement process throughout its life cycle, from planning, sourcing, and solicitation (the process of notifying prospective suppliers of an organization's need to procure specific goods, services, or works) to bid evaluation, review, and award, contract performance, and post-contract evaluations.

#### **2.1.3.5 Sourcing, Awarding, and Supplier Management**

According to C.A. Ogoe (2016) the Procurement Unit apply the necessary procedures to source for potential suppliers through advertising, pre-qualification using the appropriate procurement method. It also entails sending out prepared tender documents to suppliers, as well as evaluating tenders to find the most cost-effective and advantageous tenderer.

Sourcing is a technical activity that identifies relevant items and services on the market, as well as competent suppliers who can deliver such products and services. Sourcing also aims to collect and

analyze information about market capabilities to meet the organization's requirements, such as obtaining updated cost information, determining the appropriate technology and alternative products, and identifying appropriate supplier qualification criteria, and it is frequently carried out in tandem with requirement definition united nation procurement practitioner's handbook (2006).

According to A. Aberu (2017) the process of identifying sources of supply that can meet an organization's current and long-term needs for goods and services is known as sourcing. The sourcing procedure used will be determined by the situation and the amount of time available for sourcing.

Sourcing also results in a greater grasp of the market, which aids in: assisting a make or buy or lease decision; determine when to buy; establish realistic delivery schedules; review sole/single source justifications; determine special terms and circumstances for the proposal and resultant contract that are typical in specific markets, and ultimately, set realistic budgets, pricing arrangements, and economic ordering quantities.

There are stages in sourcing process. The sourcing procedure, on the other hand, may vary from company to company. The stages in the sourcing process are: *market research, creation and signature of a short list and Supplier management.*

## **Stages in the Sourcing Process**

### **i Market research**

Identifying appropriate suppliers and products is critical in market research in order to meet the organization's needs. The amount of time and effort needed for market research is determined by the value and risk of the requirement or specification. For simple, routine procurement tasks, research may be restricted to looking up existing rosters and previous contracts. For larger or more complex procurement, extensive market analysis is required.

### **ii Establishment and signature of short list**

A shortlist of suppliers to be invited should be produced based on the market research findings unless a rule requires or a choice is made to proceed with an open tender, or market research

justifies a waiver of competitive bidding. Many variables must be examined when selecting suppliers for the shortlist. The ultimate purpose is to maximize competition, give a fair chance to a large number of serious enterprises in the market, limiting competition to the most relevant providers ensures the procurement process' economy and efficiency.

### **iii Supplier management**

Organizations work hard to find new suppliers who can help them expand the market for the products and services they buy.

#### **2.1.3.6 Selection of a Procurement Strategy and Preparation and Issuance of Solicitation Documents**

According to UN Procurement Practitioner's Handbook (2006) finding the best way to satisfy the end user's needs for goods, works, and services by obtaining the most advantageous pricing and contractual conditions through a competitive process that will best deliver what is required in a timely manner while ensuring achievement of the respective organization's guiding procurement principles is the definition of procurement strategy selection Choosing the appropriate solicitation method for the job, such as a Request for Quotation (RFQ), Invitation to Bid (ITB), or Request for Proposal (RFP).

Solicitation is the process of informing potential vendors of a company's need for specific goods, services, or tasks. Solicitation documents are documents that are used to ask potential suppliers for a quote, bid, or proposal to provide the requested goods, services or works, i.e., RFQ, ITB and RFP. The process of gathering and formalizing the information and paperwork required for potential suppliers to create responsive and easily compared offers is referred to as solicitation document preparation. Documents must be consistent with the requirement and procurement strategy.

According to S. Arrowsmith, S. Trenmer & J. FejØ (2011) the word "solicitation documents" refers to the documents sent to tenderers that contain all important information about the contract and contract award method, as defined by the procurement manual or procedure of the business.

Procurement officers should ensure that the solicitation documents create a level playing field, which means that all potential suppliers should/are to receive the same information at the same time to enable them to prepare their offers; provide measurable evaluation criteria that will give suppliers an equal chance of being awarded the contract; commercial risks should be fairly distributed between the organization and the selected supplier; and the final contract terms should be clear. All requirements should be clearly stated in terms that will stimulate a sufficient number of responsive offers, ensuring that the end result best meets the goals of the firm. Procedures should be clearly stated to prevent the procurement officer from wasting time.

The evaluation criteria specified during the formulation of the procurement strategy are further developed and formulated at this step-in order to acquire the best value in each scenario. This includes informing potential bidders about: Administrative rules for the solicitation process, including the evaluation criteria and method (bidder instructions); Functional and performance requirements, as well as physical characteristics of the required goods, services, or works, including a clear statement of minimum quality requirements (schedule of requirements and technical specifications); and Commercial, legal, and other conditions (proposed contract general conditions, including special conditions).

### **2.1.3.7 Evaluation**

An essential element of the procurement process is the examination of tenders and the awarding of contracts to suppliers. It is the procedure that determines the actual quality, dependability, and delivery of goods and services, among other things. A. Aberu (2017).

According to UN Procurement Practitioner's Handbook (2017) The preliminary examination and evaluation of the received offers, as well as the determination of their general and formal validity, as well as the assessment of responsiveness to specifications and requirements and compliance with them, all as defined in the solicitation document, are all part of the evaluation process. The cost and benefit of each offer are analyzed, and the price and value of each are determined. The evaluation, along with the requirement definition and evaluation criteria and method given in the solicitation document, form the foundation for selecting the offer that provides the best value for money for the company.

The book went on to say that In the context of evaluating offers, best value for money means that price isn't necessarily the only aspect taken into consideration. Quality, availability, sustainability, time, compliance, risks, cost of maintenance and support, Total cost of ownership (TCO), and other factors are also considered when determining the best return on investment for products, services, or works procurement.

### **2.1.3.8 Contract Award Review and Approval**

According to Felecia N. Shaw (2010) Contracting with the government is governed by rules, but procurement laws and regulations allow for considerable flexibility. This is particularly visible in the selection and awarding of contractors (Cooper 1980, 463). Selecting the contractor who gives the "greatest value" to the public agency is left to the discretion of public managers. Contractors and consultants are evaluated by public administrators for responsiveness, responsibility, and, in some situations, pre-award compliance with specific standards. Meeting all of the criteria for contract award is referred to as responsiveness. An examination of the bidders' or responders' competence and likelihood of completing the proposed project is referred to as responsibility (Cooper 1980, 463). Additional considerations such as safety history, capacity, previous experience, and dependability may be taken into account (Dovolina 2006, 16).

According to UN Procurement Practitioner's Handbook (2017) The review of contract awards is an important phase in the contracting process. It stipulates that the highest-level procurement authority or official with the relevant delegated power provide independent written opinion on the acceptability and accuracy of the procurement procedure completed, as well as the planned commitment of funds (awarding authority). Award is the legal decision and approval to enter into a contract with a successful supplier, such as a services contract or purchase order, or a Long-Term Agreement (LTA), based on an independent examination of the procurement process within the boundaries of awarding power. The award phase signals the completion of the procurement process and the beginning of contract finalization and execution. The benefits of conducting a contract award review prior to recommending award include: providing an independent and unbiased review of recommendations; ensuring that the procurement process was fairly conducted and followed the appropriate policies and procedures; confirming that the necessary budget for the contractual commitment is available; confirming that the recommendation for award and terms of

contract represent best value for money; and confirming that the recommendation for award and terms of contract represent best value for money.

#### **2.1.3.9 Issuance of Purchase Order and Contract**

Suppliers must be provided purchase orders for goods or services or contracts must be established. In an emergency, however, permission levels and restrictions are altered based on the emergency grade and approved process to expedite the acquisition of goods and services. In most cases, approval procedures are more involved. Contractual links between the company and the supplier are established by the orders. A. Aberu (2017).

A contract is a written document that contains the agreement, terms and conditions, and serves as proof of the obligation between the organization and the supplier, and is formed based on an "offer" and "acceptance" and in the context of respective procurement guideline and procedure of the organizations. Purchase orders, contracts for services and works, LTAs, system contracts, blanket purchase orders, lease agreements, and other contractual instruments are widespread among businesses. Contracts in the organization's system are awarded through competitive solicitation processes. However, in some cases (e.g., direct contracts, sole source contracts, or complex contracts), the procurement officer may need to define and negotiate terms and conditions before proceeding to form a contract with the selected supplier. Proper protocols should be followed to guarantee that no negotiations take place on matters that were already agreed upon during the solicitation stage, and that all parties understand their respective rights and duties. Payment terms, supplemental terms and conditions, delivery, and other issues may be discussed with the chosen supplier in some situations UN Procurement Practitioner's Handbook (2017).

#### **2.1.3.10 Contract Management**

According to A. Aberu (2017) The function and quantity of work that procurement professionals have to do will be determined by the performance of the suppliers once the order is placed and the supplier has confirmed receipt and agreement to the contract. As a result, it is critical for procurement staff to keep track of order progress and supplier performance. The organization can spot the system's breakdown areas and immediately identify solutions thanks to constant monitoring.

According to UN Procurement Practitioner's Handbook (2017) "Contract management" and "contract administration" are frequently used interchangeably. "Contract management," on the other hand, is a broader and more strategic notion that encompasses the entire procurement cycle, including contract planning, creation, execution, administration, and closeout, and goes beyond the day-to-day "administrative" duties. Contract management entails overseeing the supplier's connection with the procuring unit, the requisitioner, and/or the end-user, as well as providing feedback to the supplier on its performance and, if necessary, resolving disputes.

#### **2.1.3.11 Delivery and Return**

According to Lewis and Roehrich (2009) argue that procurement only helps with delivery by accelerating deliveries and troubleshooting returns. At the delivery point, things are physically accepted and inspected. Furthermore, the accountable unit or person for compliant delivery and inspection should comprehend the organization procedure to follow in the event if there are any problems or discrepancies against the required requirements/specifications. An independent inspection business may be employed to check the technically and quality of particular goods, commodities, or services Shaw, (2010).

According to UN Procurement Practitioner's Handbook (2017) during the Contract Performance Monitoring and Control process, a meeting with the supplier called a Pre-performance conference can be held before performance begins on large or complex contracts, typically for services or works. As a result, the procurement officer and the requisitioner should meet with the supplier's team to discuss their understanding and joint administration of the contract. Contract monitoring and control for goods procurement is mostly covered by expediting, pre-shipment inspection, and final reception and acceptance. After the contract is awarded, the requisitioner, or responsible procurement officer, oversees performance, collects data, and measures real contract achievement. This is essential for effective control. The resources committed to these tasks, as well as the methods utilized to complete them, will be determined by the nature of the contract job, the contract's size and complexity, and the resources available.

These above mention precautions or monitoring performances will allow suppliers to be comply to the purchase order or contract that was signed or agreed.

### **2.1.3.12 Financial Management/Payment**

When products or services are received and admitted into stock, the procurement unit coordinates with the finance department to pay the provider. When commodities are supplied in warehouses and transferred to ultimate distribution points, Purchase Orders are typically issued; additional documents are generated in the process to support transactions. Finally, all of these documents are combined to support vendor payments. A. Aberu (2017).

According to united nation procurement practitioner's handbook (2017) The obligation for managing the contract's financial components differs per organization. However, the provider has the right to be paid on time for a successful delivery of goods/services/works in accordance with the contract's terms. And the organization owes it to the supplier to make timely payments and to avoid incurring excessive costs for the supplier by mismanaging the financial responsibility.

### **2.1.3.13 Records of procurement documents**

According to the proclamation (2009), public bodies must keep records and papers pertaining to their public procurement, which must include the following: a brief summary of the procurement; The request for bids; Suppliers' names and addresses who submitted bids; The specified evaluation criteria, as well as a summary of the evaluation and bid comparison; Information about the status of any decision made in response to a complaint about a procurement process; The justification for employing a different procurement technique than open bidding A. Aberu (2017).

Each procurement activity must include proper documentation of the procurement process in a procurement file. In comparison to typical procurement cases/activities, emergency procurement methods often allow for more flexibility in the process. This raises procurement officers' and associated managers' responsibilities to document that the procurement was carried out in accordance with the appropriate procurement framework (related regulations, rules, manuals, and other issuances). It is critical for the procurement officer to include all relevant documentation in the procurement file. He or she will also keep track of any justifications and approvals given to

employ the applicable procurement procedures for emergencies, as well as any other actions performed in connection with a specific procurement of goods, services, or works. UN Procurement Practitioner's Handbook (2017).

### **2.3. Procurement performance**

According to S. B. Hamza, A. Gerbi & S. H. Ali (2016) The capacity to achieve the procurement target is influenced by both internal and external variables. Professionalism, staffing levels and financial resources, organizational structure (centralized or decentralized), procurement regulations, rules, guidelines, and internal control procedures all have an impact on the procurement function's performance and must be taken into account.

