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Preface

The 2nd Annual Student Research Forum (ASRF) was held at the University College Multi Purpose Hall on July, 2008. The Forum is an annual event, organized by the Center for Educational Improvement and Quality Assurance (CEIQA), which showcases the diverse research conducted by undergraduate students at the University College. It is meant for encouraging young graduate students in the Ethiopian Higher institutions to develop their research skills and present their research in a formal, supportive environment.

This proceeding is, therefore, a compilation of research papers presented on the forum. The research papers are done as partial fulfillment for the requirement of the completion of their undergraduate Degree courses. Papers which are drawn from the Faculty of Business, Informatics and Law are selected on merits of excellence. The forum which is the first of its kind for students to share their findings to the wider community of the university college is indeed indispensable for students and is believed to enhance students' research capacity. In the mean time the University College is highly grateful to paper contributors.

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Online Bidding System

By

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1. Introduction

The main concern of this project is studying a bidding system, which is widely used in current times; manual. Most organizations conduct bidding without using any ICT support. ETC (Ethiopia Telecommunication Corporation) have a lot of experience in bidding system. This system has different kinds of bidding system. These are Open tendering, Limited/Restricted Competitive Bidding (LCB), Direct Procurement/Single Source Procurement, Request for Proposal, Request for Quotation/Performa Purchasing and Two Stage Bidding/Tendering. Open Tendering is a method of procurement that could be used for National Competitive Bidding (NCB) and International Competitive Bidding (ICB). Limited/Restricted Competitive Bidding (LCB) methods where by an initiative to bid is sent to a limited number of qualified firms who are interested to participate/compete in the tender rather than floating the invitation through open media. Direct Procurement/Single Source Procurement method allows procurement of goods and services directly from a single firm for various reasons. Request for Quotation/Performa Purchasing method is commonly used for low value and low volume procurement (mostly operational and stock goods) made by requesting a limited number of supplier for quotations. Request for Proposal is a procurement method mainly applicable to the procurement of consultancy service. Two Stage Bidding/Tendering is a method where by two invitation to bids are issued for a single purchase. In this system, there exist some problem and also bidders can't have satisfaction in the current system. The current bidding system, bidders must attend specific place; otherwise, they can't participate for the bid. But, online bidding system avoid problems that both bidders and organizations might face. Due to this, we believe that people will use to this system.

2. Current system of bidding

As we mentioned before, the current bidding system is performed manually. This system has different kinds/methods of bidding system. These are

2.1. Open Tendering

Open tendering is a method of procurement that could be used for National Competitive Bidding (NCB) and International Competitive Bidding (ICB). This is a method of procurement where by qualified and eligible bidders are invited to bid through mass media, such as newspaper, radio and TV. In addition to these Medias, companies may also use websites for advertisement

2.2 Limited/Restricted Competitive Bidding (LCB)

This is a method where by an initiative to bid is sent to a limited number of qualified firms who are interested to participate/compete in the tender rather than floating the invitation through open media. This method could be employed with or without prequalification as may be necessary.

2.3 Direct Procurement/single source Procurement

This method allows procurement of goods and services directly from a single firm for various reasons. Such method mainly depends on negotiation rather than competition.

2.4 Request for proposal

This is a procurement method mainly applicable to the procurement of consultancy services. Under such procurement, arrangement is limited to a number of interested consultants selected by the company.

2.5. Request for quotation/Performa purchasing

This method is commonly used for low value and low volume procurement (mostly operational and stock goods) made by requesting a limited number of supplier for quotations. The quotations are made through Performa invoices.

2.6. Two stage bidding/Tendering

This is a method where by two invitation to bids are issued for a single purchase. The first invitation requests for technical proposal (without price quotations) and is made open to all qualified and interested suppliers, while the second invitation shall be for complete quotation (including price) based on the technical specification for formulated on the basis of responses in the first invitation and is addressed to limited number of their technical proposal

3. Major functions of the existing system

3.1. Advertising Bid

The invitation to bid should be advertised or notice in at least one national newspaper of wide circulations for at least two consecutive times.

3.2. Sales of Bid Documents.

Bid document should be made available for sale by interested bidders at a price not exceeding the cost of reproduction and delivery of the document to bidders and in a manner specified in the bidding documents

3.3. Submitted bid document

Submitted in writing, in a signed and sealed envelop to the place and before the deadline stated in the invitation to bid.

3.4. Bid Security

Bid must be accompanied by a security in the form of cash, CPO or bank guarantees issued in favor of ETC from a reputable Bank and those who wish to deposit cash for bid security must deposit it before the bid opening date and produce the receipt/deposit slip during the bid opening. Any bid security will be forfeited if bidder withdraws his bid within the validity period of the bidder or in the case of a successful bidder, if the bidder is not willing to sign the contract or fails to furnish performance security, if so required. Unsuccessful bidders bid security, except of the second lowest evaluation bidder, will be returned to the bidders or their official representatives immediately after signing the contract with the winning bidder. The winning bidders bid security and that of the second

lowest evaluation bidder will be discharged upon the winning bidders of the contract and furnishing the required performance security.

3.5. Bid opening

Bids received before the deadline for bid submitted shall be opened in public by the assigned purchase committee at the time and date stipulated in the invitation to bid in the presence of interested bidders or their authorized representatives.

3.6. Examination and Evaluation of Bids.

The tender/bid evaluation committee shall develop and submit the detailed evaluation criteria to the purchase committee. Then, the purchase committee shall forward those signed technical bid documents to the tender/bid evaluation committee for examination and evaluation. Evaluation shall be made out 100% points and a relative weight of 60% and 40%. The 60% points allocated for technical evaluation. The 40% points allocated for commercial evaluation.

3.7. Evaluation Reports.

The end result of the examination and evaluation of bid offers/proposal is a tender/bid evaluation report that will be submitted to the purchase committee for their review, approval and further recommendation.

3.8. Review of the evaluation reports and assessing

Winners' qualification to perform the contract

3.9. Notification of awards and negotiations.

Once an approval is secured from appropriate officials, a notice of award shall be sent to the winning bidder/bidders by the procurement office/unit.

3.10. Performance security.

To protect ETC from the financial consequences of the suppliers breach of contract, the successful bidder is required to present a minimum of 10% performance bond of the contract amount within 5 (five) days after the signing the contract. The performance security should be in the form of CPO or bank guarantee issued. In favor of ETC from a reputable bank.

3.11. Signing of contract

Basically, the contract document should be prepared in accordance with the format and all the terms and conditions of contract provided in the bidding document. In addition, the following should also be considered. Conditions from bidders proposal that have been accepted by ETC. where there had been negotiations with the supplier, agreed upon points and conditions.

4. Statement of the problem

The current systems have some of the following problems. These are:-

- ✘ Every body can't participate on the bid because of distance (place), Time and personal case (most likely disable person).
- ✘ Can not easily get information.
- ✘ Lack of honesty.
- ✘ Maximize transport and material cost.
- ✘ Time Wasting.
- ✘ Difficult to administer bidders (progress and information).

5. Objectives of the project

The project has the following objectives:-

5.1 General objective

The general objective of this project is to develop a software system that would improve the process of bidding. The new system will reduce repeated face to face communication, provide information for all bidders and all users as well as can view that their result with detail information like view point and rank.

5.2 Specific objective

Specific objectives of the project are:-

- To study and analyze bidding practice in the real life;
- To identify the procedure in the bids;
- To protect corruption;

- To provide service and information with out limitation both time and place (distance);
- To minimize transport and material cost;
- To provide 24 hours service;
- To announce bid result;
- To provide fast and attractive service.

6. Methodology of the project

6.1 Data collection method

We collect relevant information from various sources. The followings are the major sources

- Observation of bid process.
- Newspaper
- Different announcements (about bidding)
- Documents and different source, like internet and brochures.

6.2 Object oriented analysis and design

- In object oriented thinking, a system is considered as a collection of classes and objects and the relationships that tie them together.

7. Tools and techniques

We use unified Modeling Language (UML) techniques. The UML is very important aspect in developing object oriented software and the software process.

7.1 Analysis

- UML techniques such as
- Use Case Diagram;
- Sequence Diagram;
- Collaboration Diagram;
- Activity Diagram;
- Class Diagram;
- User Interface Prototype.

7.2 Design

UML techniques such as

- Component Diagram.
- Deployment Modeling
- Class Modeling
- State Chart Modeling
- Collaboration Modeling

7.3 Implementation tools

- UHTML Language
- SMs VB.Net
- CODBC Server
- Microsoft office

8. Proposed system

8.1 Benefit of the proposed system

- **For the user**
 - × Avoid time and place limitation
 - × Easy to access service and organized information
 - × Minimize transport and material costs.

8.2 Benefit of the proposed system ...

- **For the organization**
 - × Easy to handle
 - × Reduce number of copies and printing material cost.
 - × Require less storage device.
 - × Reduce data inconsistency and data redundancy.

9. Functional Requirements

Online bidding system is an automated system that helps both users and organizations. Users can interact directly to the system. The system will give available information to interested bidders. Users easily access required information from the system.

9.1 Advertise

- Input Announcement on radio, TV, Newspaper....etc.
- Process Bidders read or this ten the announcement.
- Output Announce information to bidders.

9.2 Registering bidder

- Input Complete available document
- Process Bidders submitted appropriate document to the system (registration Office if it's b
- Output registered bidder.

9.3 Buying bid document

- Input cash payment order (CPO)
- Process buy bid document
- Output read bid document

9.4 Submitting bid document

- Input document
- Process submission bid document
- Output submitted document

9.5 Display Result

- Input Bidder
- Process Bidders check final result of the bid
- Output display result

10. Non-functional Requirements

Online bidding system is important both for users and organizations to save time, money and other resource. Non-functional requirements explain customers as visible aspect of a system, which don't have any association with the functional behavior of the system. Here are the non -functional requirements which are basic to web based brokerage system to be implanted

10.1 User interface and human factor

The user of the system will get user oriented and easily accessible user interface system that provide easy and user friendly, graphical user interfaces which in turn helps the user

to have simple communication.