Van Weele (2006) stated that procurement process, efficiency, efficacy, and performance are all linked. Procurement performance begins with purchasing efficiency and effectiveness in the procurement function, with the goal of achieving a set of performance levels in an institution by being proactive. An organization's performance serves as the foundation for assessing how well it is progressing toward its stated objectives, identifying areas of strength and weakness, and deciding on future efforts with the purpose of initiating performance improvements. Procurement performance is a means of controlling and monitoring the procurement function, not an end in itself. Performance is a crucial driver of increasing service quality for any firm looking to shift its focus and become more competitive.

Procurement failures in the private sector resulted in financial losses due to the delivery of low-quality work materials, a loss of value for money, and inflated costs. Due to poor procurement performance, the private sector's profitability is decreasing. In addition, the private sector's profitability is declining as a result of poor procurement performance S. B. Hamza, A. Gerbi & S. H. Ali (2016). Poor procurement performance, according to Migai (2016), is a concern for the private sector's development, since it causes delays in delivery, an increase in faults, and the supply of low-quality items or no delivery at all. Traditional procurement practices, inept workers, poor coordination of procurement activities, failure to embrace e-procurement, and the absence of quality assurance rules and suitable legislation have all contributed to poor procurement performance in the private sector Juma (2010)

According to Tsegay Turga (2017) Procurement performance is a metric for determining how well the procurement function achieves its objectives and aims while keeping expenses to a minimum. Procurement performance can be divided into two categories: effectiveness and efficiency. The extent to which the previously stated aims and objectives are met is referred to as procurement effectiveness. It relates to the connection between actual and planned human activity performance. Efficiency, on the other hand, is the link between the planned and actual resources needed to achieve the defined goals and objectives, as well as the activities that go along with them, referring to the planned and actual expenditures.

## **2.4. Challenges in Procurement**

### **2.4.1 Internal factors and external challenges in organization**

According to S. B. Hamza, et al (2016) organizational internal and external factors have an impact on private sector procurement. Poor planning, inept employees, antiquated procurement practices, poor coordination of procurement activities, and a lack of suitable regulations or procedure are some of the internal obstacles.

According to P. Kakwezi & S. Nyeko (2019) Public procurement needs are rapidly changing, and these changes are putting pressure on how the procurement function handles internal and external operations, as well as how it uses procurement methods to achieve its goals. As a result, both internal and external forces influence the ability to achieve procurement targets. The relationship between various elements, such as professionalism, staffing levels and budget resources, procurement organizational structure (centralized or decentralized), procurement regulations, rules, and guidance, and internal control policies, all need to be considered and influence the procurement function's performance. Furthermore, a range of external constraints (environmental factors) such as the market, legal environment, political environment, organizational, and socio-economic environmental factors pose barriers to public procurement.

All procurements in respective of their value or complexity follow a standard sequence of actions, that need to be effectively managed to accomplish the objectives of the procurement function. Effective management of the procurement function prevents the possibility of poor performance and nonconformity to proper procurement processes and procedures; is a sign that the procurement function is under-managed. Arbe Bashuna (2013).

## **2.4.2 Internal Factors affecting Procurement Performance in organization**

### **2.4.2.1. Lack of Procurement Planning and Procurement Performance**

Economic Commission of Africa, (2003) Procurement planning is defined as the purchasing function through which an organization obtains goods and services from outside vendors.

Procurement is the process of procuring products, services, and works from outside vendors as well as in-house sources Lysons & Farington (2012). Procurement planning is the process of assessing and projecting the procurement needs of the organization, program or project in order to determine its procurement strategy. Developing a strategic approach to procurement through appropriate procurement planning is a critical component for acquiring the goods, services, and civil works required for timely project or operation implementation. Sustainable Procurement Practice Group (2014).

Whether you are planning on a project procurement or organizational procurement planning exercise, the steps will be the same. First, define the items you need to procure. Next, define the process for acquiring those items. And finally, schedule the timeframes for delivery. As a result, procurement is a part of the commissioning process. It refers to a specific method of purchasing services which involves tendering for a contract. A public entity may find it more suitable to fund a service by providing a grant, but it will have less control over the particular outcomes to be achieved. Wogube (2011).

A study in Kenya stated that in order effectively and efficiently manage the procurement process, procuring entities through the existing legal framework are required to firstly consolidate departmental procurement plans to provide the entity's corporate procurement plan which before its implementation must get the accounting officer's approval J. O. Kiage (2013).

*Hypothesis 0 – Lack of procurement planning has no effect on procurement performance*

*Hypothesis 1 – Lack of procurement planning has effect on procurement performance*

#### **2.4.2.2. Lack of Resource allocation and procurement performance**

Resource allocation is recognizing the best available resources for the project, assigning them to your team and monitoring their workload throughout the work, and re-assigning resources if needed. “In project management, resource allocation or resource management is the scheduling of activities and the resources required by those activities while taking into consideration both the resource availability and the project time” *Wikipedia*. Companies try to distribute resources by reducing expenses and maximizing revenues by employing strategic planning methodologies, operational guidelines, and policies and procedures that help the company achieve its objectives Shantanu et al, (2012).

When a corporation formulates its future vision and goals, resource allocation begins with strategic planning. The majority of public institutions lack clear accountability for how the resources granted affect their performance, thereby violating the basic principles of public procurement, Ouma Danis et al, (2014). Tangible resources, such as production infrastructure, are assets that can be seen and measured. Intangible resources are assets that have gathered through time and are often strongly ingrained in the company's history. Michael and Hoskisson, (2007).

The Factors Affecting Procurement Performance in Kenya Industry Manual, (2008) states that a procurement plan is an instrument for budget implementation and should be prepared by user departments in order to avoid or minimize excess votes in the entities' budgets and to ensure that procurements do not proceed unless funds are available. As a result, all procurement plans must be fully integrated into the budget process, based on the indicative budget as needed and in accordance with the relevant procurement rule and manual.

*Hypothesis 0 – Lack of proper resource allocation has no effect on procurement performance*

*Hypothesis 1 – Lack of proper resource allocation has effect on procurement performance*

#### **2.4.2.3. Lack of staff competency and its impact on procurement performance**

Staff competencies are a list of particular and well-defined abilities and behaviors that are used to establish an organization's job performance requirements or the culture as a whole.

Competencies are qualities that an organization and/or company have defined the proposed employees are required to possess. Although they are comparable, competencies are not skills; skills are learnt, whereas competencies are innate qualities that an individual possesses, i.e. the combination of skills, knowledge, and ability.

According to Boytzi (2008) A capacity, ability, or fundamental quality of an individual that is informally linked to effective or superior performance is called competence. Competencies refer to a person's ability to operate in a variety of situations by having appropriate knowledge and skills Aketch & Karanja (2013)

According to Banda (2009), many firms lack qualified personnel, which is essential for effective procurement process management. As a result, substantial and ongoing funding is spent on training and development. Sultana (2012)

*Hypothesis 0 – Lack of staff competency has no effect on procurement performance*

*Hypothesis 1 – Lack of staff competency has effect on procurement performance*

#### **2.4.2.4. Failure to follow procurement procedure and its impact on procurement performance**

Procurement procedures are operating instructions that detail the functions or actions that must be completed. Procedures, according to Moncska et al (2010), illustrate how the procurement function should work to achieve strategic objectives by providing direction to employees on what to do in the execution of operations, putting limitations on behavior and showing how the procurement function should work. Any organization need to have their own procurement procedures that incorporate all aspects of procurement cycle starting from need identification to contract closing. Baily et al (2005) stated that, regardless of order value, public procurement operations are characterized by high levels of bureaucracy; poor communications and ineffective procurement procedures would result in the failure of government policy objectives.

*Hypothesis 0 – Failure to follow proper procurement procedure has no effect on procurement performance*

*Hypothesis 1 – Failure to follow proper procurement procedure has effect on procurement performance*

### **2.4.3 External factors affecting Procurement Performance in organization**

#### **2.4.3.1 Market environment related challenges**

Managers, for the most part, have influence over the four Ps of the marketing mix: which items to sell, what prices to charge, how to distribute them, and how to contact target consumers. Unfortunately, in the marketing world, there are other forces at work, factors over which marketers have far less control. These forces make up any organization's external marketing environment, that is Political and regulatory, Economic Competitive, Technological, Social and cultural market environment. These characteristics, when combined, will create both challenges and possibilities, necessitating changes in marketing strategies. Marketers must constantly watch the environment in which their organizations operate in order to notice patterns and other signals that conditions may be changing.

*Hypothesis 0 – Market environment related challenges have no effect on procurement performance*

*Hypothesis 1 – Market environment related challenges have effect on procurement performance*

#### **2.4.3.2 ICT Related Challenges**

The term "ICT-related challenges" refers to problems that arise as a result It refers to all of the equipment, networks, protocols, and procedures used in the telecommunications and information technology areas to facilitate contact among many stakeholders. The existence of a well-established ICT infrastructure within a country, will allow buyers and sellers to exchange information in the buying and selling business exchange or process.

*Hypothesis 0 – ICT related challenges have no effect on procurement performance*

*Hypothesis 1 – ICT related challenges have effect on procurement performance*

#### **2.4.3.3 Political Environment related challenges**

Political instability poses a significant threat to enterprises operating in the global supply chain. Organizations with worldwide sourcing requirements must be aware of the possible negative effects of political unrest on productivity, quality, and relationships, and devise risk-mitigation techniques. Political unrest poses a threat to global supply chains' bottom lines. Through risk

assessment and contingency planning, these dangers must be properly assessed and managed. Eastern Europe and Southeast Asia are two locations where global sourcing is predicted to increase the greatest, according to prominent statistics that every supply chain-related firm should be aware of. Political dangers in the BRICS (Brazil, Russia, India, China and South Africa) countries, on the other hand, have risen considerably since 2014. According to a recent APQC survey, 63 percent of respondents said their suppliers are based in countries where there is political unrest. Government officials in countries with weak political stability are more prone to make decisions that have a negative impact on businesses.

*Hypothesis 0 – Political environment related challenges have no effect on procurement performance*

*Hypothesis 1 – Political environment related challenges have effect on procurement performance*

#### **2.4.3.4 Economic Environment**

While some countries impose social policies on their public procurement practices (such as a policy that places a fair proportion of government acquisitions with women/minority-owned small businesses or economically disadvantaged areas), most governmental entities — whether in developed or developing countries, or federal, state, and local governments — use their large procurement outlays for economic stabilization or development by preferring national or local firms over multinational corporations. A favorable economic environment or market (with many competing renderers in their nation or local areas) or an unfavorable economic environment or market (with few competing renderers in their country or local areas) may exist for public procurement practitioners (where competition hardly exists). This setting would have a significant impact on their practices, as they would be competing in an imperfect market. Other external influences on public procurement practitioners include an environmental protection movement and foreign policy commitments, in addition to the social and economic context. Van Weele, (2006).

*Hypothesis 0 – Economic environment related challenges have no effect on procurement performance*

*Hypothesis 1 – Economic environment related challenges have effect on procurement performance*

#### **2.4.4 The five rights of Procurement**

According to Moses Manuel (2019) The five procurement rights, also known as key purchasing variables or purchasing factors in some literature, represent the primary goal of procurement and the main criteria by which procurement performance is judged. The **five Rs** of procurement are:

**i. Right quality**

As a purchasing variable, this entails getting items of adequate quality, that is, goods that are suited for the purpose intended, whether that purpose is to meet an organization's internal requirements or to meet the needs of external customers. The pursuit of this goal necessitates meticulous clarification of needs and quality standards.

**ii. Right quantity**

The choice to purchase the appropriate number of items is critical because it allows the organization to meet demand and sustain service levels while reducing excess stockholding. This necessitates a thorough understanding of demand forecasting, inventory management, and a dependable stock replenishment mechanism. If you make a mistake with this variable as a procurement specialist, you will either have less stock, which will lead to customer unhappiness due to a delayed production process, or you will have surplus stock, which will result in things like storage costs, degradation risks, and so on.

**iii. Right place**

The goal is to ensure that goods are delivered to the correct delivery location. Check our distribution plan to see if it ensures delivery. What about the packing and transportation strategy? What is their efficacy? An erroneous response to any of these questions will result in items being delivered to the incorrect location, resulting in additional fees for correction as well as delays. It could also result in things being destroyed or stolen while in transit.

**iv. Right time**

Securing timely delivery of products ensures that 1) goods are not late, causing production delays, or 2) things are not delivered too early, causing the organization to pay the cost of inventory holding. In these situations, the procurement manager will have to concentrate on both demand management and supplier management.

**v. The right price**

In order to fulfill the five procurement rights, you must have a pricing that is reasonable, fair, competitive, and affordable. The correct pricing ensures your profit margins aren't impacted by the inputs you buy. You'll need to do a number of assessments, including price analysis, supplier cost analysis, competitive pricing, and negotiation, all of which will assist you arrive at the best price.

The procurement department's operating goal is to provide inputs that will be transformed into final goods and services, either directly or indirectly. Traditionally, this meant high-quality inputs delivered in the appropriate quantity, to the right location, on time, and at the right price.

The 'right supplier' is not included in the aforementioned five rights criteria, despite the fact that picking the correct supplier will be critical in accomplishing other procurement goals.

The 'correct supplier' is thought to be one who can provide the proper quantity and quality to the right location, on time, and at the right price. Other factors to consider when selecting a supplier include the supplier's compatibility with the buying organization, credibility and reliability, innovation and development potential, willingness to commit to continuous improvement and relationship development, ethical and environmental performance, and so on.

## **2.5 Empirical Literature Review**

### **2.5.1 Procurement performance and Internal factors**

The finding of a study that was conducted in public institutions in Kenya indicated that out of a sample size of 72 staffs, procurement planning has a significant impact on procurement performance. From the study conclusions are made. First, the model demonstrates that planning accounts for 26.9% of differences in procurement performance, followed by resource allocation at 17.2%, and finally, staff competency at 20.1 percent.

### **2.5.2 Procurement performance and staff competence and resource allocation**

Several research on factors influencing procurement performance in Africa and other parts of the world have been undertaken. According to Senait, Asefa et al (2016) the study on Factors

Affecting Manufacturing Company Procurement Performance found that staff competence and resource allocation were the most related factors affecting procurement performance for that specific manufacturing company, and it suggested that more research be done on the remaining two variables, procurement procedures and procurement planning.

A study that was conducted on identify the factors that determine procurement performance of University concluded that staff competency, procurement performance was influenced significantly by top management support and the work environment Asmsalu Keno (2017)

### **2.5.3 Procurement performance and External factors**

The finding of an empirical study of Singapore Manufacturers on Business Environment, Operations Strategy, and Performance identified There were links between environmental elements such labor availability, competitive antagonism, and market dynamism, as well as the operations strategy choices influenced by competitive priorities. When confronted with the same environmental stimuli, the findings also show that high performers prioritize different competing priorities than low performers. In addition to addressing important questions about the role of the environment in explaining operations strategy, the research shows that environmental variables can be used to effectively control for industry impacts in a variety of operations strategy empirical investigations.

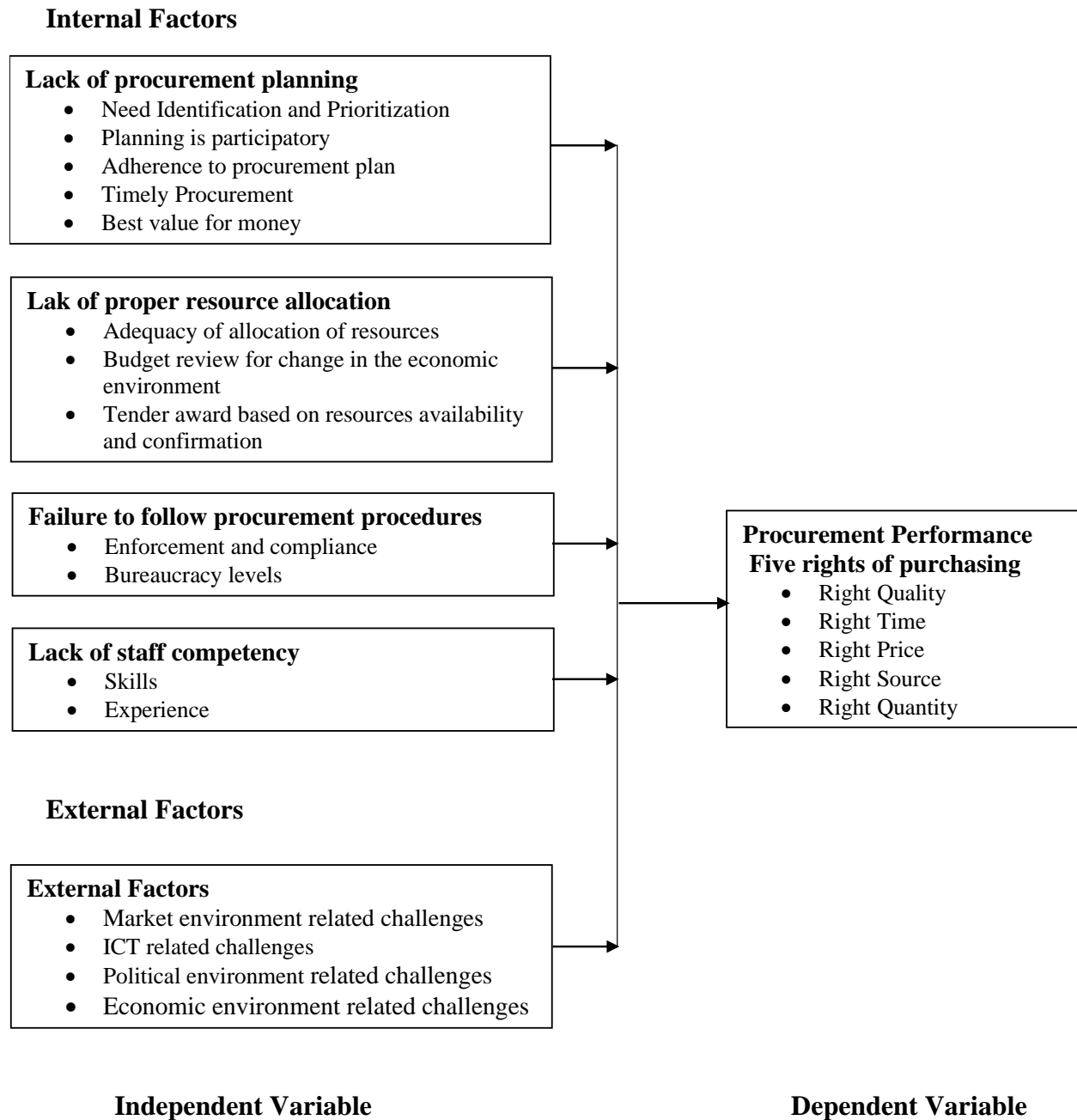
The study conducted by Sylvia C. W. (2015) concludes that information technology, ethics, and employee competency all have a favorable impact on the procurement function at the Kenyan institutes under investigation.

## **2.6 Conceptual Framework**

Mugenda and (Mugenda 2003) defines conceptual framework as a concise description of the phenomenon under study accompanied by a graphical or visual depiction of the major variables of the study. Reichel & Ramey (1987) also defines a conceptual framework is also defined as a collection of general concepts and principles drawn from relevant disciplines of inquiry and utilized to outline a subsequent presentation. It defines the relevant variables for the study conducted and maps out how the variables might relate to each other. Variables are simply the

characteristics or properties that are needed to be study. The conceptual framework will map the expected relationship between the variables. The independent and dependent variables in a study are the variables in a cause-and-effect connection. In this study the conceptual framework; coordination variables are the six main independent variables (Procurement planning, Resource Allocation, Staff Competency, Procurement Procedures and External factors-Market environment related challenges, ICT related challenges, Political and Economic environment related challenges) that will be proposed to influence the performance of procurement that is the independent variable. The dependent variable which in turn constitutes – Timeliness, right quality, right quantity, right source and right price.

**Table 2.1 Conceptual Framework**



Source adapted and modified: (Grace & Fridah 2015; Senait Beyan H., Asefa Gerbi & Seid Hussien Ali 2016)

## 2.7 Hypothesis Summary

Hypothesis No	Hypothesis
Hypothesis 0	Lack of procurement planning has no effect on procurement performance
Hypothesis 1	Lack of procurement planning has effect on procurement performance
Hypothesis 0	Lack of proper resource allocation has no effect on procurement performance
Hypothesis 1	Lack of proper resource allocation has effect on procurement performance
Hypothesis 0	Lack of staff competency has no effect on procurement performance
Hypothesis 1	Lack of staff competency has effect on procurement performance
Hypothesis 0	Failure to follow proper procurement procedure has no effect on procurement performance
Hypothesis 1	Failure to follow proper procurement procedure has effect on procurement performance
Hypothesis 0	Market environment related challenges have no effect on procurement performance
Hypothesis 1	Market environment related challenges have effect on procurement performance
Hypothesis 0	ICT related challenges have no effect on procurement performance
Hypothesis 1	ICT related challenges have effect on procurement performance
Hypothesis 0	Political environment related challenges have no effect on procurement performance
Hypothesis 1	Political environment related challenges have effect on procurement performance
Hypothesis 0	Economic environment related challenges have no effect on procurement performance
Hypothesis 1	Economic environment related challenges have effect on procurement performance

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Description of the study area**

The study focused on factors affecting procurement performance in the case of World Health Organization Ethiopia Country office.

The study conducted in World Health Organization (WHO) Ethiopia country office Zambezi Building located inside ECA Compound in Addis Ababa, capital city of Ethiopia. The World Health Organization (WHO) is a specialized United Nations agency with a mandate based on the WHO Constitution as the “directing and coordinating authority on international health work”. Much like its sister United Nations agencies, WHO has adopted a results-based management framework for delivery and oversight of all program and non-program functions of the Organization to focus attention on delivering the desired results within allocated budgets and set time frames. The World Health Assembly, WHO's supreme decision-making body, approved a program for overall WHO reform in 2010, recognizing the Organization's need to continually demonstrate results in addressing the increasingly complex century's challenges of health in the twenty-first century, ranging from persistent problems to new and emerging public health threats.

#### **3.2 Research approach**

To collect and evaluate the data needed to answer numerous issues, the study used a mixed method research technique. Because mixed research is beneficial in capturing the best of qualitative and quantitative data.

A self-developed questionnaire with self-assessment items was used to collect quantitative data on scales such as strongly disagree, disagree, neutral, agree, highly agree, and qualitative data using open-ended questions. The qualitative approach to the study focused on delving further into the quantitative findings and describing the elements that influence organization procurement performance.

### **3.3 Research design**

The study identified factors affecting procurement performance on the bases of procurement principles and other research papers that are presumed to be effective in order to describe the actual practice and challenges of the study organization. Therefore, the study employed both a descriptive research and explanatory research design. The study design was based on a descriptive and explanatory design by providing basic information and explaining and exploring the link between the dependent and independent variables and their effects on procurement performance.

### **3.4 Sampling design**

#### **3.4.1 Target Population**

The target population of this research were employees of deferent units and sub-regional offices who are directly related to procurement process within WHO-Ethiopia Country office and employees who have more knowledge to respond to the matters regarding the issue under study. Staff members who are directly or indirectly involved in the purchase of products and services, as well as data information from Human Resource Department of WHO.

#### **3.4.1 Sampling Frame**

The sample frame of this study was employees who are working in procurement units, programme Assistant, Admin Assistants, Admin and Finance Assistants, technical officers and team leads of requesting units of WHO-Ethiopia country office.

#### **3.4.2 Sampling units**

The sampling unit of this study was team leads, technical officers and program and administrative staffs who are working in procurement of goods and services and related activities in WHO.

#### **3.4.3 Sampling technique**

Selective or judgmental sampling is a valuable sampling approach that allows a researcher to obtain information from a subset of the population that the researcher believes is best knowledgeable about the issue. The researcher used a selective or judgmental sampling method that involves staff members of WHO Ethiopia Country office who are directly or indirectly related

to procurement of goods and service and have more knowledge to respond to the items regarding the issue under study.

#### **3.4.4 Sample Size**

The population number in WHO-Ethiopia Country Office consists of 80 employees out of these 60 employees have directly and indirectly been related with procurement activities of the organization. The target population is composed from Procurement Team, Finance Team, Operation Supply Logistic (OSL), Technical Officers of units and programme, Admin and finance assistant of WHO Ethiopia. In general, the study has a sample size of 60 from the questionnaire. It should be noted that when the universe is tiny, a sample survey is useless. When all of the things are covered, there is no element of chance left, and the highest level of accuracy is achieved.

#### **3.4.5 Sampling procedure**

Primary data was collected through paper-based self-administer surveys questionnaires with closed-ended questions.

### **3.5 Sources of Data**

#### **3.5.1 Primary and secondary source**

A combination of methods was used to collect relevant data in this study, primary and secondary sources. The primary sources were collected from staffs of WHO by using self-administered questionnaires. The questionnaires targeted WHO staffs working directly and indirectly with procurement unit. While secondary data were collected by reviewing both published and unpublished materials and documents (different journals, articles, books, procurement eManuals, procedures, reports) were used. This information helped as a guide for focusing on the research issue that needed to be clarified.