10.2 Documentation

The documentation part of the system will be used as maintenance and user's guide. The documentation will be prepared in the way for user to understand easily because each and every activity of the system is listed in the documentation part.

10.3 Resource consideration

The system use a mini-server machine which is accessed from different client computers based on windows client-server architecture. The system should have put mini size amount of RAM to make access time short. The application software could run using any internet browser in order to be accessed by any user on the server and client side. Generally, the system server should have the capacity to support windows 2003 operating system and SQL server 2000. All the connections should be made by Wide Area Network. The system database that is server side or user enters into the system should be stored on the Machine, it also have good back up mechanize in case of hazard. Since the system runs on the server machine, it requires large amount of memory due to the fact that bulky information about many users and the digitized maps the system uses are stored on its memory. Furthermore, the system needs enough CPU time as a resource to be more efficient and also require storage devices to take backups.

10.4 Error handling

The system handles all its error in short and clears way to precede the required task. This system will protect invalid input which could be made by user.

10.5 Performance characteristics

The system will have efficient response time for its entire user request. Moreover, it handles Parallel processing technique in order to let a lot of users to have access right within microsecond. To make all task request time fast the system hardware requirement also matter so as it is described in the hardware requirement all task processed on period of time. The other crude factor is the available Internet service. It is well known that it is

so poor to handle tasks with a lot of picture and multimedia data. These should be considered as external character that has some effect on the system efficiency.

10.6 Security issue

The system need to have a sufficient protection mechanism to prevent users' intervention from an authorized modification to the posted data or having direct access to the database due to its multi-user environment. In addition, the system will enforce authentication to admit every user in to the system before he/she starts any activity on the system. This protects the system from any unauthorized access.

11. Hardware and software requirement

11.1 Hardware requirements

- ✍ Internet connection
- ✍ Fax machine
- ✍ Printer and scanner
- ✍ One desk top computer
 - o 256MB RAM
 - o 2.39GHs
 - o 40GB hard disk.

11.2 Software requirements

- ✍ Server 2003 operating system
- ✍ DBMS
- ✍ Macromedia dream waver
- ✍ Ms Visual Studio. Net.

12. Conclusion

When we prepare this project, our group tries to collect available data related to our system. We use different technique to gathering information from individuals and organization. Based on this, we develop our system keeping the advantage both bidder and organization. This system performs different activities. User can get any information about ETC related to bidding and other relevant information about ETC from the home

page. User can easily consume time and cost.

13. Recommendation

This system is used for all government and non-government organizations as most organizations have similar bid process. Our groups recommend other organizations to implement this system with little or no modification, other organizations would benefit out of this system.

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Study on Customers' Satisfaction of Anbesa Shoe Factory Share

Company Products

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1. Background of the study

Customer satisfaction refers to the extent to which a product's perceived performance matches buyers' expectations. If the product's performance falls in short of expectations the customer is dissatisfied, if product performance exceeds customer expectation the customer is delighted (Kotler, 2006:84). In today's global and highly competitive market, maintaining continuous customer satisfaction is the most effective strategy to win competition and become industry champions. Shoe manufactures has to continuously and effectively respond to the ever changing needs of customers with regard to fashionably, comfortability and durability. Since the launching of free economic system in the country, around eight new shoe manufacturers have entered the market. The economic system has created conducive market environment both for local manufacturers and foreign producers to freely enter into the local market with highly competitive quality products.

Anbessa Shoe Company is one of the largest and pioneer shoe manufactory and distributor in Ethiopia. It was established in 1932 E.C and started production at the time when such technology was not widely known among the general population of the country. Its establishment was apparently in response to increased demand for shoes, which must have been triggered by the presence of a sizable Italian occupation army that invaded the country.

Currently, it produces different types of ready made shoes both for local and international market. From the company's wide varieties of products ,some of them are export standard, sportswear, military shoes, workers' shoes, civilian shoes, special orders shoes

for handicaps are some of them. The company's activities range from component making to production of ready made foot wear. In recent years, it has widened its product mix by adding export standard products which has now becoming the main product type of the company.

Its long year specialization in the industry and its seventeen sales outlets spreading across the country gives Anbessa a very strong competitive advantage over its competitors. However, the company's market share is specially the local civilian shoe products which actually has shown a declining trend over the years (source, 2000 E.C. published company magazine). These declining trends indicate that the company might have a problem in ensuring utmost customer satisfaction with regard to its products. This is, actually, what has inspired the student researcher to study customer satisfaction with regard to the company's products; shoes.

2. Problem statement

Customer satisfaction is a person's feeling of pleasure resulting from a perceived performance towards company's products or outcome in relation to his or her expectation (Kotler, 2003:7).

Over its long years of stay in the market, Anbessa shoe factory has been trying its level best to expand its capacity and market share. However, due to the stiff competition the company is facing both from local and foreign competitors. Its market share and the strong brand name and reputation have been eroded over time in the local market. Therefore, the declining market share of Anbessa shoe factory indicates that the shoe factory is facing a critical problem in ensuring utmost customer satisfaction.

3. Research Questions

This research will attempt to answer the following basic questions listed below:-

- ❖ What are the major factors contributing to customer satisfaction with regard to the company's products?
- ❖ To what extent are customers satisfied with company's shoe Products?

- ❖ What is the trend of customer satisfaction at Anbessa Shoe products?

4. Objectives of the study

The general objective of the study is to discover customers' overall level of satisfaction with Anbessa shoe. Moreover, this study specifically intends to:-

- ❖ Identify factors that affect customer's satisfaction;
- ❖ Evaluate customers overall level of satisfaction;
- ❖ Assess trends of customer satisfaction at Anbessa Shoe products.

5. Research Methodology

Descriptive research method was used. The study considers customers of Anbesa Shoe Factory as a population. In order to select sample respondents, they must previously use Anbessa shoe for at least once. Accordingly, One hundred qualified customers were selected as sample respondents by using convenience sampling technique. The researcher believes that 100 customers who have ample of experiences with the company product can represent and be used to generalize about the total population.

Both primary and secondary data were used. Primary data were collected by using questionnaire and interview, while secondary data were obtained from the company's magazine and from other different books, pertaining to the research under consideration.

The questionnaires were distributed to Anbessa shoe factory customers while interview was conducted with the company's marketing manager. Accordingly, one hundred copies of questionnaires were distributed to customers. More precisely, thirty six copies of questionnaire were distributed at Arada sales outlets and sixty four copies of questionnaire were distributed at Lideta sales outlets. Among the total one hundred questionnaires, ninety six (96) questionnaires were filled and returned by the respondents. This implies 96% of response rate.

In order to analyse the data, quantitative and qualitative data analysis techniques were employed. Quantitative data were analyzed using descriptive statistics. To summarize the findings, percentages were computed. Then, the summarized data were presented in tables. Also, qualitative data analysis techniques were used to analyze responses to open ended questions.

6. Review of related literature

6.1. Overview of customer satisfaction and dissatisfaction

Satisfaction is a person's feeling of pleasure or disappointment resulting from comparing a product's perceived performance in relation to his or her expectation (Kotler, 2002:36). Moreover, Hill and Alexander (2003:2) define customer satisfaction as a measure of how well organization's total products perform in relation to a set of customer requirements. Of course customers' view of organization performance will be a perception, customer satisfaction is in the customer mind and it may or may not confirm with the reality of the situation. A more general definition of customer's satisfaction is given by Kotler (2003:36); he explains satisfaction as function of perceived performance and expectations. If performances fall short of expectation the customer is dissatisfied. If performance matches expectation, the customer is satisfied; while performance exceeds expectation, the customer is highly satisfied or delighted.

In today's competitive climate, it is often not enough to match performance and expectation. In this regard, Kotler (2002:36) pointed out that many companies aim for high satisfaction because customers who are just satisfied still find it easy to switch when a better offer comes along. Those who are highly satisfied are much less ready to switch. High satisfaction or delight creates an emotional bond with the brand, not just a rational preference; the result is high customer loyalty.

To further strengthen the Kotler view of exceeding customer expectation Jobber (2001:11) stated that expectations needs to be exceeded for commercial success so that customers are delighted with the out come. The above three authors seem to have a

similar view on customer satisfaction. Moreover, for better understanding of the concept of customer satisfaction, Jobber (2001:12) uses the Kano model to separate different characteristics that cause satisfaction, dissatisfaction and delight.

According to Jobber (2001:12) there are three characteristics that under line the model. These are must be, more is better and delight. Must be characteristics are expected to be present. Taken for granted, lack of these characteristics causes annoyance but their presence only brings dissatisfaction up to neutral level.

More is better characteristics can take satisfaction past neutral into the positive satisfaction range. Moreover, delighters are the unexpected characteristics that surprise the customer, their absence does not cause dissatisfaction but their presences delight the customer.

6.2 Factors affecting customer satisfaction

Customer satisfaction has become the key operational goal for many organizations. They have invested heavily in improving performance in area that makes a strong contribution to customer satisfaction such as product quality and customer service (Hill and Alexandar 2000:1). Customer satisfaction is the function of different factors. Thus, some of the major factors that affect customer satisfaction are presented below.

Product Design

One way to satisfy customer and gain a differential advantage is through product design. Etzel and others (2001:283) stated that product design refers to the arrangement of element that collectively form a good or service. Good design can improve the marketability of a product by making it easier to operate, upgrade its quality, improving its appearance or reducing production cost.

Product Color

Like design, product color often is the determining factor in a customer's acceptance or rejection of a product. As with other marketing mix elements, a differential advantage

might be gained by identifying the most pleasing color and in knowing when to change colors. Color can be extremely important for packaging as well as for the product itself. Thus, poor color choice can result in low differential advantage (Etzel and other, 2001:283)

Product Attribute and Benefits

According to Pati (2000:42) product attribute and feature are tangible and are expected to lead to benefits of the customers. Marketers might choose to highlight their attribute or benefit. Moreover, Pati (2000: 42) further classify benefit in to two types: tangible (rational) and intangible (psychological) rational benefit are closely linked to an attribute and form part of a rational decision, on the other hand, psychological benefit are consequential to tangible benefit and are linked to the evoked feelings on use or purchase.