### **3.6 Data Collection procedure**

The study was used questionnaire and interview. The respondents were asked to complete the questionnaire themselves. When used correctly, questionnaires have a lot of potential. It is an economical way of accumulating information and when the respondents are scattered far and wide, for instance in this particular study some of the respondents are located in regional offices,

In comparison to interview or observation, a questionnaire is a better tool. Questionnaires allow for group administration and are flexible to any goal, as well as the ability to cover a big group at once.

### **3.7 Data collection instrument**

In this study, the data collection instrument used to collect, measure, and analyze data related to the study subject was structured questionnaire. Questionnaires were collected from WHO-Ethiopia country staff. The questionnaire was created as a Likert scale, with respondents being asked to rate their opinions on a range of one to five, with strongly disagree to strongly agree being the most extreme.

Selected respondents received hard copies of the questionnaires. The questionnaires have three sections with the profile of the respondents, procurement practice and performance of WHO-Ethiopia country office.

In addition, three Team Leaders of the Procurement, Finance and Operation Supply and logistics (OSL) units of WHO-Ethiopia were interviewed in the data collection process. The interview has been done with sound-recorded and WHO-Ethiopia staff members.

### **3.8 Data analysis methods**

Data analysis contains a careful inspection of the data spending scientific methods to expose the hidden concerns on the subject matter. The replies from primary sources are processed using an analytical program called Statistical Package for Social Scientists (SPSS). With the assistance of SPSS software, the household responses were coded and entered into a database to generate tables for analysis and presentation.

The data is analyzed using descriptive statistics and inferential statistics. Percentages and measures of mean and standard deviation are included in descriptive statistics. An inferential statistic was used on grouped mean, and data can be categorical to ordinal or nominal Saunders M. et al., (2007). These measures are used to organize, evaluate, summarize and interpret the numeric information. Additional data analysis procedures appropriate for interval scale items also included

mean, and standard deviation, data graphs, charts, tables, and plots are used to describe and analyze the data.

Coding was done to categorize responses into significant groups and carry out vital outlines to make deductions from organized answers. The information received from the questioner was examined using narration and quotations from the respondents' pertinent concepts. The inter-related findings were used to lure conclusions and make recommendations.

### **3.9 Validity and reliability**

#### **3.9.1 Validity**

Validity refers to the accuracy with which the conclusions accurately reflect the data, as well as the integrity and application of the methodologies used. This research was used the content validity through the review of the literature and adapting instruments used in previous research. In terms of the Questionnaire, the questionnaires were tested and updated before to the real data collection.

#### **3.9.2 Reliability**

Reliability describes consistency within the employed analytical procedures. For data reliability the study was gathered data from multiple sources such as primary and secondary which made the data reliable. In addition, reliability is to show how a study's findings are consistent across time and that the population under research is accurately represented. The study employed the Chronbach alpha coefficient, which is the most commonly used approach for determining the scale's reliability. Cronbach's Alpha coefficients should be more than 0.7, according to various studies. Therefore, in this study, the Alpha value of each variable is higher than 0.7, as shown in below table 1, which is considered acceptable.

#### *3.1 Cronbach's Alpha Summary*

Variables	Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	No of Items
Overall reliability	.771	.805	9

### **3.10 Research Ethics**

According to Kumar & Kandasamy (2012) ethical considerations in research work includes the following: right to choose, right to safety, right to be informed, right to privacy, and confidentiality. The study was complying with all stated rights.

## **CHAPTER FOUR**

### **DATA ANALYSIS, PRESENTATION AND INTERPRETATION**

The main objective of this study was to examine Factors Affecting Procurement Performance of Organization-The case of WHO Ethiopia County Office. In this regard, the results and findings of the study as obtained from the sample population are presented in this chapter. The data was acquired solely through the use of a questionnaire as a research tool. The questionnaire was created in accordance with the study's goals. To improve the quality of the data collected, respondents were asked to express their level of agreement with the variables using a five-point Likert scale and an open-ended questionnaire. For data analysis, coded responses were entered into the Statistical Package for the Social Sciences (SPSS). The data have been presented by tabulation. The chapter provides general information about respondents based on demographic data, as well as findings about how the study questions/objectives affect procurement performance in the WHO Ethiopia country office, as well as how the results are presented and interpreted.

#### **5.1. Demographics Data**

The researcher studied and reviewed demographic information of the respondents that is relevant to the study in this section, which is summarized in the tables below, with the frequencies and percentages calculated and described.

##### **4.1.1 Questioners Response Rate**

A total of 80 questionnaires were distributed to WHO staff members who are directly or indirectly involved in the procurement process and are based in Addis Ababa and regional offices, with 60 of them being properly filled out and returned, reflecting a 75 percent return rate.

##### **4.1.2 Socio-demographic characteristics**

A total of sixty participants currently working in WHO Ethiopia were included with a 100% response rate. Among these, 33 (55%) and 27 (45%) were male and female respectively. Most 25(41.7%) of the participants were 31 - 40 years whereas 21(35%) were between the age of 41- 50. Regarding educational status, the majority 43(71.7%) of the participants were second-degree holders whereas the rest 16(26.7%) and 1(1.7%) were first degrees and diploma holders respectively. Of the total participants who were working in WHO, 33(55%) were admin staff, 18(30%) were officers, 4(6.7%) were procurement staff and 5(8.3%) was a team lead. Regarding their work experience, 16(26.7%), 27(45%), 40(16.7%), 2(3.3%), and 5 (8.3%) had the experience of 0 to 5, 6 to 10, 11 to 15, 16 to 20 and above 20 years respectively. (Table 4.1)

Table 4.1: Sociodemographic characteristics of study participants for a study of factors affecting procurement performance of organization-the case of WHO Ethiopia county office n=60)

Socio-demographic character	Category	Frequency	Percent
Sex	Male	33	55%
	Female	27	45%
Age	≤ 20 Years	2	3.3%
	20 - 30 Years	2	3.3%
	31 - 40 Years	25	41.7%
	41 - 50 Years	21	35%
	Above 50	10	16.7%
Educational status	Diploma	1	1.7%
	First degree	16	26.7%
	Second degree	43	71.7%
Department	Team lead	5	8.3%
	officer	18	30%
	Procurement staff	4	6.7%
	Admin staff	33	55%
Work experience	0 to 5 Years	16	26.7%
	6 to 10 Years	27	45%
	11 to 15 Years	10	16.7%
	16 to 20 Years	2	3.3
	Above 20 Years	5	8.3%

A Likert scale was selected as the main instrument in this study questionnaire, that provides five possible answers to a statement or question that allows respondents to indicate their positive-to-negative strength. The mean is the most common measure of central tendency and was used in analysis this study. Therefore, means were calculated for the Likert scales, from Strongly

disagree=1 to Strongly Agree=5. So that, to determine the minimum and the maximum length of the 5-point Likert type scale, the range is calculated by  $(5 - 1 = 4)$  then divided by five as it is the greatest value of the scale  $(4 \div 5 = 0.80)$ . After that, number one which is the least value in the scale was added to identify the maximum of this cell, as below.

Respondents were asked to rank the measures as listed in the questionnaire, on a Likert scale of 1 to 5, where 1 represented strongly disagree and 5 strongly agree.

Mean result of 5-point Likert scales

Decision rule summary table

Mean result	Result	Result interpretation
1 – 1.6	Strongly disagree	Very uninfluential
1.61 – 2.4	Disagree	Uninfluential
2.41 – 3.2	Neutral	Moderately influential
3.21 – 4.00	Agree	Influential
4.01 – 5.00	Strongly agree	Very influential

Source

## 4.2 Lack of Procurement Planning

Table 4.2 lack of procurement planning for a study of factors affecting procurement performance of organization-the case of WHO Ethiopia county office (n=60)

Procurement Planning	Likert scale					Mean	Standard Deviation
	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree		
Nonadherence to procurement plan	0	0	6	24	30	4.40	.669
Failure to raise procurement need in time	0	0	7	35	18	4.18	.624
Failure to provide clear specification and its effect	0	6	5	28	21	4.07	.918
Failure to assign one focal person	0	3	5	36	16	4.08	.743
Lack of procurement plan and its effect	0	0	6	27	27	4.35	.659
Effect on alternative procurement approaches	4	6	10	29	11	3.62	1.106
Unsystematic and procedurally incorrect procurement process	4	2	3	31	20	4.02	1.066

Effect on five Rs of procurement	2	0	4	28	26	4.27	.861
The process of sourcing the right supplier	0	2	4	25	29	4.35	.755
Grand Mean -Lack of procurement planning						4.15	

*Source own survey data, 2021*

As the result above in table 1 shows, the grand mean 4.15 recorded for procurement planning related factors, implying questions relating to lack of procurement planning falls under very influential. This implies the respondents of this study agreed that the procurement related factors affect the procurement performance. This has been supported by a study in a public institution in Kenya (Sylvia C. W, 2015) indicated that procurement planning has a significant impact on other aspects of procurement performance and itself. This study also supported that failure to prepare and plan ahead of time regarding the need on time, procedures of purchase, unable to adhere to the prepared plan, and preparing plan without clear specification and requirement significantly affect the performance of procurement. A study in a public institution in Kenya (Sylvia C. W, 2015) indicated that procurement planning has a significant impact on other aspects of procurement performance and itself. This study also supported that failure to prepare and plan ahead of time regarding the need on time, procedures of purchase, unable to adhere to the prepared plan, and preparing plan without clear specification and requirement significantly affect the performance of procurement.

Further as detailed in above data analysis table, nonadherence to procurement plan affected in obtaining best prices for aggregate requirements with a mean of 4.40 and lack of procurement planning highly affects effective and timely solicitation of offers, award of contracts and delivery of goods, services and works required which affects also the five Rs of procurement and under rush procurement to meet deadlines/budget expenditure affects the process of sourcing the right suppliers on time and lack of involvement and participation of requesting units during procurement planning leads to wrong quality, wrong resource allocation and increase price with a mean of 4.35 respectively. This means respondents strongly agreed those areas are affected by the lack of procurement planning. Next, failure to raise procurement need on time by end user and failure to assign one focal person to communicate with procurement team when submitting procurement request affect the procurement lead-time are identified as very significant to affect the procurement performance of WHO with a mean 4.18 and 4.08 respectively from the questions under

procurement planning. All the rest of statements under procurement planning such as failure to provide clear specification/requirements for procurement goods, services and works by the end user will increase the procurement cost (price) and lead-time with a mean 4.07 and failing to have a procurement plan will lead to unsystematic and procedurally incorrect procurements process with a mean 4.02 are also affect the procurement performance of who as perceived by the respondents of this study. According to the decision rule set above, eight questions asked under procurement planning have a mean score of greater 4.01, implying questions that was raised in relation to procurement planning are very influential.

### 4.3 Lack of proper resource allocation

Table 4.3 Lack of proper resource allocation for a study of factors affecting procurement performance of organization-the case of WHO Ethiopia county office (n=60)

Lack of proper resource allocation	Likert scale					Mean	Standard Deviation
	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree		
Short lifetime budget allocation	3	12	24	18	3	3.10	.951
Failure to check budget award end date	3	11	10	23	13	3.53	1.171
Insufficient budget during purchase requisition	4	18	11	23	4	3.08	1.109
Lack of coordination with requesting unit on assigned budget utilization	0	11	16	18	15	3.93	.988
Grand Mean- Lack of proper resource allocation						3.41	

Source own survey data, 2021

The above table 3 shows a grand mean of 3.41 is recorded for resource allocation which is influential. Among which lack of coordination with requesting unit on assigned budget utilization and failing to check the budget award end date by approver at time of request approval leads to back-and-forth communication and in return that leads to delay in procurement process with a mean value of 3.93 and 3.53 respectively indicated above which is the highest. allocation of budget that has short lifetime leads to longer process lead-time which also impact on price/cost with a

mean value of 3.10. In addition to this, Insufficient budget during creating purchase requisition in GSM due to end user utilization of the approved allocation budget in the system leads to increase procurement process lead-time and increase price (cost) with mean value 3.08.

A Study by Senait, Asefa et, al (2016) identified that resource allocation were the most related factors affecting procurement performance in a manufacturing company. This study also showed that allocating a short lifetime budget, insufficient budget and lack of coordination during purchase requisition affect the procurement performance.

#### 4.4 Lack of staff competency and its related challenge

Table 4.4 Lack of staff competency related challenges for a study of factors affecting procurement performance of organization-the case of WHO Ethiopia county office (n=60)

Staff competency related challenges	Likert scale					Mean	Standard Deviation
	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree		
Inability to apply WCO's procurement principles	2	11	8	30	9	3.55	1.064
Sound expertise and ability to negotiate	0	6	6	32	16	3.97	.882
Skill and competence to handle complex and strategic procurement items	2	2	5	40	11	3.93	.841
Inability to understand user market environment	2	5	15	30	8	3.62	.940
Grand Mean- Lack of staff competency						3.77	

*Source own survey data, 2021*

According to the above table 4 in relation to lack of staff competency related questions and its impact on procurement performance, a grand mean of 3.77 is recorded which is also influential. The majority 50% of participants agree with the procurement staffs inability to apply WCO's procurement principles/guidelines and evaluate bidding document leads to failure to secure the Right quality, time, price, source & quantity with a mean of 3.55, and 15% of the participants proved that the procurement staffs are inability to apply principles and guideline and evaluate bidding document by strongly agreeing to the concern of staff competency challenges. On the contrary, procurement staffs sound expertise and ability to negotiate with end users and suppliers

whenever it is necessary to ensure best value for money and procurement staffs acquiring the necessary skills and competence to handle complex and strategic procurement items to achieve the overall goals of the organization as per the organization’s guideline are scored a mean value of 3.97 and 3.93 respectively. Still majority 50% of participants were sure that procurement staff are enabled to understand users market environment and suppliers capacity which leads to reduction of cost/price, process lead-time and increase efficient use of resources with a mean value of 3.62 (Table 4).

A Study by Senait, Asefa et, al (2016) identified that staff competence were the most related factors affecting procurement performance in a manufacturing company. On the contrary, WHO Ethiopia has enabled its procurement staff to be well trained and be competent that most of the study participants disagreed with the inability to apply procurement principles/guidelines, the inability to negotiate with end-users, and to handle complex and strategic procurement items. This difference might be due to the provision of training and a better experience of the procurement team. Lysons and Gillingham, (2003) in their findings concluded that procurement personnel should be knowledgeable about specifications so as to be able to secure value for money for their employers and play their role of intermediaries between the user and the supplier.

#### 4.5 Failure to follow proper procurement procedure and its related challenge

Table 4.5 Failure to follow proper procurement procedure related challenges for a study of factors affecting procurement performance of organization-the case of WHO Ethiopia county office (n=60)

Failure to follow procurement procedure related challenges	Likert scale					Mean	Standard Deviation
	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree		
Tender evaluation	2	1	6	36	15	4.02	.854
Contract management	0	4	8	34	14	3.97	.802
Failure to test/inspect goods and services	0	2	11	32	15	4.00	.759
Handling bidders complaint in bureaucratic system	0	9	11	29	11	3.70	.944

Failure to monitor procurement performance	1	12	21	20	6	3.30	.962
Failure to approve supplier creation/modification/reactivation	1	4	17	23	15	3.78	.958
Unnecessary exigencies and urgencies	0	4	8	34	14	3.97	.802
Grand Mean-Failure to follow proper procurement procedure						3.82	

*Source own survey data, 2021*

A grand mean of 3.82 is recorded for questions that was raised in relation to failure to follow proper procurement procedure which falls under influential category of the decision rule set above. More than half 60% of participants tend to agree that tender evaluation conducted according to predetermined set criteria in the bid document leads to ensured integrity of the process and provide a proper audit trail in all stages in the evaluation process with the highest mean value 4.02. In addition, failure to test or inspect at the time of delivery of goods and services leads to poor quality with a mean of 4.00. Contract management is also conducted according to the bidding and contract document terms and conditions to ensure parties fully meet their respective obligations as efficiently and effectively as possible, and providing value for money & protects the rights of the parties and ensures required performance when circumstances change and unnecessary exigencies and urgencies, not allowing full competition and full compliance with standard rules and procedures leads to increase on price, wrong quality, process lead-time recorded with a mean of value of 3.97 for each.

Handling bidder's complaint in a bureaucratic system increase lead-time, increases the price, and loses the right source/supplier with a total mean value of 3.70 was recorded. Furthermore, a mean of 3.78 was recorded for the questions that was raised failing to monitor/evaluate procurement performance leads to increase cost and inefficiency. Complex and long procurement procedures, not yet utilizing the chamber of commerce as sourcing out reliable supplies in terms of quality, price, and timeliness, and Inability to have a procurement plan ahead of time due to the nature of the program are some of the challenges mentioned by study participants. (Table 5).

The study in Nairobi (Ocharo. k, 2013) indicated that contract management impacts procurement performance to a great extent in delays in payment to suppliers and service delivery. This study also revealed that if contract management is conducted properly according to the bidding and

contract document terms and conditions, it will help to ensure required performance when circumstances change, secure parties to fully meet their respective obligations as efficiently and effectively as possible, provide value for money and protect the rights of the parties.

Regarding challenges faced during procurement, a study by Baily et al (2005) stated that public procurement procedures tend to be characterized by high levels of bureaucracy independent of order value, poor communications, and ineffective procurement procedures would end up with the failure of the objectives of procurement. This study also showed that handling bidders compliant in a bureaucratic system affected the procurement procedure.

#### 4.6 External Factors affecting procurement performance

The study sought to understand how performance of WHO procurement is being affected by the external factors with regard major uncontrollable external forces including market environment related challenges, ICT related challenge, political and economic environment challenges affect procurement performance. Their outcomes were presented on below accordingly.

Table 4.6 External factors affecting Procurement performance for a study of factors affecting procurement performance of organization-the case of WHO Ethiopia county office (n=60)

External factors	Likert scale					Mean	Standard Deviation
	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree		
<b>Market Environment-related challenges</b>							
Non – reliability and incapacity of local market	2	1	6	36	15	4.02	.854
Level of competition of vendors	8	23	7	16	6	2.82	1.255
Local market instability	0	0	12	29	19	4.12	.715
Client’s financial strength	0	2	6	24	28	4.30	.788
Grand Mean-market environment related challenges						3.82	
<b>ICT related challenges</b>							
Failure to use automation service request process	15	22	4	9	10	2.62	1.439

Low level of ICT accessibility by suppliers	0	11	16	18	15	3.62	1.059
Inconsistent internet connection	4	18	11	23	4	3.08	1.109
Grand Mean-ICT related challenges						3.11	
<b>Political environment-related challenges</b>							
Political instability of the country	3	11	10	23	13	3.53	1.171
Legal framework of the government	0	9	16	23	12	3.63	.974
Flexibility of different interest group	0	2	4	25	29	4.35	.755
Grand Mean-political environment related challenges						3.84	
<b>Economic environment-related challenges</b>							
The global supply chain crisis due to COVID-19 pandemic on shortage of production and supply chain shipment slowdown affecting procurement performance in relation to local and international goods availability and creates delay	0	0	4	31	25	4.35	.606
Lack of hard currency in the country	0	3	8	27	22	4.13	.833
Importation customs clearing process	0	2	3	33	22	4.25	.704
Grand Mean-economic environment related challenges						4.24	

Source own survey data, 2021

#### 4.6.1 Market Environment-related challenges

How market environment related challenges within the country influence procurement performance of the organization. The respondents required to show their level of agreements on the factors of market environment and as presented in below table 6, a grand mean of 3.82 was recorded in relation to market environment related challenges. A mean of 40.2 and 2.82 was recorded for non-reliability and incapacity of local market vendors and the level of competition of the vendors are affecting the performance of WHO procurement respectively.

Moreover, as 29 (48.3%) and 19 (31.7%) of participants agreed and strongly agreed with a mean of 4.12 that local market instability to meet the demand requirement is negatively affects the procurement performance of the organization. In addition, 24(40.0%) of the participants agreed and 28(46.7%) of participants strongly agreed that client's financial strength negatively affects WHO procurement performance while procuring emergency goods in large quantities with a mean value of 4.30 was recorded. (Table 4.6)

#### **4.6.2 ICT related challenges**

A grand mean of 3.11 recorded conceding ICT related challenges. Failure to use the automation service request process to avoid delay of approval of procurement inside the WHO office leads to a long time to meet the required deadline scored a mean of 2.62. Moreover, 18(30%) and 15(25%) of participants agreed and strongly agreed respectively scoring a mean value of 3.62 that a low level of ICT accessibility by supplier affects the procurement performance in terms of supplier response to request or increase process lead-time whereas 18(26.7%) of participants remained neutral about the effect of low-level ICT accessibility of suppliers. A mean of 3.08 was indicated in relation to inconsistent internet connection affects the procurement performance in terms of delay in reply of offers or increase lead-time and right quality while 18(30%) of participants disagreed that inconsistent internet connection affects procurement performance. (Table 4.6).

#### **4.6.3 Political environment-related challenges**

The study pursued to know the Political environment of the country is being challenging the procurement performance of WHO or not the below table 6 showed a grand mean of 3.84 is recorded for the overall political environment related challenges. A mean of 3.53 indicated for political instability of the country affects the procurement performance in delivering goods at the right time and legal framework from government side during purchase and clearance of goods affecting the performance procurement with a mean value of 3.63. Moreover, a mean value of 4.35 indicated for flexibility of different interest groups affects the performance of WHO procurement. (Table 4.6)

The study shows Political instability, legal frameworks, global supply chain crisis due to the pandemic, lack of hard currency, and importation customs clearing process are also found to be factors affecting procurement performance. An empirical study in Singapore supported that effective control of environmental factors such as competitive hostility, operation strategy, and market dynamism helps better management of procurement.

#### 4.6.4 Economic environment-related challenges

In relation to economic environment challenges a grand mean of 4.24 was recorded. The table clearly shows the majority of the participants agreed that the global supply chain crisis due to COVID-19 pandemic on shortage of production and supply chain shipment slowdown affects procurement performance of both local and international goods availability and creates delay a mean value of 4.35 is recorded and Twenty-five (41.7%) of participants tend to strongly agree to strengthen this fact as a challenge. Most 27 (45.0%) of participants agreed that lack of hard currency within the country is affecting the procurement performance in obtaining local imported goods and 22(36.7%) of the participants strongly agreed to the same note which gives a mean value of 4.13. In addition, during international procurement the importation customs clearing process in the country also affects WHO's procurement performance a mean value of 4.25 is recorded. (Table 4.6)

According to the decision rule set above, all the external factors such as market environment related challenges, ICT related challenges and political environmental related challenges recorded that the factors are influential while the economic environment related challenges recorded as very influential.

Summary Table-Grand mean: Internal and external factors affecting procurement performance

<b>Internal and external factors</b>	<b>Grand Mean</b>
<b>Internal</b>	
Lack of procurement planning	4.15
Lack of proper resource allocation	3.41
Lack of Staff competency	3.77
Failure to follow proper procurement procedure	3.82
<b>External</b>	
Market environment related challenges	3.82
ICT related challenges	3.11
Political environment related challenges	3.84
Economic environment related challenges	4.24

## 4.7 Procurement performance rating concerning 5 R's

Table 4.7 Procurement performance rating concerning five R's for a study of factors affecting procurement performance of organization-the case of WHO Ethiopia county office (n=60)

Five R's	N	Likert scale					Mean	Standard Deviation
		Very poor	Poor	Moderately good	Good	Very Good		
Right Quality	60	0	6	9	25	20	3.98	.948
Right Time	60	3	2	19	24	12	3.67	1.003
Right Price	60	0	6	5	28	21	4.07	.918
Right Source	60	0	2	4	29	25	4.28	.739
Right Quantity	60	0	6	7	28	19	4.00	.921
Grand Mean 5 Rs							4.00	

Source own survey data, 2021

A grand mean of 4.00 is recorded in relation to 5 Rs and their impact on procurement performance. The performance of WHO's procurement is very good in terms of providing the right quality of goods and services, and good in terms of managing procurement at the right time or managing procurement in short lead-time, in securing the right price, in awarding the right Source, and very good in acquiring the right quantity as a mean value of 3.98, 3.67, 4.07, 4.28 and 4.00 are recorded respectively. (Table 7)

It is advantageous that the goods and services are appropriate and that they are acquired at the lowest feasible cost to fulfill the purchaser's needs in terms of quality and quantity, as well as time and amount.

The degree of achievement of a specific effort or undertaking has been termed as procurement performance. It has to do with the predetermined aims or objectives that make up the project specifications. It's all about satisfying or exceeding the demands and expectations of project stakeholders. It always requires taking into account the following important procurement factors: time, cost, quality, quantity, and source Aldhfayan, (2008)

## 4.8 Tests and Statistical Analysis

In order to evaluate the validity of data, the researcher utilized inferential analysis, which is concerned with several tests of significance for normality, autocorrelation, and multicollinearity. The data was sorted to group questions into groups based on the constructs being tested. Finally, a typical multiple regression analysis was carried out. The following are the results of the tests and data analysis:

### 4.8.1 Normality Test

Frequency distributions are available in a variety of shapes and sizes. As a result, having some generic descriptions for typical sorts of distributions is critical. Our data would be dispersed symmetrically around the center of all scores in an ideal world. As a result, if we drew a vertical line across the distribution's center on both sides, it should seem the same. This is referred to as a normal distribution, and it is distinguished by the bell-shaped curve. This shape indicates that the bulk of scores are clustered around the distribution's center (i.e., the histogram's largest bars are all clustered around the central value) Field, (2006).