Product Package

A well designed package can create convenience to the customer and strong promotional value for the company (Kotler, 2002:418). He goes on to say packaging is the activities of designing and producing the container for a product. The container is called package. It might include up to three levels of material, primary package, secondary package and shipping package. Packaging has become a potent marketing tool.

Product Quality

There is an intimate connection between product quality and customer satisfaction. Many authors see quality as largely or entirely a subjective phenomenon that varies from person to person. Kotler (2002:39) give useful but some what broad definition of quality. Quality is the totality of feature and characteristics of a product or services that bear on its ability to satisfy stated or implied needs. On the other hand, Schroeder (1989:575) further define quality as "fitness for use"; this means that a product or service meets the customer need i.e., the product is fit for the customer use. Fitness for use is related to value received by the customer and to customer satisfaction.

Dimension of Quality

According to Stevenson (1999:421), customers value certain aspect of a product and therefore associate that aspect with the product's perceived quality. In fact it may be obvious that from a customer's perspective quality does not pertain to a single aspect of a product but to a number of different dimensions of the product. Although they may vary some what from product to product or between products and services. Stevenson (1999:421) specified eight major dimension of quality. These eight dimensions, generally, capture the meaning of quality.

- Performance: - is products' primary operating characteristics. For example, automobile acceleration and television set's picture clarity.
- Features: - supplements to a product's basic functioning characteristics or the important special characteristics such as power window on a car.
- Reliability: - is the probability of not mal-functioning during a specified period or the ability to do the same thing consistently.
- Conformance: - refers to the degree to which a products' design and operating characteristics meet established standards or how well a product corresponds to the customer's expectations.
- Durability: - refers to the amount of use before performance deteriorate or it is the useful life of the product.
- Serviceability: - refers to the ease and speed of repair of the product. Some products take long time to repair.
- Aesthetics: - refers to how the product looks, feels, tastes and smells.
- Perceived quality: - refers to the subjective assessment of product characteristics or it is the indirect evaluation of the product quality such as product image and reputation.

Branding

For customers, brand makes it easy to identify goods or services. Evans and Berman (1982:270) identify some of the major benefit of branding. These are it aid shoppers in moving quickly through a super market discount outlet and in making purchase decision.

Brands also help to assure customers that they will get consistent quality when they reorder.

The reputation of a brand also influences customers' loyalty among buyers of service, as well as business and customer goods. Finally, branding can differentiate commodities.

Customer Value

Value is the customer's perception of all the benefit of a product weighted against all the cost of acquiring and consuming the product Etzel (2001). In addition, Kotler (2002) stated that the benefit can be functional, aesthetic or psychological. Besides, the money paid to the seller, the cost might include learning about the product in order to make a choice, negotiating the purchase, arranging waiting for delivery and others.

Product Style and Fashion

The term style and fashion are often used interchangeably. However, they have a slight difference. According to Etzel (2001), style is a distinctive manner of construction or presentation in any art, product or endeavor. On the other hand, fashion is any style that is popularly accepted or purchased by successive group of people over a reasonable long period of time, not every style becomes a fashion. Moreover, Kotler (2002) stated that to be considered as a fashion or to be called fashionable, a style must be accepted by many people this is because fashion is rooted in sociological and psychological factors.

Price

Some prospective customers are interested primarily in low price. Where as other segment is more concerned with other factors such as service, quality, value and brand image. It is safe to say that few, if any customers are attentive to price alone or are entirely oblivious to price Etzel (2001).

Based on their brand loyalty, Etzel identifies four distinct segments of shoppers, these are brand loyals, systems beaters, deal shoppers and uninvolved Brand loyals were relatively uninterested in price, system beaters prefer certain brands but try to buy them at reduced price, deal shoppers are driven by low prices and uninvolved are seemingly not motivated

by either brand preference or low prices. In addition to the above view, Anderson and Vincz (2000) provide another consideration, that is, customer perception of product quality vary directly with price.

Typically the higher the price, the better the quality is perceived to be. According to the above authors, consumer's perception of quality is influenced to a great extent by the price. However, consumer's perception of quality may be influenced not only just by the price but also by such factors as store reputation and advertising.

Product Labeling

There is a close relationship among labeling, packaging and branding. Etzel and other (2001:265) define label as the part of a product that carries information about the product and the seller. A label may be part of a package or it may be a tag attached to the product. According to Kotler (2003:356), labeling can be classified in to three types. These are:-

- ❖ A brand label: - simply the brand alone applied to the product or package.
- ❖ A descriptive Label: - gives objective information about product use, construction, care, performance or other pertinent feature.
- ❖ A grade label: - identifies the products judged quality with a letter number or word.

Customer Service

Customer service is really nothing more than common courtesy. Showing customer that you care for and appreciate them. According to Harris (2000:2), the average customer service provider doesn't know customer service is any thing they do for the customer to enhance customers' experience.

Customers have varying ideas of what they expect from customer interaction. The customer service provider must get to know his or her customers and strive to provide them with excellent customer service. No matter how accurately we see our definition of

customer service. We still have to live up to what our customers think that customer service is.

7. Findings of the Study

This study tries to investigate the degree of customer's satisfaction Anbessa shoes customers' have as well as from the company's management. Accordingly, various questions were posed to sample respondents mainly related to Anbessa shoe products quality, pricing, company image and compliant handling mechanism of the company. Thus, in this section response from customers and company management are presented, analyzed and interpreted as follows;

7.1. Customers view to Anbesa Shoes

Table-1: Customer expectation and perception.

| No | Item | Respondents | |
|----------|---|-------------|------------|
| | | No | (%) |
| 1 | Customer expectation about Anbessa shoe | | |
| | A. Very High | - | - |
| | B. High | 18 | 18.75 |
| | C. Medium | 48 | 50 |
| | D. Low | 16 | 16.6 |
| | E. Very Low | 14 | 14.58 |
| | Total | 96 | 100 |
| 2 | Customer Perception about Anbessa shoe | | |
| | A. Very High | - | - |
| | B. High | 7 | 7.3 |
| | C. Medium | 38 | 39.6 |
| | D. Low | 35 | 36.45 |
| | E. Very Low | 16 | 16.7 |
| | Total | 96 | 100 |

As it is revealed in item 1 of table 1, respondents were asked to rate their expectation about Anbessa shoes. 18 (18.75%) had a high level of expectation for Anbessa shoes before starting to use the product. At the same time, 48 (50%) of them had a medium level of expectation to the company product, 16 (16.6%) of them had a low and 14

(14.6%) of the company customers had a very low level of expectation to the Anbessa shoe products. This implies that 68.75% of the respondents gave their witness that their expectation was medium and high. Therefore, the company's promotional efforts need to be considered in order to build a reasonable customer expectation. As stated in the literature review, one of the key factors that lead the customer to dissatisfaction is the difference between the performances of the product and exaggerated promise in the company's marketing communication. Thus, the company should close the gap between the product performance and its external communication so as to keep them satisfied.

On the other hand, on item-2 of the above table, 7 (7.3%) of Anbessa shoe customers perceive Anbessa shoe as high, 38 (39.6%) of the respondents perceived as medium, 35 (36.45%) of them perceived as low and 16 (16.7%) of them perceived as very low. These indicate that the majority of the respondents had a medium perception towards Anbessa shoes. This 39.6 percent should not be taken as surprising but the significant proportion of the response either low or very low must be given special attention.

Moreover, from the above table it's possible to deduce that significant number of respondents' perception is lower than their expectation. Due to this they have low level of satisfaction with the company product. As it is briefly explained in literature review, customers are satisfied when their expectation meet or exceeds their perception and they will be dissatisfied when their perceptions fall short of expectation. Thus, the company should exert its unremitting effort to meet actual needs and wants of its target customers so as to deliver satisfaction.

7.2. Customers attitude towards Anbesa Shoe Products

Table 2: - Customers intention to make repetitive purchase and recommend to others

| No | Item | Respondent | |
|-----------|---|------------|------------|
| | | No | (%) |
| 1 | Would you continue purchasing Anbesa shoes? | | |
| | A. Yes | 16 | 16.7 |
| | B. No | 24 | 25 |
| | C. I don't know | 56 | 58.3 |
| | Total | 96 | 100 |
| 2. | Would you recommend Anbesa shoes to others? | | |
| | A. Yes | 19 | 19.8 |
| | B. No | 57 | 59.3 |
| | C. I don't know | 20 | 20.8 |
| | Total | 96 | 100 |

In item 1 of Table 2, customers were asked whether they will make a repetitive purchase or not. Accordingly, 16 (16.7%) of the respondents replied 'yes,' 24 (25%) of them replied 'No' and 56 (58.3%) of them replied I don't know. This indicates that the majority of the respondents are not sure whether they will make a repetitive purchase or not. This low level of certainty in repurchase decision could be the result of low customers' satisfaction with the company products.

In the literature review, it's mentioned that satisfied customers often make a repetitive purchase from the company and they will even buy more and hence the company can improve its sales volume.

As item-2 of Table -3 depicts that for question would you recommend to others about Anbesa shoes? 19 (19.8%) of respondents replied 'yes,' 57 (59.3%) of them replied 'No' and the rest 20 (20.8%) replied "I don't know." It's easily observable in the above table 57 (59.3%) of the respondent replied that they are not willing to tell to others about Anbesa shoes. The possible explanation for customers' unwillingness to tell to others could be due to their low levels of satisfaction. As indicated in the literature review, customers

with high levels of satisfaction talk favorably about company's products and they serve as the best advertisement tool through the word of mouth.

7.3. Anbesa shoes product quality

Table 3: Product quality compared to other shoes producers

| No | Item | Respondent | |
|----|--|------------|------------|
| | | No | (%) |
| 1 | How do you rate Anbessa's shoes quality compared to other shoes producers? | | |
| | A. Very High | 4 | 4.17 |
| | B. High | 20 | 20.83 |
| | C. Medium | 32 | 33.33 |
| | D. Low | 26 | 27.08 |
| | E. Very Low | 14 | 14.58 |
| | Total | 96 | 100 |

As shown in Table 3 above, respondents were asked to rate Anbesa shoes quality as compared to other competitors. 4.17% (4) of respondents replied very high and 20.83% (20) of respondents indicated high, 33.33 % (32) answered medium, 27.08% (26) of them revealed low and 14.58 % (14) of respondent replied very low. Thus, the findings denoted that few respondents rated Anbessa shoes product as an average quality product. Thus, this means the majority of Anbessa shoes customers are not highly satisfied. Therefore, the company production strategy should reconsider its customer feeling while designing its product.