In a normal distribution, the values of skewness are 0. A divergence from normal is shown by skew values above or below 0 in a distribution Field, (2009). The skewness approaches or approaches Zero, as shown in the table below, and the normal distribution figure 4.1 also shows that the data is almost normal. All variables were found to be normal.

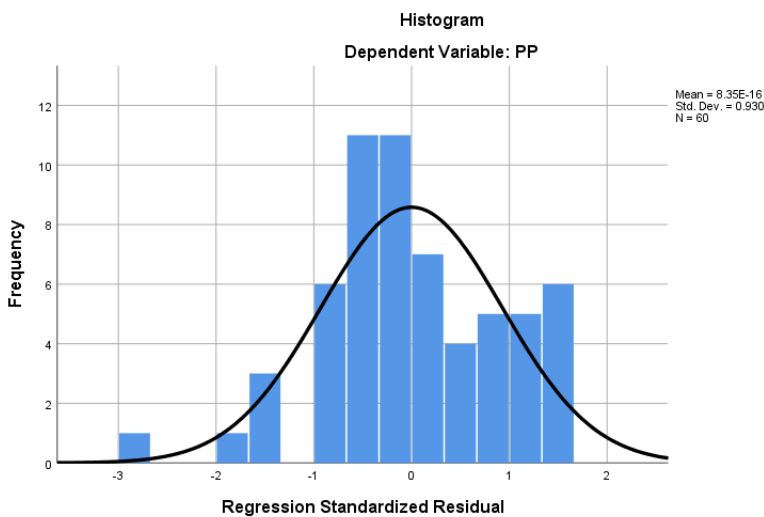
*Table 4.8 Tests of normality Procurement performance*

	N Statistic	Skewness		Kurtosis	
		Statistic	Std. Error	Statistic	Std. Error
Lack of procurement planning	60	-.243	.309	-.489	.608
Lack of proper resource allocation	60	-.392	.309	-.840	.608
Lack of staff competency	60	-.133	.309	.568	.608
Failure to follow proper procurement procedure	60	-.506	.309	.326	.608
Market environment related challenges	60	.174	.309	-.209	.608
ICT related challenges	60	.143	.309	-1.167	.608
Political environment related challenges	60	-.213	.309	.046	.608
Economic environment related challenges	60	-.415	.309	-.180	.608
Procurement Performance	60	-.568	.309	.043	.608
Valid N (listwise)	60				

Source: Survey Result (2021)

The most common scores (the tall bars on the graph) are clustered at one end of the scale in skewed distributions, which are not symmetrical. A skewed distribution can be positively skewed (frequent scores are clustered at the lower end, and the tail points towards higher or more positive ratings) or negatively skewed (frequent scores are clustered at the higher end, and the tail points towards lower, more negative scores).

Figure 4.9 Normal distribution of the data



Where: PPE = Procurement Performance

#### 4.9 Interpretation of Model Summary

Model summary table 4.10. Whether the model is successful in predicting dependent variables is described in the overall model. It produces a R square value, which indicates how much of the variance in the outcome is due to the predictors. Under this section, the researcher explains regression analysis and model generalization and hypothesis test result of each dependent variables and predictor variables.

#### 4.10 Regression Analysis

The amount of variance in a dependent variable that can be statistically explained by the independent variable is measured by regression standardized coefficients, which can take any value between 0 and 1 Saunders et al., (2012). The adjusted value tells us how much variance in the dependent variable would be accounted for if the model had been derived from the population

from which the sample was taken, while R square tells us how much variance in the dependent variable is accounted for by the regression model from our sample Field, (2006). The research's regression coefficients (R) and R Square are discussed below:

*Table 4.10 Model Summary Table*

Model Summary <sup>b</sup>					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.788 <sup>a</sup>	.622	.562	2.06012	2.201

a. Predictors: (Constant), Lack of Procurement Planning, Lack of proper resource allocation, Lack of staff competency, Failure to follow Procurement Procedure, Market environment related challenges, ICT related challenges, Political environment related challenges, Economic environment related challenges

b. Dependent Variable: Procurement Performance

Working on those selected parameters has a favorable impact on WHO procurement performance, as shown in table 4.10. The multiple correlation coefficient R of 0.788 suggests that the association between the independent and dependent variables is a strong positive link. 62.2 percent of the variation in the dependent variable procurement performance is explained by the independent variables, according to the coefficient of determination, R square (i.e. Internal factors- lack of procurement planning, lack of proper resource allocation, lack of staff competency, failure to follow procurement procedure, External Factors-market environment related challenges, ICT related challenges, political environment related challenges and economic environment related challenges) and the remaining percent (37.8 %) is explained by other dimensions.

#### **4.11 Model Generalization**

Another step is generalization; it's a crucial step, and if our model's outcome isn't generalizable, we'll have to confine any inferences based on the model to the sample size Field, (2006). The adjusted R square indicates how well the model generalizes, and its value should ideally be the same as or near to that of R square. Furthermore, the adjusted value indicates how much variance in the dependent variable would be accounted for if the model was developed from the population from which the sample was drawn.

The difference between R square and adjusted R square is used to compute the model generalization value Field (2006). As a result, the difference between adjusted R square and R square is used to generate the model generalization summary of procurement performance. According to table 4.14, the adjusted R square and R square values are 0.562 and 0.622,

respectively. As a result, the difference between R square and corrected R square is  $0.622 - 0.562 = 0.06$ , or around 6.0 percent shrinkage. This shrinkage suggests that the model would explain for approximately 6% less variance in the outcome if it was developed from the population rather than a sample. As a result, we may conclude that when this model is applied to the entire population, the outcome has just 6% variance.

#### **4.11.1. Multiple Regression Analysis**

Regression analysis is a statistical method for constructing a mathematical model that depicts the relationship between variables and can be used to predict the value of the dependent variable given the value of the independent variable(s) (Kothari, 2004). Multiple regression analysis is a type of association analysis in which the effects of two or more independent variables are explored simultaneously on a single, interval-scaled dependent variable (William and Barry, 2010). Standard multiple regression, hierarchical regression, and statistical (stepwise) regression are the three main types of multiple regression procedures (Ho, 2006). This study used the normal multiple regression procedure, which involves entering all of the study's independent variables into the regression equation at the same time. According to William and Barry (2010), there are no cutoff values for the model R square value to accept or reject the regression model; thus, regression analysis findings are interpreted and regression models for all dependent variables are produced. Multiple regression analysis was used in this study to see if the independent variables or procurement factors (such as lack of procurement planning, lack of proper resource allocation, lack of staff competency, failure to follow proper procurement procedure, and external factors) had an effect on the dependent variables or procurement performance. The purpose of this multiple regression analysis was to look at the direct impact of factors that influence procurement success in the WHO Ethiopia country office.

#### **4.11.2. Analysis of Variance /ANOVA/ Test**

ANOVA tests show whether the model is significantly better than using the mean as a "best guess" at forecasting the outcome Field, (2006). The ANOVA model is more likely to be significant, implying that at least one group mean differs from another. When examining the effect of a less-than-interval independent variable on an at-least-interval dependent variable, ANOVA is the statistical technique to use. If the F test result is not significant, the model should be rejected, and no further actions should be taken William and Barry (2010).

In contrast, Abebe Aberu (2012) explained that an extremely low significance value (typically less than 0.05) indicates that your coefficient is unlikely to have happened by chance alone. If your

coefficient of multiple determinations is more than 0.05, you can assume that it happened by chance alone. As a result, the ANOVA table and test results are shown and analyzed in the following sections.

*Table 4.11 ANOVA table*

Model	Sum of Squares	df	Mean Square	F	Sig.
1. Regression	355.551	8	44.444	10.472	.000 <sup>b</sup>
Residual	216.449	51	4.244		
Total	572.000	59			

a. Dependent Variable: Procurement performance

b. Predictors: (Constant), Lack of Procurement Planning, Lack of proper resource allocation, Lack of staff competency, Failure to follow Procurement Procedure, Market environment related challenges, ICT related challenges, Political environment related challenges, Economic environment related challenges

The procurement performance ANOVA test result is shown in table 4.11 above; note that F value 10.472 is significant at P0.001 levels. As a consequence of the findings, it can be concluded that procurement performance is significant at 62.2 percent of the variance (R square), and the model accurately measures the dependent variables. Furthermore, because the significant value P is very small (less than 0.01), the coefficient value is unlikely to have occurred by chance.

### 4.11.3. Regression Coefficients or Model

The impact of each independent variable on the dependent variable is measured using standardized coefficients. As a result, the bigger the effect, the higher the beta coefficient of the factor. As shown in the regression coefficients table below, external factors had the highest standardized coefficient (.774), afterward procurement planning with (.254) and resource allocation with a negative standard coefficient (-0.631) followed by staff competency and procurement procedure are the fourth, and fifth in their relative significance to procurement performance.

*Table 4.12 Regression Standardized Coefficients*

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
	B	Std. Error	Beta			
1	(Constant)	-5.548	3.512		-1.580	.120
	Lack of procurement planning	.228	.101	.301	2.253	.029

Lack of proper resource allocation	-.633	.184	-.734	-3.444	.001
Lack of staff competency	.298	.164	.223	1.819	.075
Failure to follow proper procurement procedure	.122	.068	.166	1.793	.079
Market environment related challenges	.091	.230	.053	.395	.695
ICT related challenges	.329	.197	.308	1.672	.101
Political environment related challenges	.824	.227	.565	3.636	.001
Economic environment related challenges	.297	.206	.163	1.444	.155

a. Dependent Variable: Procurement Performance

Based on multiple linear regression analysis, the above table 4.12, Beta weight reveals that the impacts of internal and external factors, internal factors-lack of procurement planning, lack of proper resource allocation, lack of staff competency, failure to follow proper procurement procedure and external factors-market environment related challenges, ICT related challenges, political environment related and economic environment challenges on procurement performance are 0.301, -0.734, 0.223, 0.166, 0.053, 0.308, 0.565 and 0.163 respectively. This reveals the projected change or improvement in the dependent variable for each unit increase in the predictor, while all other variables remain constant. Lack of procurement planning ( $\beta = 0.301$ ,  $p < 0.05$ ) and political environment related challenges ( $\beta = 0.565$ ,  $p < 0.05$ ) show significant positive relationships with procurement performance, whereas resource allocation ( $\beta = -0.734$ ,  $p < 0.05$ ) shows a significant negative relationship with procurement performance. However, lack of staff competency, failure to follow proper procurement procedure and market environment related challenges, ICT related challenges and economic related challenges have the p-value of 0.075, 0.079, 0.695, 0.101 and 0.155 respectively and p value is greater than 0.05, showing the results are not statistically significant.

Taking all other independent variables to zero, the findings show that a unit increase in procurement planning leads to a 0.301 increase in procurement performance with a P value of 0.029, which is less than 0.05, and there is a positive relationship with significant level, while a unit increase in resource allocation leads to a (-0.734) decrease in procurement performance with a P value of 0.001, which is less than 0.05, and there is a negative relationship with significant level and a unit increase to political environment related challenges will lead to a 0.565 increase in procurement performance with a P value=0.001 which is less than 0.05.

The multiple regression equation was as follows: -

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \dots + \beta_n X_n$$

Where: Y = dependent variable

$\beta_0$  = constant

$\beta_n$  = Unstandardized regression coefficient

X = Value of the predicted coefficient

$$Y (\text{PRPR}) = \beta_0 + (\beta_1) \text{LPP} + (\beta_2) \text{LPRA} + (\beta_3) \text{LSC} + (\beta_4) \text{FFPPP} + (\beta_5) \text{MERC} + (\beta_6) \text{ICTRC} + (\beta_7) \text{PERC} + (\beta_8) \text{EERC}$$

Where: -

Y is the dependent variable PRPR = Procurement Performance

LPP = Lack of procurement planning

LPRA = Lack of proper resource allocation

LSC = Lack of staff competency

FFPPP = Failure to follow proper procurement procedure

MERC = Market environment related challenges

ICTRC = ICT related challenges

PERC = Political environment related challenges

EERC = Economic environment related challenges

$$Y (\text{PRPR}) = -5.548 + 0.301 \text{LPP} + (-0.734) \text{LPRA} + 0.565 \text{EF}$$

$$Y (\text{PRPR}) = -5.416$$

#### 4.13 Hypothesis Test result

Table 4.17 Hypothesis Summary Table

Hypothesis No	Hypothesis	Sig.	Standardize Beta Value	Result
Hypothesis 1	Lack of procurement planning has an effect on procurement performance	0.029	0.301	Reject H0
Hypothesis 1	Lack of proper resource allocation has an effect on procurement performance	0.001	-0.734	Reject H0
Hypothesis 0	Lack of staff competency has no effect on procurement performance	0.075	0.223	Reject H1

Hypothesis 0	Failure to follow proper procurement procedure has no effect on procurement performance	0.079	0.166	Reject H1
Hypothesis 0	Market environment related challenges have no effect on procurement performance	0.695	0.053	Reject H1
Hypothesis 0	ICT related challenges have no effect on procurement performance	0.101	0.308	Reject H1
Hypothesis 1	Political environment related challenges have effect on procurement performance	0.001	0.565	Reject H0
Hypothesis 0	Economic environment related challenges have no effect on procurement performance	0.155	0.163	Reject H1

The regression equation above has established that taking all factors into account (procurement performance as a result of lack of procurement planning, lack of proper resource allocation, lack of staff competency, failure to follow proper procurement procedure and due to external Factors) constant at zero procurement performance at WHO-Ethiopia country office would be -5.548.