7. 4. Fashionablility of Anbesa Shoes

Table 4: Customer reaction on fashionablity and color choice

| No | Item | Respondent | |
|----------|--|------------|------------|
| | | No | (%) |
| 1 | Fashion ability and conformance with the current dressing habit? | | |
| | A. Very High | | |
| | B. High | | |
| | C. Medium | 6 | 6.25 |
| | D. Low | 64 | 66.7 |
| | E. Very Low | 26 | 27.05 |
| | Total | 96 | 100 |
| 2 | Do you always get shoes with your colour choice? | | |
| | A. Yes | 15 | 15.6 |
| | B. No | 81 | 84.4 |
| | Total | 96 | 100 |

As it can be seen from Table 4, respondents were asked to rate the fashionability of Anbessa shoes. Among the total respondents, 6 (6.25%) of them replied medium, 64 (66.7%) of them indicated low and 26 (27.05%) of them answered very low.

The above figure tell us that Anbessa shoes were considered by the majority of its customer as old fashioned and some how conventional type of shoes. As a result, the company has to exert its level best to avail well designed and very fashionable shoes that can deliver the desired customer satisfaction.

On the other hand, respondents were asked whether they get different colour alternative or not, 81 (84.4%) of the respondent replied 'No'. One can easily notice from the above data, customers have a limited colour choice and due to this they have a low level of satisfaction with the company product. Therefore, these indicate that the company should design a variety of products with different color alternative.

7. 5. Anbesa Shoes Product Quality Dimensions

Table 5: Customers' response on quality dimensions

| No | Item | Respondent | |
|----------|--|------------|------------|
| | | No | (%) |
| 1 | Aesthetic:- beauty and attractiveness | | |
| | A. Very High | - | - |
| | B. High | - | - |
| | C. Medium | 24 | 25 |
| | D. Low | 32 | 33.3 |
| | E. Very Low | 40 | 41.7 |
| | Total | 96 | 100 |
| 2 | Reliability:- ability to serve it purpose without defect | | |
| | A. Very high | 48 | 50 |
| | B. High | 38 | 39.6 |
| | C. Medium | 10 | 10.41 |
| | D. Low | - | - |
| | E. Very Low | - | - |
| | Total | 96 | 100 |
| 3 | Comfortability; conformance to the customers expectations | | |
| | A. Very High | 34 | 35.42 |
| | B. High | 42 | 43.75 |
| | C. Medium | 20 | 20.83 |
| | D. Low | - | - |
| | E. Very Low | - | - |
| | Total | 96 | 100 |
| 4 | Durability: Length of service | | |
| | A. Very High | 46 | 48 |
| | B. High | 36 | 37.5 |
| | C. Medium | 14 | 14.6 |
| | D. Low | - | - |
| | E. Very Low | - | - |
| | Total | 96 | 100 |

As it is shown in item 1 of table 5, respondents were asked to rate the beauty (Aesthetics) of Anbesa shoes. Thus, 24 (25%) of them answered medium, 32 (33.3%) of them replied low and 40 (41.7%) indicated very low. This implies that 40 (41.7%) of the respondents rate the company product as very low. These findings suggest that the company product

attractiveness or beauty is not as per the respondent's expectation. For this reason, the company needs to make a continuous customer's need assessment.

On item 2 of the same table, respondents were asked to rate the reliability of Anbessa shoes. As it's shown in item 2 of table VII, the sum of the first and second response comprised 89.6 % of the customer respondents. From the above finding it's possible to conclude that the majority of the respondents are quite satisfied with the company product strength and product Performance. Thus, the company should make an intensive promotion about its product strength.

With respect to comfortability, respondents rate the company product accordingly, 34 (35.42%) of respondents replied very high, 42 (43.57%) indicated high and 20 (20.83%) of them replied medium. From the above data one clearly notice that majority of the respondents judged that the comfortability of Anbessa shoes is high.

The last question posed to the customer respondents regarding the product quality dimension is revealed on item 4 of Table 5, the customer respondents were asked to give their response on the company product durability. Thus, 46 (48%) of them replied very high, 36 (37.5%) indicated high and 14 (14.6%) of the respondent replied medium. These situations tell us that the sum of very high and high customer response constitutes 85.5% of the respondents. Therefore, this implies that the company products are superior in durability aspect which has to be well capitalized by the company marketing communication.

7.6 Anbessa Shoes Brand Image

Table 6: Customers' reaction to company brand image

| No | Item | Respondents | |
|----------|---|-------------|------------|
| | | No | (%) |
| 1 | Ability to differentiate the company brand? | | |
| | A. Yes | 68 | 70.83 |
| | B. No | 28 | 18.75 |
| | C. I don't know | 10 | 10.42 |
| | Total | 96 | 100 |
| 2 | How do you associate Anbessa shoes brand? | | |
| | A High Quality | 1 | 11.46 |
| | B.Cheep Price | 9 | 9.4 |
| | C. Fashionablity | 1 | 1.04 |
| | D. Durability | 75 | 78.10 |
| | Total | 96 | 100 |

As it is revealed in item 1 of table 6, 68 (70.83%) of respondents replied 'yes,' 28 (18.75%) of them indicated 'No' and 10 (10.42%) of respondent replied "I don't know." This implies that the company has strong brand awareness and it seems like every body knows about the company brand. The company long year presence in the market helps the company to build a strong brand image. This strong brand awareness should be used to create awareness about the company product quality.

On the other hand, with respect to brand association 11 (11.41%) of customers respond that they associate Anbessa shoes brand with high quality, 9 (9.4%) of them associate the company shoes with cheep price, 1 (1.04%) of respondents associate with fashionablity and 75 (78.1%) of them associate the company shoes with durability.

This implies that majority of the respondent gave their witness that they associate the company image with durable and strong shoes. This narrows the company's competitive advantage because customers do not always want to buy a durable and strong shoes. For this reason, the company should exert additional effort to create awareness regarding other quality of the company product dimension.

7.7. Anbessa Shoes Factory S.C. Complaint Handling Practice

Table 7: Compliant handling practices

| No | Item | Respondents | |
|-----------|---|-------------|------------|
| | | No | (%) |
| 1 | Have you ever communicated your complaint to the Anbessa shoes company? | | |
| | A. Yes | 22 | 22.9 |
| | B. No | 74 | 77.1 |
| | Total | 96 | 100 |
| 2. | If your answer is yes to the above question, to whom did you complain? | | |
| | A. To manager | 2 | 9.1 |
| | B. To one staff member | 18 | 81.8 |
| | C. To suggestion box | 2 | 9.1 |
| | D. To complaint handling department | - | - |
| | Total | 22 | 100 |

According to the information in item 1 of Table 7 above, the majority of the respondents 74 (77.1%) had no experience in complaining their complaint towards the company's product or other customer service for the concerned parties. In contrast, the remaining 22 (22.9%) of the respondents have never complained the company's product weakness.

These indicate that Anbessa shoes factory Share Company has not given much consideration in receiving customer's questions and complaints. Therefore, it's possible to deduce that the company fails to use customer complaints as a good source of product improvement and new product ideas.

Regarding the question to whom you complain, the majority of the respondents 18 (81.8%) addressed their complaint to one of the staff member, 2 (9.1%) of the respondents forwarded their complaint to the manager and the same number of respondents express their concerns in the suggestion box. From the above findings, it is, thus, possible to deduce that customers do not know where or who is responsible for complaint handling. Therefore, the company needs to communicate with its customers regarding where and to whom the customer should communicate their complaint. Reducing

customer complaint by communicating with customer is important for the growth and sustainability of the business.

7.8. Responsiveness of Anbessa Shoes S.C.

Table 8: Company response to customers' complaints

| No | Item | Respondents | |
|----|---|-------------|------------|
| | | No | (%) |
| 1 | How do you evaluate the company's responsiveness to customer's complaint? | | |
| | A. Very High | - | - |
| | B. High | 10 | 10.42 |
| | C. Medium | 23 | 23.96 |
| | D. Low | 51 | 53.37 |
| | E. Very Low | 12 | 12.25 |
| | Total | 96 | 100 |

According to above Table 8, customers were asked to rate Anbessa shoes factory share company customer handling practice. Thus, 10 (10.42%) of them replied high, 23 (23.96%) of them indicated medium, 51 (53.37%) of them replied low and 12 (12.25%) of them replied very Low. The above findings denoted that Anbessa shoes factory share company is less responsive in answering customer complain as well as in solving customers problem. Moreover, for open ended questions forwarded to customer respondents on how the company employee's approach customers when they try to return a purchased shoes? Most of the respondents replied unanimously that the company employees are not motivated to accept customers' complaints. They lack the will and competence to give customers adequate and satisfying service.

Therefore, the company should provide different training programs for its employees to upgrade their knowledge and competence.

7.9. Product Selling Price Vs Customers benefits

Table 9: Customer value

| No | Item | Respondents | |
|----|---|-------------|------------|
| | | No | (%) |
| 1 | How do you evaluate Anbessa shoes' selling price as compared to benefits you obtain from the product? | | |
| | A. Very High | 56 | 58.3 |
| | B. High | 20 | 20.83 |
| | C. Medium | 16 | 16.7 |
| | D. Low | 4 | 4.16 |
| | E. Very Low | - | - |
| | Total | 96 | 100 |

As can be seen in Table 9, customers were asked to rate the fairness of Anbessa shoes selling price as compared to the benefits that customers obtain from a product. Thus, 56 (58.3%) of them replied very high, 20 (20.83%) of them answered high, 16 (16.7%) of them replied medium and 4(4.16%) of respondent indicate low. This means, large number of customers rate Anbessa shoes' selling price as very high. This implies that the price which is stated by the company needs to coincide with benefits that a product offers. In addition, the company price should take the living standard of the target customers into consideration so as to make them satisfied.

9.10. Satisfaction of Anbessa Shoes Customers

Table 10: Overall Customer Satisfaction

| No | Item | Respondent | |
|----|--------------------------------|------------|------------|
| | | No | (%) |
| 1 | Overall customer satisfaction? | | |
| | A. Very High | - | - |
| | B. High | 4 | 4.17 |
| | C. Medium | 26 | 27.08 |
| | D. Low | 62 | 64.58 |
| | E. Very Low | 26 | 27.08 |
| | Total | 96 | 100 |

As shown in table IV above, customers were asked to give their responses on their overall level of satisfaction. Thus, 4 (4.1%) of them answered high, 20 (20.8%) of them replied

medium, 46 (47.9%) of them replied low and 26 (27.0%) of respondent replied very low. Therefore, the sum of medium and low customer response constitutes 91.6% of the total respondents. This means the majority of customers had low level of satisfaction. Thus, the company strategy should give due regard to customers need so as to deliver maximum customer satisfaction.

To sum up, according to the responses for open ended questions forwarded by respondents of the study, the major element that limits customers overall level of satisfaction is lack of fashionability, low quality product, limited colour alternative and poor customer handling practices.

8. Conclusions

Depending on the findings discussed above, the following conclusions are drawn. As it is revealed in the research findings, Anbesa shoes products fashionability and its conformance to current dressing style is poor. At the same time, the research findings disclosed that Anbesa shoes products have a limited colour alternative. This situation leads the customer to experience a low level of satisfaction. Therefore, it is possible to conclude that this low customers satisfaction makes them to shift to other shoes producers.

According to the findings, the majority of the respondents are not willing to recommend about Anbesa shoes to other potential customers. This implies that they are not happy and they don't want to share their bad experience with others. In addition, the study finding shows that the customers have low certainty in continuing as the customer of Anbesa shoes. From this finding one can notice that the customer has an intention to change or to switch to other shoes producers. Therefore, from the above discussion it is possible to conclude that Anbesa shoes customers have a lower over all level of satisfaction.

Similarly, the finding proved that customers associate the company brand with durable and strong shoes. These indicate that Anbesa shoes customers are those customers who

value durability and strength. For this reason, those buyers who emphasized the fashionability and beauty aspect are not interested to buy and this in turn affects the company market share.

The result of the study, the general view of customers on Anbesa shoe quality as compared to other competitor's product is medium, which is a worrying sign for the company. In addition, the study proved that the company products are generally poor in fashionability and design aspect. Therefore, the fashionability and designing are the major areas of Anbesa Shoes that require further improvements.

In addition to the product, low fashionability and poor designing, the study has also proved that the price that is charged on Anbesa shoes product does not coincide with the benefits that the customers obtain from the product. Therefore, it is possible to conclude that Anbesa shoes higher price leads the customer to dissatisfaction.

The research findings pointed out the majority of the customers have a favorable attitude towards Anbesa Shoes before using the company's product. On the other hand, the finding also indicated significant number of customers have lower perception than their expectation. Therefore, it is possible to conclude that customers' low satisfaction may result from customer unrealistic expectation and exaggerated promise of the company marketing communications.

As revealed in the findings, lack of skilled professional designers and lack of technologically advanced machineries have been the major limitations for the company in producing high quality competitive product. But currently the company is conducting an expansion project that can improve the company productivity for both local and foreign markets. In the same way, the research proved that the company does not promote its product very frequently. Therefore, these are the major areas that require the companies' consideration.

9. Recommendations

According to the major findings that have been discussed so far the following points are recommended by the student researchers.

- The company should always strive to improve its customer's satisfaction. By integrating other quality dimension such as fashionability and attractiveness over its strong and durable shoes.
- The price that the company charges on its product should be revised by taking into account the benefits that the product offers to the customers together with the buying power of customers.
- It is better if the company closely monitors and studies its customers need, preference, feeling and emotions. Because, it can help the company to produce products that are highly desired by the customers. In this respect, the company can maximize its customer's satisfaction.
- It is better if companies quickly complete its current expansion project and buy new machinery and hire new professional designers that can improve the company product quality and competitiveness in the market.
- Promoting the company product intensively and effectively can alleviate the problem of building unrealistic customer expectation and misinformation about the company products. For this reason, Anbesa Shoes Factory S.C. should promote its product intensively in different media such as print and electronic media so as to provide better information about its current offerings and product quality.
- This study is not comprehensive in the area of customer satisfaction. Therefore, the student researcher recommend that, further in depth study should be carried out focusing on customer satisfaction and related problems.
- It is better if the company brings the export standard shoes to the local market. Because solely relying on the export market might not be a good marketing strategy.

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Financial Statement Analysis: The Case of Sunlight Industrial and Distribution Company (SIDCO)

By

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1. Background of the company

Sunlight Industrial and Distribution Company (SIDCO) was established in 1975 E.C, with the objectives of:

- developing small- scale industries in Ethiopia;
- setting up efficient distribution outlet for marketing imported as well as locally produced industrial and agricultural commodities; and
- representing local enterprises and foreign firms.

With rich and time-tested experience as well as activities in business today, widening its scope of services it offers, SIDCO is firmly engaged in Manufacturing, Import, Export, Agency, Marketing and Distribution.

2. Statement of the problem

If proper financial analysis is not done and decisions are not made on the basis of analysis, this result the following problems which prevail in the organization under consideration.

- The longer period that might be taken for credit sales collection has an impact of tying up the production capital from being re-used for purchases of raw materials for the next round production. If this trend continues, it will reduce the net income of the company for the year.
- The fact that management is not considering fixed assets turn over ratio as the means of evaluating the performance of the firm has blocked the firm from observing the unused production capacity potential.

- The company does not make a write-off entry for damaged inventories, hence; the inventory balance is showing overstatement and unrealistic balance.
- The net working capital and over all capital is limited. Currently, the factory has a working capital and investment shortage because it doesn't have a policy of raising additional capital through any means. Because the capital of the company is limited, it might have a direct bearing on the liquidity position of the company.

3. Research Questions

In light of the above problem statement, the research will try to give answers to the following research questions.

- Does the company has the ability to meet its current and long-term obligations in due time?
- What does the trend in the efficiency of Asset utilization of the firm look like over the periods under consideration?
- Does the company make adequate use of the financial analysis tools to monitor its performance, condition and future prospects from financial perspective?

4. Objectives of the Study

The objectives of the study are divided in to two.

4.1 General objective

The general objective of the study is to analyze the financial statements of SIDCO Share Company and come up with reliable information regarding weaknesses and strengths of the firm regarding financial performance and position of the firm.

4.2 Specific objectives

From the above general objective the following specific objectives can be derived

- ❖ To evaluate the financial strengths, weaknesses and performance of the company over the five years period under consideration;
- ❖ To assess the effectiveness of the company with regard to its asset management in generating sales;

- ❖ To assess the liquidity, leverage management, profitability ratios and market based ratios;
- ❖ To clearly show the trend of changes in the ratio: the direction of changes and reasons for changes.

4.3 Research Methodology

In order to conduct the study, researchers employed descriptive research method. Both primary and secondary data were collected and used. To get the necessary information for the analysis, the researchers used the five year income statements and balance sheet (from 2002 to 2006) G.C. Thus, document analysis is used as a method gathering relevant data for the research. The data contained in the basic financial statements, i.e., Balance sheets and income statements of SIDCO Company for the five years are analyzed using financial ratios. Also, and vertical and horizontal analysis were used. After the items being exactly known from the financial statements logical relationship are established between the items using Financial Ratio formula. Then description of the implications of the ratios followed.

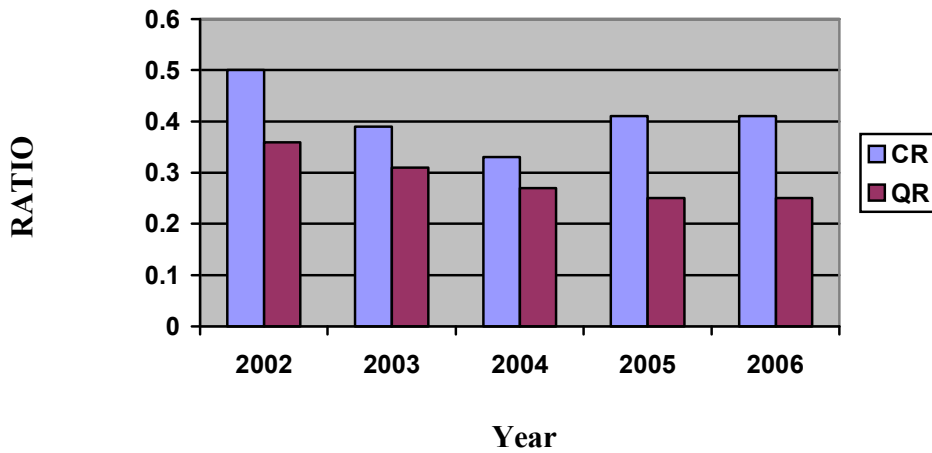
5. Summary of Findings

The major findings are summarized and presented hereunder.

5.1 Liquidity ratios

Current ratio of SIDCO ranges from the minimum ratio of 0.33 in the year 2004 to the maximum of 0.50 in 2002. The mean current ratio over the range of five under study is 0.41. The minimum and maximum Quick ratio of SIDCO was recorded 0.25, in the year 2005 & 2006 and 0.36 in the year 2002 respectively. The average quick ratio of SIDCO over the period of 2002-2006 was 0.29.