In relation to procurement planning a descriptive study finding by Kiplel M. C. and Pauline K. (2018) concluded that procurement planning enhances performance and Japheth Ocharo Kiage (2013) concluded in their study that a unit increase in planning will lead to 0.269 increases in procurement performance and a study by Augustine A., Victor A. and Gabriel A. (2019) revealed that procurement planning has a positive and significant relationship with procurement performance with  $P=0.080 < 0.05$ .

Whereas a study by Senait B. H., Asefa G. & Seid H. A. (2016) concluded that staff competency and resource allocation were the two most related factors that affect procurement performance were 0.016 and 0.00 respectively ( $p < 0.05$ ).

According to Abebe A. (2019), if p value is less than the specific level of significance ( $\alpha$ ), reject the null hypothesis; otherwise, do not reject the null hypothesis. The hypothesis result of procurement factors which are shown above in table 4.15 ANOVA Table and 4.16 regression standardized coefficients of lack of procurement planning, lack of proper resource allocation and political environment related challenges since alternative hypothesis p value is less than 0.05, and this means reject the null hypothesis. Therefore, the regression analysis agreed to accept alternative hypothesis, as a result three alternative hypotheses are accepted. Hence, procurement factors have

two positive correlation and one negative correlation with procurement performance namely lack procurement planning, lack of proper resource allocation, and political environment related challenges respectively.

- ❖ H1- Lack of procurement planning has an effect on procurement performance of WHO; The regression standardized coefficients table above indicated due to lack of procurement planning will affect the procurement performance by 0.301 at  $p = 0.029$  which is less than 0.05 and the relationship is positive, therefore, we accept the hypothesis H1a; lack of procurement planning has an effect on procurement performance of WHO. The null hypothesis H0, therefore, will be rejected.
- ❖ H1- Lack of proper resource allocation has an effect on procurement performance of WHO; The regression standardized coefficients table above indicated due to lack proper resource allocation has an effect on procurement performance by -0.734 at  $p = 0.001$  which is less than 0.05 and the relationship is positive, therefore, we accept the hypothesis H1; lack of proper resource allocation in affects the procurement performance of WHO. The null hypothesis H0, therefore, will be rejected.
- ❖ H0- lack of staff competency has no effect on procurement performance of WHO; The regression standardized coefficients above indicated lack of staff competency has no effect on procurement performance as the result shows 0.075 at  $p = 0.223$  which is greater than 0.05 we accept the null hypothesis H0; lack of staff competency has no effect on procurement performance of WHO. We fail to reject the null hypothesis, therefore, H1 will be rejected.
- ❖ H0- Failure to follow proper procurement procedure has no effect on the procurement performance; as the result shows 0.079 at  $p=0.166$  which is greater than 0.05 we accept the null hypothesis H0; failure to follow proper procurement procedure has no effect on procurement performance of WHO. We fail to reject the null hypothesis, therefore, H1 will be rejected.
- ❖ H0- Market environment related challenges have no effect on procurement performance of WHO-Ethiopia; The regression standardized coefficients table above indicated market environment related challenges have no effect on procurement performance by 0.053 at  $p = 0.695$  which is greater than 0.05, we accept the null hypothesis H0; market environment related challenges have no effect on procurement performance of WHO. We fail to reject the null hypothesis, therefore, H1 will be rejected.

- ❖ H0- ICT related challenges have no effect on procurement performance of WHO; The regression standardized coefficients above indicated ICT related challenges have no effect on procurement performance as the result shows 0.308 at  $p = 0.101$  which is greater than 0.05 we accept the null hypothesis H0; ICT related challenges have no effect on procurement performance of WHO. We fail to reject the null hypothesis, therefore, H1 will be rejected.
- ❖ H1- Political environment related challenges have effect on procurement performance of WHO; The regression standardized coefficients table above indicated political environment related challenges have effect on procurement performance by 0.565 at  $p = 0.001$  which is less than 0.05 and the relationship is positive, therefore, we accept the hypothesis H1; political environment related challenges have effect on procurement performance of WHO. The null hypothesis H0, therefore, will be rejected.
- ❖ H0-Economic environment related challenges have no effect on procurement performance of WHO; The regression standardized coefficients above indicated economic environment related challenges have no effect on procurement performance as the result shows 0.163 at  $p = 0.155$  which is greater than 0.05 we accept the null hypothesis H0; economic environment related challenges have no effect on procurement performance of WHO. We fail to reject the null hypothesis, therefore, H1 will be rejected.

To summarize, some of the null hypotheses are automatically rejected and some of the alternative hypotheses are accepted. This shows the company must work in these factors specially procurement planning resource allocation and political environment related challenges in order to increase the performance of procurement.

## CHAPTER FIVE

### SUMMARY, CONCLUSION AND RECOMMENDATION

#### 5.2.1. Introduction

In this chapter the summary of the findings are provided, and conclusions are drawn in light of the objectives of the study. The researcher then presents recommendations for both the research and for improvement by the organization under study. Finally, it highlights suggestion for further study by other researchers in the future.

#### 5.2.2. Summary of Major Findings

The research aims at examining of factors affecting procurement performance of organization the case of WHO Ethiopia Country Office. Accordingly, to meet this objective, the researcher has developed a questionnaire from the relevant literature to collect and analyze the opinions of the study sample. The following findings are obtained.

##### 5.2.2.1. Lack of procurement planning

From the findings, majority of respondents indicated that lack of procurement planning impacted on procurement performance. In this regard, a grand mean 4.15 recorded implying questions relating to lack of procurement planning falls under very influential category a decision role seated. This implies the respondents of this study agreed that the procurement planning related factors affect the procurement performance. In addition, the respondents indicated that effective and efficient procurement process can only be achieved by proper planning by competent staff else there would be flaws in the process.

From regression model, taking all other independent variables at zero, a unit increase in lack of procurement planning will lead to 0.301 with a p value is less than 0.05, showing the results is statistically significant increases in procurement performance at WHO. This implies that lack of procurement planning related challenges accounts for 30.1% of variations in procurement performance.

#### **5.2.2.2. Lack of proper resource allocation**

From the findings, majority of respondents indicated that lack of proper resource allocation impacted on procurement performance with a grand mean of 3.41 is recorded which is influential.

In addition to the above, from regression model, a unit increase in lack of proper resource allocation will lead to a -0.734 with P value=0.001 decrease effect on procurement performance. This implies that lack of proper resource allocation accounts for -73.4% of negative variations on procurement performance.

#### **5.2.2.3. Lack of staff competency**

From the findings, majority of respondents indicated that lack of staff competency in the department impacted positively on procurement performance. Procurement staff competencies affect procurement performance of WHO-Ethiopia in the sense that the ability of experienced staff carry out duties with professional manner and it reduce wastage of resources. This study found a grand mean of 3.77 is recorded which is influential.

From regression model, a unit increase in lack of staff competency will lead to 0.223 increase in procurement performance at WHO-Ethiopia. This implies that staff competency accounts for 22.3% of variations in procurement performance. However, lack of staff competency, have the p-value of 0.075 p value is greater than 0.05, showing the results are not statistically significant.

#### **5.2.2.4. Failure to follow proper procurement procedures**

From the findings, majority of respondents indicated that failure to follow proper procurement procedures related questions have a positive impact on procurement performance. In addition, a grand mean of 3.82 is recorded for questions that was raised in relation to procurement procedure which is influential to procurement performance.

However, From the regression model, a unit increase in failure to follow proper procurement procedures will lead to 0.166 increase on procurement performance. This implies that failure to follow procurement procedures accounts for 16.6% of variations in procurement performance,

failure to follow procurement procedure factors, have the p-value of 0.166 and that is greater than 0.05, showing the results are not statistically significant.

#### **5.2.2.5. Market environment related challenges**

From the findings, majority of respondents indicated that market environment related challenges impacted on procurement performance. In this regard, a grand mean 3.82 recorded implying questions relating to market environment related challenges falls under influential category as per the decision role seated above. This implies the respondents of this study agreed that market environment related challenges affect the procurement performance

However, from the regression model, taking all other independent variables at zero, a unit change in relation to in market environment related challenges will lead to 0.053 with a p greater than 0.05, showing the results is statistically nonsignificant towards procurement performance. This implies that lack of market environment related challenges accounts for 5.3% variations in procurement performance.

#### **5.2.2.6. ICT related challenges**

From the findings, majority of respondents indicated that ICT related challenges impacted on procurement performance. In this regard, a grand mean 3.11 recorded implying questions relating to ICT related challenges falls under influential category as per the decision role seated above.

However, from the regression model, taking all other independent variables at zero, a unit increase in relation to in ICT related challenges will lead to 0.308 with  $P = 0.101$ , showing the results is statistically nonsignificant towards procurement performance but ICT related challenges accounts for 30.8% variations in procurement performance.

#### **5.2.2.7. Political environment related challenges**

From the findings, majority of respondents indicated that market environment related challenges impacted on procurement performance. In this regard, a grand mean 3.84 recorded implying questions relating to market environment related challenges falls under influential category. This

implies the respondents of this study agreed that political environment related challenges affect the procurement performance

From regression model, taking all other independent variables at zero, a unit increase in in relation to political environment related challenges will lead to 0.565 increase in procurement performance with a p value is less than 0.05, showing the results is statistically significant. This implies that political environment related challenges accounts for 56.5% of variations in procurement performance.

#### **5.2.2.8. Economic environment related challenges**

From the findings, majority of respondents indicated that economic environment related challenges impacted on procurement performance. In this regard, a grand mean 4.24 recorded implying questions relating to market environment related challenges falls under very influential category as per a decision role above. This implies the respondents of this study agreed that market environment related challenges affect the procurement performance.

From regression model, taking all other independent variables at zero, a unit increase in economic environment related challenges will lead to 0.163 increase in procurement performance with a p value is greater than 0.05, showing the results is statistically nonsignificant. This implies that political environment related challenges accounts for 16.3% of variations in procurement performance.

As stated above from the external factors regression model, only political environment challenges affected procurement performance significantly with a standard coefficient value 0.565 and a unit increase to political environment related challenges will lead to a 0.565 increase in procurement performance with a P value=0.001 which is less than 0.05.

### **5.3 Conclusion**

This study showed a finding on a study of factors affecting procurement performance of organization-the case of WHO Ethiopia county office. The descriptive study showed that WHO Ethiopia failed to prepare procurement plan on time which leads to wrong quality, wrong resource

allocation, increased price, unsystematic and procedurally incorrect procurement process, and inability to explore alternative procurement approaches. Non-adherence, failure to raise procurement needs on time, unclear specifications or requirements, and failure to assign a focal person to communicate with the procurement team affects the five R's procurement process and increased procurement lead-time. The study also indicated short lifetime budget allocation, failure to check budget award end date, insufficient budget, and lack of coordination during purchase requisition leads to increased lead-time and price/cost. However, the study revealed that among the internal factors lack procurement planning and lack of proper allocation of resources are statistically significant variables.

In another word, the above-mentioned findings revealed also, an increase on process lead-time and price/cost of goods/services directly affects one of the organization's procurement principles that is "*Best value for money*" the responsive offer that is the best combination of *technical specifications, quality and price*.

In addition, in relation to lack of proper resource allocation the study shows that allocating budget that has a short lifetime leads to a longer process lead-time this again affects the cost of the product or services required because of market dynamics. Lack of coordination between the procurement team and requesting unit when utilization of assigned/approved budget again increase process lead-time due to back-and-forth communication to revise budget.

Regarding staff competency, the study revealed that procurement staffs have sound expertise and were competent in applying WCO's procurement principles/guidelines and evaluating bidding documents, negotiating with end-users and suppliers, handling complex and strategic procurement items, and being able to understand users market environment and suppliers which helps to secure the five R's of the Procurement process, ensure the best value of money and achieve the overall goals of the organization. Even though the variable under study scored a nonsignificant result using the regression analysis.