Figure 1: Liquidity Ratio

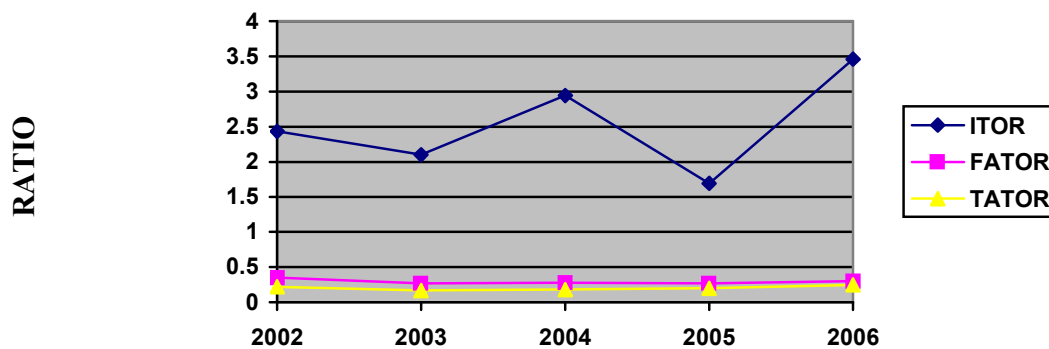


Source: Financial statement of the company (2002 to 2006)

5.2 Asset Management ratio

The maximum ITOR of SIDCO is 3.46 and the minimum is 1.69 recorded in the years 2006 and 2005 respectively. The average ITOR was 2.52 over five years. FATOR ratio of SIDCO ranges from 0.35 in 2002 and 0.27 in 2003 and 2005. The average FATOR within the five years was 0.29. In the year 2003 the TATOR of SIDCO was at minimum point 0.17 and in the year 2006 it was at maximum point, 0.25. The average TATOR of SIDCO was 0.20.

Figure 2: Asset Management Ratio



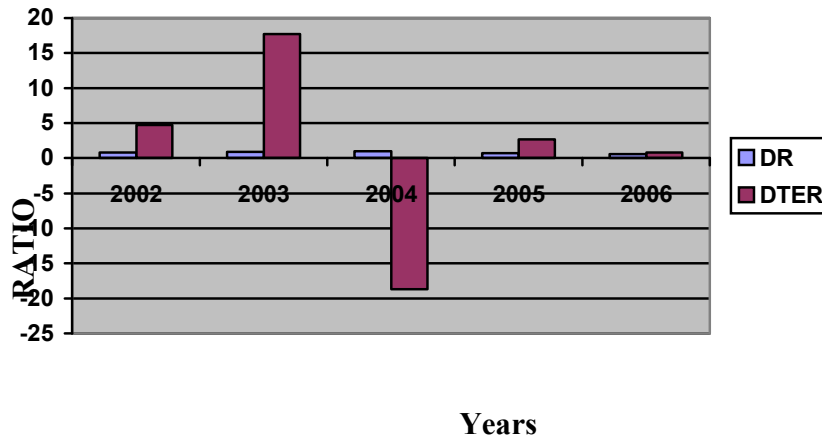
Source: Financial statement of the company (2002 to 2006)

5.3 Debt Management Ratio

Debt ratio of SIDCO shows maximum 1.05 in the year 2004 and minimum 0.52 in the year 2006. The mean debt ratio value over the entire period amounts to 0.81. The debt

equity ratio of SIDCO shows maximum value of 17.73 in the year 2003 and minimum value of -18.74 in the year 2004

Figure 3: Debt Ratio

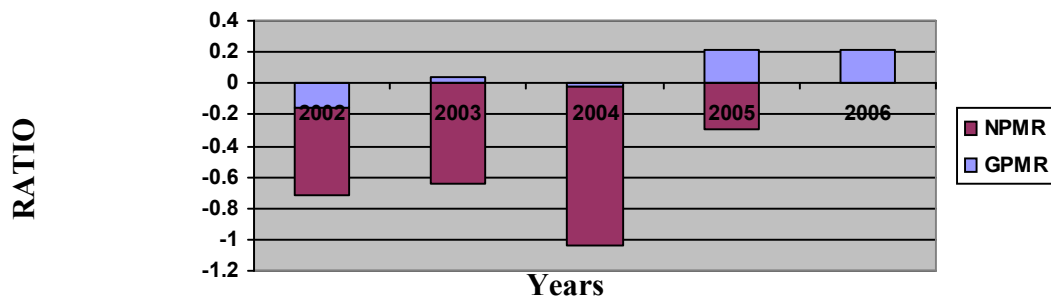


Source: Financial statement of the company (2002 to 2006)

5.4 Profitability Ratio

The minimum gross profit margin ratio of SIDCO -0.16 in the year 2002 and the maximum is 0.22 in the year 2005. The net profit margin ratio of SIDCO ranges between 0.00916 obtained in 2006 to -1.02 obtained in 2004

Figure 4: Profitability Ratio



Source: Financial statement of the company (2002 to 2006)

6. Conclusion

On the basis of the major findings, the following conclusions were drawn.

- ✓ The liquidity condition of SIDCO is not satisfactory. Literatures generally suggest current and quick ratios to be 2:1 and 1:1 ratio respectively. However, SIDCO's current ratios are far below these amounts.

- ✓ When the debt management of the company is assessed, over the five consecutive years, on average, 81 percent of assets were coming from debt; the remaining 19 percent are financed by owners. From this, one can conclude that the management was using more debt financing than equity.
- ✓ While assessing how the company has been managing its assets, the research groups found out that the assets turn over for the year 2005 was slightly higher, as the result of increasing specially inventory level other wise the data analysis indicated that company has a better handling of its inventory turnover, fixed asset turnover as well as total asset turnover for the remaining budget years.
- ✓ The study group examined the profitability ratio of SIDCO for the last four years and found out that it was decreasing, however, the year 2006 showed a profit and in order to earn more, strict follow up of the management is necessary in all areas with special emphasis in the production and sells part of the company.
- ✓ In general, the four types of ratios within the five years indicted that SIDCO performance is low and the ability to survive in the long run is questionable.
- ✓ The common size and common-base year comparisons financial statements shows most of the Balance sheet and Income statement items are increased year to year when it was divided by Total Assets, Sales and the base year. This shows the performance of the company is increased.

7. Recommendations

Based on the findings and conclusions the researchers forward the following recommendations:

- ✚ It is found that the company liquidity position for the last five years was less than satisfactory due to higher amounts of liabilities. The researchers, therefore, recommend that, to increase the ability of the firm to meet its current obligation the company should increase its current assets through investing cash in short time investment.
- ✚ The company needs to improve its profitability ratio by reducing the cost of good sold and operating expenses. It can be, therefore, suggested that the company should reduce the cost of goods sold by efficient utilization of direct

material, direct labor and factory over head costs. The operating expense can also be lowered or slashed by reducing expenses that do not generate reasonable revenue.

- ✚ The administrative expense of the company particularly the repairing cost of plant asset for the last five consecutive years has improved. This is encouraging; however there are still some rooms for more improvement. The group has noted that there are old plants consuming huge maintenance costs. The group thus recommends that the company has to dispose these old plant assets that are not worthy, and give up incurring high maintenance costs.
- ✚ As observed, even if the ratios are prepared, the management was not making use of all financial ratios for evaluating the company's performance. So, the student researchers recommend that the company should use these ratios to assess its financial condition and make prompt action to rectify problems.

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Practices and Problems of Floriculture Export Marketing: The Case of Enyi-Ethio Rose

By

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1. Background of the Study

Ethiopia's economy is predominantly agrarian. It is, thus, natural to expect the bulk of the country's export to come from the agricultural sector. The agricultural sector contribute 50% and 90% of the country's domestic product (GDP) and foreign exchange earning capacity from the export sector respectively, according to Ethiopian customs authority yearly report (1999/2000).

Compared to the fruits and vegetables component, the floriculture industry is growing at an alarming rate in Ethiopia. In five years, it is expected to be one of Africa's leading flower producers.

Currently the floriculture industry is growing at an alarming rate in Ethiopia and this industry has contributed a great deal for the economic development of the country, in general, and the company particular. This sector involves the service of different professionals, freight forwarders, transporters, insurers and financial institutions for assistance. But all these operations require a complex and coordinated follow up of chains of activities in export business, and export success is the accumulated end product of all these elements:

- The country's infrastructural facilities,
- Developmental stage of the industry and
- Organizational-internal structures are problems that create obstacles for export procedures of flower.

The main bottlenecks for the successful execution of the flower export marketing procedures of the company are:

- Insufficient cargo space that greatly affects transportation of perishable products;
- Lack of market information;
- Shortage of skilled and experienced management staff;
- Mechanical damage of the product during transportation, and
- The pre-export practices executed by the regulatory body of the government.

2. Research Questions

The following are research questions the study tried to address:

- What are the major problems that the company is facing to export its products?
- How is the organization coordinated in terms of skilled labor?
- How is the relationship the company has with banks and other stakeholders?
- What are the major problems of the company related to transportation?
- What are the causes of mechanical damage?

3. Research Objectives

The general objective of this study is to assess practices and problems of floriculture industry export marketing procedures of Enyi Ethio Rose. The study is specifically intended to meet the following objectives:

- ✓ identify the major problems of cut-flowers exporting marketing procedure;
- ✓ assess how the company is coordinated in terms of skilled labor;
- ✓ assess the significance of the problems related to insufficient cargo spaces;
- ✓ evaluate efforts of the government in enhancing and promoting the role of this sector in the economic development of the country; and
- ✓ identify the major challenges of the company and suggest some remedial measures.

4. Research Methodology

The study employed descriptive research methodology. The study population consists of 60 employees out of which 20 are employees of export marketing department at Enyi Ethio Rose, 30 are from customers of NIB bank IBD and the remaining 10 are from government body of Ethiopian export promotion departments. From the total population, the researcher selected a sample size of 30 in which 10 are from company's employee of export marketing department, 15 from customers of NIB bank IBD and the remaining 5 from Ethiopian Export Promotion departments of FDRE, commissioned by the government to support of exporters. Here, the researcher used simple random technique to select the sample.

Both primary and secondary sources were used. In order to get reliable first hand information, primary data which was obtained from the company's manager through the administration of structured interview and the distribution of questionnaire to the employees were collected. The secondary data, on the other hand, was collected from books, magazines, internet and other publications. The questionnaire were developed and distributed to 30 respondents. Structured interview consisting of 6 questions was also developed for company managers.

The data collected from the sample respondents were analyzed using descriptive method. Thus, the collected data are tabulated and analyzed using the frequency count and percentage. An interview result, on the other hand, was transcribed to supplement the quantitative findings.

5. Summary, Conclusions and Recommendations

Based on the analysis and interpretation of the data made on the previous section, this section summarizes the main findings of the study and presents recommendations for the identified problems based on the conclusions made.

5.1 Summary of Findings

The data collected for the study were analyzed using the descriptive method. A total 25 respondents were used as sources of information pertinent to the major findings are summarized below.

- The findings indicated that the contribution of the government to the development of the sector is high.
- Majority of the respondents affirmed that the major problems associated with export marketing procedure of cut-flowers is lack of professionals by company employees, government rules and regulations by customers of NIB banks IBD and overseas buyers by government body of Ethiopian export promotion departments respectively.
- The data indicated that the company is not equipped with trained and skilled workforce.
- The data clearly indicate that the company is confronted with transportation problem to export its products.
- Majority of companies' employees said that procedures and regulatory requirements in obtaining export license are to some extent difficult. On the other hand, customers of NIB Bank IBD respond that obtaining export license is less difficult.
- The study revealed that the main causes of the mechanical damage of cut-flowers experienced are :
 - the natural characteristics of the product (it is perishable);
 - lack of appropriate handling at the time of packaging;
 - lack of adequate cargo transportation; and
 - Carelessness of daily laborers in the air port during loading and unloading.

- It is evident from the study that there are risks related to non-payment. This usually happens when the flower product fails to meet the quality requirements and when the buyers are unable to pay due to various reasons.
- The findings of the study indicate that there is good relationship between the company and the customers abroad.
- The involvement of the government in promoting the export of cut-flower is quite encouraging, as the data obtained.
- The study shows that foreign earning capacity of cut-flowers exports are moderately satisfying the country.
- The findings also revealed that the exporting these products are bringing key success factors like:-
 - It builds good image to the country;
 - It creates job opportunity, and
 - It introduces the Ethiopian flower to the world market.

5.2 Conclusions

On the basis of the findings stated above, the following conclusions can be drawn;

- According to the findings the government's contribution towards the development of the sector is high. Thus, the existing investment policy of the government regarding the flower production attract large number of investors (both domestic and foreign) to invest in this sector This, in turn, will have a great impact in contributing for the economic growth of the country and the creation of jobs.
- From the findings it is possible to conclude that the major problems that hinder the export procedures of cut-flowers were lack of professionals, and overseas buyers.

- From the findings, it is also possible to conclude that there is lack of market information for the export of cut flower products. This indicates that marketing information system of the sector is not broad enough to enable the company get the required information and this will significantly hamper the expansion and growth of the sector.
- According to the findings, the company under study is not equipped with the necessary skilled labor. The point is that lack of skilled personnel in the area of marketing will affect the ability of the company to penetrate the international market for cut-flower and ensure its sustainability.
- The study, also, revealed that by the very nature of the product there are problems of mechanical damages which needs careful handling at the time of packaging and harvesting.
- As can be inferred from the related literature, several risks are linked to the cut-flower export business i.e., higher air freight costs (due to the imbalance between incoming and outgoing air freight) , longer travel time which results in lower prices for fresh flowers, consumer preferences regarding flower varieties and colours are subject to change and risks associated to non-payments. From this, it can be concluded the sector requires considering all risks to overcome when happened and achieved to the designed objectives.
- As can see from the related literature review, like other exportable items cut-flowers also require export documentation. Each export shipment involves many documents to satisfy government regulation most banks will offer arranges of documentary services to help the exporter receive payment from international customers from the study is averagely satisfied customers of NIB bank IBD by providing the necessary documents so the exporter give especial attention towards providing export documents to be effective.

5.3 Recommendations

Based on the findings of the study and the conclusions drawn, the student researcher has forwarded the following recommendations.

- Careful selection and combination of professionals is necessary to equip the company with competent and skilled workforce that handle the export procedure of cut-flower. To solve the limitation of expertise knowledge, the company should either design training and development programmers or recruit highly skilled and experienced professionals providing attractive recommendation.
- Understanding based on mutual interest and respect with a clear view between buyers and sellers is an all time remedy for local and foreign buyers to the facilitation of export marketing procedure to achieve their objectives.
- The company is strongly advised to arrange well-organized market research and flow of market information on the existing markets.
- More emphasis should be given to the procession of adequate cargo space for the export of cut-flowers. Either Ethiopian airline should add its cargo capacity or private investors should be allowed to enter into the business.
- Root cause for the mechanical damage is ignorance and being irresponsible. A strict supervision could be forwarded as a remedy.

Business Customers' Satisfaction: The Case of Ethiopian Fruit and Vegetable Marketing Sh. Co. (Etfruit)

By

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1. Rationale and the problem

For profitability and long-term relationship, customers have to be satisfied & be happy with the use of goods and services they paid for. Knowledge & understanding of customers is a necessary activity. To this end, regular and continuous assessment of customers' satisfaction should be undertaken by the firm. Any product and service improvement strategy can be designed & implemented based on the outcomes of survey on customers' satisfaction.

Earlier researches on satisfaction focused on consumers. Primary customers to be satisfied are business customers (BCs), it is generally agreed that if business customers are satisfied, they would make effort to satisfy end users and most likely remain to be loyal. Moreover, Etfruit's major operation is wholesaling, one of the distribution activities are performed by business customers.

2. Objectives of the study

The general objective of the study is to assess business customers' satisfaction at Ethiopian Fruit and Vegetable Marketing Sh. Co. (Etfruit). The study will also try to address the following four specific objectives.

- To determine their value priority and/or importance;
- To identify major attributes satisfying or dissatisfying BCs;
- To investigate the overall level of satisfaction & gaps (if there are); and
- To suggest some recommendations.

3. Research Methodology

The research design employed in this study was descriptive and population was composed of business customers, front-line employees and management. Also, effort has been made to triangulate the data collected from the three major stakeholders pertinent to the subject, at hand that would help to obtain balanced views of the different respondent groups. As the number of business customers buying produces directly from Etfruit in Addis Ababa was limited to 40, census was employed and the same was done for 9 front-line employees. But in the case of management members, 7 out of 10 were selected using purposive sampling based on relevance of each department to the issues to be dealt in the study including quality, customer contact, employees handling and overall decision purchasing and selling.

In collecting the data from business customers, a questionnaire was used. A ten point scale was also used for importance and satisfaction scores. Besides, semi-structured face-to-face interviews were made with front-line employees and management. Simple statistical tools like averages, weighted averages, standard deviations, coefficient of variations and tabulation, percentages and bar charts used in the study. In addition to these, Customers Satisfaction Index (CSI) & Gap Analysis was also employed.

4. Analysis & Interpretation of Findings

4.1 Etfruit's relationship with business customers.

The majority of business customers had long relationship with the firm ranging from 3 to more than 20 years. But recently, 40% were switched to private suppliers for the main reason of shift in supply of orange & mandarin produced by UAAIE from Etfruit to private competitor. About 60% of business customers do still have some relationship with Etfruit in buying orange and mandarin from other producers and other fruits as well as vegetables while buying orange and mandarin of UAAIE from private supplier.

4.2 Exposure to Etfruit's Advertisements

All business customers replied that they were exposed to the company's advertisements. But 80 % of them do agree somehow on its fulfillment of promises.

4.3 Complaints handling and Presentation

Complaints handling: According to the response from 44% business customers, the company didn't have systematic mechanism for handling customer complaints while 31% replied in support of existence of such mechanism and 25% don't know whether that mechanism existed or not.

Complaint presentation: Half (50%) of business customers didn't present complaints and 60% them gave the reason that Etfruit didn't have such mechanism while 20% assuming they wouldn't get response. From those 50% who presented their complaints were asked about speed and adequacy of Etfruit's response. Accordingly, 60% replied inadequacy & slowness and 20% didn't get any response for their complaints.

4.4 Importance or unimportance of attributes/dimensions/

In this section business customers were asked to prioritize their value considerations by assigning importance scores out of 10 to identify the most key attributes (dimensions) in making decision to buy fruit and vegetables. The average figure was derived from original data for each attribute based on scores given by all business customer respondents' ratings. The most important requirements (attributes) influence customers' satisfaction or dissatisfaction judgments more than those that are less important to them. Generally, 17 identified attributes were presented to the respondents allowing them to add more if they had any. The result for top most important attributes is shown in table 1 as follows.

Table 1: Importance ratings

| Sr.No. | Attributes/ dimensions | Average score | Ran k |
|------------------------------------|-------------------------------------|------------------|-----------------|
| 1. | Technical performance of product | 9.6 | 1 st |
| 2. | Competitiveness of supplier's price | 9.5 | 2 nd |
| 3. | Consistency & continuity of quality | 9.3 | 3 rd |
| 4. | Continuity of supply | 8.8 | 4 th |
| Average (for 17 attributes) | | 7.9 | - |
| Standard deviation | | 0.96 | - |
| Covariance | | 12.06% | - |

As depicted in the above table, the four top most important attributes were technical performance of product, competitiveness of supplier's price, consistency & continuity of quality, and continuity of supply ranking from 1st to 4th positions respectively. The average of the average importance scores and the respective standard deviation for all 17 attributes are found to be 7.9 and 0.96. The standard deviation showed that business customers were in agreement in attaching priority to various attributes.

4.5 Satisfaction or Dissatisfaction of Business Customers

Similar to importance, 17 attributes were presented to business customers to evaluate Etfruit's performance. The performance for four top high scoring attributes is displayed in the following table.

Table 2: Average satisfaction scores on Etfruit's performance

| Sr. No | Attributes/Dimensions | Average scores | Rank |
|--|--|----------------|-----------------|
| 1 | Location of Etfruit's warehouses | 9.5 | 1 st |
| 2 | Competitiveness of Etfruit's price | 8.6 | 2 nd |
| 3 | Convenience of parking & security | 8.4 | 3 rd |
| 4 | Technical performance of product (quality) | 7.8 | 4 th |
| Average (for 17 attributes) | - | 6.5 | - |
| Standard Deviation (for 17 attributes) | - | 1.6 | - |
| Covariance | - | 24.6% | - |

One can infer from the above table that Etfruit scored high in location of its warehouses, competitiveness of its price, convenience of parking & security ranking from 1st to 3rd positions respectively. Contrary to results obtained in importance score in table 1, technical performance of product (quality) was displaced by location of warehouses from its 1st position and pushed down to 4th rank. Both in importance and satisfaction scores

competitiveness of price maintained its 2nd position whereas the 3rd place was overtaken by convenience of parking & security.