The study revealed that tender evaluation conducted according to predetermined set criteria that ensures integrity of the process and ensure proper audit trail in all stages of the evaluation process conducted. This study also revealed the challenges faced during procurement. These are failure to test or inspect goods and services at the time of delivery, handling bidders compliant in a bureaucratic system, failure to monitor and evaluate procurement performance, and failure to

approve supplier creation or modification or reactivation in good time will increase process lead-time.

Among the external factors such as market environment related challenges, ICT related challenges, political environment related challenges, and economic environment related challenges only political environment related challenges were found to be affecting the WHO's procurement performance negatively according to the regression analysis outcome. Though these factors have an impact on the procurement performance, the descriptive study showed WHO's procurement procedure achieved a good performance on the five R's of the procurement process.

The study revealed that non-reliability and incapacity of local market/vendors and the level of competition of the suppliers/vendors affect the procurement performance. Furthermore, local market instability to meet demand requirements including client financial strength negatively affects WHO's procurement performance. The study also discovered lack of automation service request process and delay of request approval within WHO and low level of ICT accessibility from supplier side and inconsistent internet connection in terms of supplier response to a request both affects procurement performance.

The study showed political instability within the country, the legal framework from the government side during purchase and clearance of goods and delivery of services and flexibility of different interest groups have a negative impact on procurement performance and it is a significant variable as per the regression output.

From the descriptive study the global supply chain crisis due to COVID-19 pandemic on shortage of production and slowdown of supply chain shipment affects procurement performance both in local and international goods availability and create delay on delivery. Additionally, the study showed lack of hard currency and the importation customs clearing process within the country affects procurement performance of WHO country office with a grand mean value of very influential although the output from the regression analysis shows that economic environment related challenges are statistically insignificant predictor of the procurement performance under this study.

In relation to the five R's-the Right quality, time, price, source and quantity, the study revealed that performance of WHO's procurement is good in terms of providing the right quality of goods

and services, and good in terms of managing procurement at the right time or managing procurement in short lead-time, in securing the right price, in awarding the right source, and very good in acquiring the right quantity.

## **5.4 Recommendation**

Based on finding of the study, conclusion drawn in line with the study objectives, the following points are suggested by the researcher in order to improve procurement performance of WHO Ethiopia Country Office.

Procurement planning is of essence if the need for procurement performance of the organization is to be enhanced. Therefore, it is imperative for the organization to embrace procurement planning so that, organization can apply best value for money principle which is one of the organizations procurement principles and reduce process lead-time and cost. The researcher also recommends that procurement plans shall prepare on time with complete information by end users. Procurement plan must be completely integrated with the strategic plan and budget of the organization.

The researcher recommends requesting units are responsible for developing acquisition plans in cooperation with Procurement Officials in a timely manner. Ideally, acquisition plans should be developed in advance of each budgetary cycle to allow the concerned procurement office the necessary lead time to develop its procurement strategies, including the consolidation of requirements to leverage economies of scale.

The study recommends resource allocation must be utilizes using transparent information flow between the requesting unit and procurement team so that proper and sufficient budget allocation should be done to a specific task in a timely manner to avoid longer lead-time of procurement process. Furthermore, continues training provision is recommended to both staffs that are working in procurement team and staff that are directly involved to procurement process to enhance coordination between units and procurement team for effective communication of information and flow of expertise.

The study recommends that among the external factors political environment related challenges affects procurement performance in delivering the right goods/services to the required destination

or required people. Which is WHO's primary goal to "achieve the best possible standard of health for all peoples". Therefore, the organization needs to create a conducive working environment with all stakeholders to attain organization goals.

## **5.5 Suggestions for further study**

The research observed four internal factors and four external factors of independent variables (lack of procurement planning, lack of proper resource allocation, staff competency, failure to follow proper procurement procedure as internal factors and market environment related challenges, ICT related challenges, political environment related challenges, and economic environment related challenges as external factors) and one dependent variables or procurement performance (Right Quality, Right Time, Right Price, Right Source and Right Quantity) which according to the study contribute to 56.2% of the variations in procurement performance at WHO-Ethiopia country office. Further research is recommended to investigate the other factors that affect procurement performance by including other performance measuring tools and to ascertain whether these findings would be the same or different in other sectors.

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## Appendix I

**ADDIS ABABA UNIVERSITY  
SCHOOL OF COMMERCE  
DEPARTMENT OF LOGISTICS & SUPPLY CHAIN MANAGEMENT**

Dear respondent

I am a graduate student at Addis Ababa University College of Business and Economics, School of Commerce in the Department of Logistics and Supply Chain Management. Currently, I am conducting a research titled “*Factors Affecting Procurement Performance of Organization-The case of WHO Ethiopia County Office*” as a partial requirement for the award of Masters of Art Degree in Logistics and Supply Chain Management.

The purpose of this questionnaire is to gather data for the proposed study, and hence you are kindly requested to assist the successful completion of the study by providing the necessary information. Your participation is entirely voluntary, and the questionnaire is completely anonymous. I confirm you that the information you share will stay confidential and only used for the aforementioned academic purpose, thus not affects you in any way. So, your genuine, frank and timely response is vital for the success of the study. I would like to thank you in advance for your kind concern and patience while responding to the questionnaire.

Don't hastate to contact me any time if you have any enquiry with the following address.

Fasika Mesfin Haile

+251 911 18 64 32/

+251 911 463446

sozam.haile@gmail.com

## Part One: Demographic Data

- No need of writing your name.
- Indicate your answer with a check mark (☐) on the appropriate block.

### 1. Gender

- Male  Female

### 2. Age

- ≤ 20 years  21 –30 years  31-40 years  41-50 years  above 50 years

### 3. Educational Status

- Certificate  Diploma  Advanced Diploma  First Degree  Second Degree

### 4. Department

- Team Lead  Officer  Procurement staff  Admin staff

### 5. Years of experience at the organization:

- 0 to 5 years  6 to 10 years  11 to 15 years  16 to 20 years  Above 20 years

## Part Two: Procurement Planning

6. Please indicate your level of agreement with the following statements that relate to the effect of **Procurement planning** of Requesting Units on procurement performance in WHO-Ethiopia Country Office using a 5 point Likert scale by putting the tick mark (√) where:

-

1= Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree 5=Strongly Agree

S.No.	Procurement planning related questions	1	2	3	4	5
6.1	Nonadherence to procurement plan affected in obtaining best prices for aggregate requirements					
6.2	Failing to raise procurement need on time by end user increased the procurement lead-time					
6.3	Failing to provide clear specification/requirements for procurement items by the end user that are going to be procured increased the procurement cost (price) and lead-time					
6.4	Failing to assign one Focal Person (Unit Assistant) to communicate with procurement team when submitting procurement request affect lead-time process					
6.5	Lack of procurement plan prepared through involvement and participation of Requesting Units leads to wrong quality, wrong resource allocation and increase price					
6.6	Failing to have a procurement plan leads to insufficient time to fully explore alternative procurement approaches, such as joint bidding or consolidate procurement/use of LTA in order to get best value for money, increase lead time.					
6.7	Failing to have a procurement plan will lead to unsystematic and procedurally incorrect procurements process					

6.8	Failure to prepare Procurement plan yearly, six months, quarterly even monthly will impact on effective and timely solicitation of offers, award of contracts and delivery of the goods, services and works required which affects the five Rs of Procurement-right quantity, right time, right price, right source and right quantity					
6.9	Under rush procurement to meet deadlines or budget expenditure affects the process of sourcing the right suppliers on time					

If you want to add, please specify

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### Part Three: Resource Allocation

7. To what extent do you agree Resource Allocation problem influence procurement performance in WHO-Ethiopia Country Office?

S.No.	Resource Allocation related questions	1	2	3	4	5
7.1	Allocating budget that has short lifetime leads to longer lead-time, increase price					
7.2	Failing to check the budget award end date by approver at time of Request approval leads to back-and-forth communication and leads to delay					
7.3	Insufficient budget during Purchase Requisition in GSM due to end user utilization of the approved allocation budget leads to increase lead-time, price (cost).					
7.4	Lack of coordination with requesting unit on assigned budget utilization					

If you want to add, please specify

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### Part Four: Staff competency related challenge

8. What is your level of agreement with the following statements that relate to the effect of *Staff Competency related challenge* on procurement performance in WCO?

S.No.	Staff competency related questions	1	2	3	4	5
8.1	Procurement staffs inability to apply WCO's procurement principles/guidelines and evaluate bidding document leads failure to secure the Right quality, time, price, source & quantity					

8.4	Procurement staffs have a sound expertise and ability to negotiate with end users and suppliers whenever it is necessary to ensure best value for money					
8.5	Procurement staffs have the necessary skills and competence to handle complex and strategic procurement items as per WHO's procurement guideline to achieve the overall goals of the organization					
8.6	Procurement staffs inability to understand users market environment and suppliers capacity increase price, lead-time and leads to misuse resources					

If you want to add, please specify

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#### Part Five: procurement procedures related challenges

9. To what extent do you agree **procurement procedures related challenges** influence procurement performance in WHO Ethiopia Country Office?

S.No.	Procurement procedure related questions	1	2	3	4	5
9.1	Tender evaluation conducted according to predetermined set criteria in the bid document that leads to ensure the integrity of the process and to provide a proper audit trail, all stages in the evaluation process					
9.2	Contract management is conducted according to the bidding and contract document terms and conditions to ensure parties fully meet their respective obligations as efficiently and effectively as possible, and providing value for money & protects the rights of the parties and ensures required performance when circumstances change					
9.3	Failing to test or inspect at the time of delivery of goods and services leads to poor quality					
9.4	Handling bidders complaint in a bureaucratic system leads to increase lead-time , increase price and loose the right source					
9.5	Failing to monitor/evaluate procurement performance leads to increase cost and inefficiency					
9.6	Failure to approve Supplier creation/modification/reactivation in goodtime will lead increase procurement process lead-time,					
9.7	Unnecessary exigencies and urgencies, not allowing full competition and full compliance with standard rules and procedures leads to increase on price, wrong quality, increase lead-time					

If you want to add, please specify

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Part Six: External Factors affecting procurement performance

10. To what extent do you agree External Factor affecting procurement performance in WHO Ethiopia Country Office?

S.No.	External factors related questions	1	2	3	4	5
<b>A.</b>	<b>Market Environment related challenges</b>					
10.1	Nonreliability and incapacity of local market vendors are affecting the performance of WHO procurement					
10.2	The level of competition of the vendors is affecting the performance of the WHO procurement					
10.3	The local market instability to meet the demand requirement of WHO procurement request negatively affects its performance					
10.4	Client's financial strength will affect the performance of the WHO procurement while procuring emergency goods in large quantity					
<b>B.</b>	<b>ICT related challenges</b>					
10.5	Failure to use automation service request process in order to avoid delay of approval of procurement inside WHO office leads long time to meet the required deadline					
10.6	Low level of ICT accessibility by supplier affects the procurement performance in terms of supplier response to request or increase process lead-time					
10.7	Inconsistent internet connection affects the procurement performance in terms delay in reply of offers or increase lead-time, right quality,					
<b>C.</b>	<b>Political environment related challenges</b>					
10.8	Political instability of the country is affecting the procurement performance in delivering goods at the right time					
10.9	Legal framework from government side during purchase and clearance of goods affecting the performance procurement					
10.10	Flexibility of different interest groups affecting the performance of WHO procurement					
<b>D.</b>	<b>Economic environment related challenges</b>					
10.11	The global supply chain crisis due to COVID-19 pandemic on shortage of production and supply chain shipment slowdown affecting procurement performance in relation to local and international goods availability and creates delay					
10.12	Lack of hard currency in the country is affecting the performance of WHO procurement in obtaining local imported goods					
10.13	The importation customs clearing process of the country is affecting the performance of WHO procurement					

If you want to add, please specify

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**Part Seven: Procurement performance evaluation related questions**

**11.** Please indicate your level of agreement on the procurement performance of WHO Ethiopia office using a 5 point likert scale by putting the tick mark (✓) where: -  
 1= Very poor, 2=Poor, 3=Neither good nor poor, 4=Good 5=Very good

S.No.	Procurement performance Rating with regard to 5 R's	1	2	3	4	5
11.1	With Right Quality: - the performance of WHO’s procurement in terms of providing quality goods and services at required level					
11.2	At Right Time: - the performance of WHO’s procurement in terms of managing procurement in short lead-time					
11.3	At Right Price: - the performance of WHO’s procurement in terms of securing the right price					
11.4	From the Right Source: - the performance of WHO’s procurement in terms of awarding the right source					
11.3	Right Quantity: - the performance of WHO’s procurement in terms of acquiring the right quantity					

**I would like to thank you for your valuable time**

**Appendix II**

**Chart (a).** Histogram (Source: SPSS output survey, 2021)