As indicated in the above table, the average of average performance score for all 17 attributes was 6.5 with respective standard deviation of 1.6. The standard deviation of 1.6 depicts that the values were more dispersed around their mean and this implies that customers were in less agreement in evaluating Etfruit's performance as compared to importance (table 1) with respective covariance of 24.6% and 12.06 %.

4.6 Customer Satisfaction Index (CSI)

It is possible to calculate Customer Satisfaction Index (CSI) by averaging all company's average satisfaction scores. But that would not be ideal because some things are more important to customers than others, and their most important requirements (attributes) influence their satisfaction judgment more than those that are less important to them. Hence, let us see the situation by introducing weighing factors derived from importance scores & calculate Customer Satisfaction Index (CSI) that best reflect and measure the overall satisfaction level. In arriving at a well & more real measure of satisfaction using Customer Satisfaction Index (CSI), determination of weighing factor for each attribute is critical step. This weighing factor can be derived by summing up average importance scores of all attributes and then calculating the percentage share of each attribute taking the sum as 100. The end result showed that the overall customer satisfaction represented by CSI found to be **64.8%**. This can be interpreted as business customers were satisfied only 64.8% of their expectation that assumed to be 100. In other words, they were highly dissatisfied as their judgment based perceived performance of Etfruit was much lower than their expectations.

4.7 Gap Analysis and Priorities for Improvement

By putting the importance and satisfaction scores together, the gap between the two can easily be identified. Gap analysis is also a useful tool to identify priorities for improvement. Accordingly, the gaps for most important four attributes are analyzed in

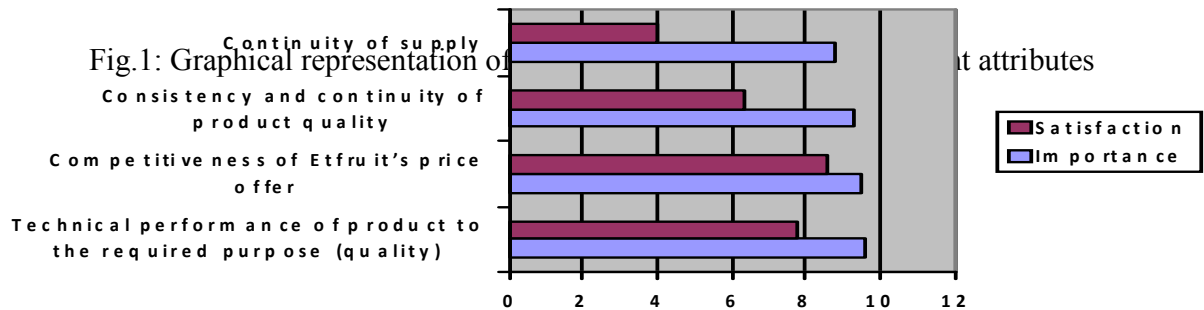
table 3 and graphically in fig 1below. Numbers in parentheses showed that satisfaction scores are less than importance scores.

Table 3: Gaps between satisfaction & importance scores

| Sr. No | Attribute | Average Importance and Satisfaction Scores | | |
|--------|---|--|--------------|-------|
| | | Importance | Satisfaction | Gap |
| 1 | Technical performance (quality) | 9.6 | 7.8 | (1.8) |
| 2 | Competitiveness of Etfuit's price offer | 9.5 | 8.6 | (0.9) |
| 3 | Consistency and continuity of product quality | 9.3 | 6.3 | (3) |
| 4 | Continuity of supply | 8.8 | 4.0 | (4.8) |

Studies show that on a ten point scale any gap above 1 is significant and gaps in excess of 2 are serious. As clearly shown both in table 3 above and fig.1below, Gap Analysis for top most important attributes identified by customers indicated that 'continuity of supply' exhibited large gap (4.8) between its importance and satisfaction scores depicting Etfuit's performance was in serious problem in maintaining supply continuity. Its performances in terms of quality related issues were also problematic exhibiting the next

larger gaps. But looking at price, the company's performance was relatively better showing only small gap (0.9) between importance and satisfaction scores.



4.7. Front-Line employees' satisfaction & handling

In general, front-line employees were not satisfied in terms of employees' development issues including training, compensations, participation in decision making and management and in sum this was admitted by management. Employees rated overall performance of Etfruit in satisfying business customers at **71.25%**.

4.8. Management's views

Management gave average score of **62.0%** for overall performance of Etfruit. Concerning the weaknesses compared to competitors', management identified the followings: Slow decision making, low level of employees' development, non-delivery of sales in full weight, lack of control over production, lack of organizational readiness and lower sense of ownership, etc. These weaknesses were also mentioned by customers and employees.

5. Conclusions & Recommendations

5.1 Conclusions

Top most valued attributes like continuity of supply, consistency and continuity of product quality and technical performance (quality) exhibited large gaps and imply the problem is so serious that calls for urgent measures. But as a gap in price offers of Etfruit was so small, improvement can be postponed and no urgency is required currently.

Orange & mandarin produced by UAAIE played major driving role in determining business relationship between the company and its customers. Lack of control over production, inelastic nature of fruits supply in short-run & absence of alternative producer created complicated situation for Etfruit.

Relatively high standard deviation and covariance in satisfaction scores might be resulted from the influence of subjective nature of perception in evaluating and assigning performance scores and partly it would be an implication of existence of discrimination in serving business customers in Etfruit as it was also mentioned by some customers. Both employees and management lacked adequate understandings of expectations & value priority of business customers. Systematic & continuous approach for handling complaints & measuring satisfaction was absent. Non-expression of complaints might not imply absence of complaints. Etfruit performed high in less important attributes and didn't live up to its promises. Both employees and management admitted dissatisfaction of business customers. Lack of employees' satisfaction could lead to dissatisfaction of business customers. Some of the government rules and directives in purchasing and selling contributed for procrastination of decision making and thereby affect customer satisfaction. For instance, lack of flexibility in fixing prices of products that would take into account the perishable nature of fresh fruits and vegetables as compared to private competitors.

5.2 Recommendations

Give priorities for improvement to those top most valued attributes with large gaps (Supply & Quality related issues). This is only to give priority for most important attributes and it is also important to consider improvement of other attributes over time based on their impact on the business and budget availability.

To save existing and win-back switched business customers, recommendations forwarded based on three time frames: In the short-run, regaining distribution of UAAIE's orange & mandarin by offering competitive prices is critical measure and also enhance the current supply of products other than orange & mandarin and add other complementary products. In the medium-term period, the company can consider backward integration with UAAIE

and finally in the long-term, involving in production of fruits would be lasting solution. Current initiatives like suppliers development activities in terms of advance payment, seed supply, and technical advice should be strengthen and widen breadth of product supplier.

Incorporate the concept of ‘customers’ in its strategic plan and carry out regular & formal survey of business customers on their expectation, value priority & satisfaction. In addition to theses, set a system that could handle complaints of business customers by strengthening the newly established service reform office & communicate the effort to them.

Advertisements should be reoriented in a way what most likely could be fulfilled. Business customers having similar level of value contribution to the company should be served equitably. Develop employees (internal customers) and incorporate the issue of ‘customers’ service & satisfactions’ in job descriptions of all employees and front-line employees in particular.

Improve speed of decision making by making internal commitment through leading role of management and external support from the government (Privatization and Public Enterprises Supervisory Agency) in making rules and directives more flexible and speedy.

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Leadership Practices and Problems in Keg. Andarge W/giorgis

Memorial Secondary School

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1. Background of the study

Political, military, academic, athletic, scientific and business leaders through out history have forged the standard and style of living, the greatness and destines of countries and continents. There have been good and bad leaders, rich and poor leaders, young and old leaders. There are many leaders in our world today and regardless of the vocational areas they serve, they have several common characteristics: all are highly motivated persons who strive for high objectives for their followers and set high standard of performance for themselves, they are curious, energetic and challenged by the unsolved problem surrounding them.

As further pointed out by Terry and Franklin (1994:327), the most successful leaders of any organization perform tasks and act in a way that provides followers with satisfaction and fulfillment in performing the work required and reaching the objective. Thus, Leaders give vision to their followers and leading is a necessary ingredient of successful management. From this point of view, the school leadership is expected to take a great care about the way of leading, aimed at increasing the performance of the school and to achieve the overall objective of the organization. Despite this fact, considerable leadership problems are observed in most schools including the school under study. However, to the knowledge of the student researcher, no detail study has been undertaken in this area. As a result, the researcher is motivated to conduct research under the title “Leadership Practices and Problems in Andarge W/Giorgis Memorial Secondary School”, and investigate whether there is transparent, visionary and supportive leadership system in the school.

Concerning the background the school was established in sep. 1997 G.C by the name called Keg. Andarge Memorial Secondary School in Gulele Sub-City. Currently the school has 86 employees with the objective of providing quality education to society.

2. Statement of the problem

Leadership is the managerial ability to accomplish organizational goals by working with and through people. This implies that, a leader (manager) holds a special place in the system of management, because she/he leads and accomplishes organizational activities, and we can say that organizations grow, develop and prosper because of effective leadership. On other hand, lack of effective leadership is the reason for the failure of many organizations. Indeed, leadership makes the difference between successes and failures.

Even if the school management is saying, “we believe our management encourages discussion on both academic issue and extra curricular activities to solve problems”, But they are not in a position to implement what they are saying (K.A.M.S.S.M 1997:4)

Frequently heard that, the staff members of the school under study don't have confidence on the leadership of their school. These staffs informally complain that there is lack of open discussion between the management and staff, they work with the relatives' suggestions and ideas; comments of the employees' are not given due attention. Some also say that the leadership of the school is not willing and ready to provide essential benefits. Thus, these are some of the main factors that affect the Effectiveness of the school. The purpose of this study is therefore to investigate and prove and/or disprove the fact through research. Accordingly, the study gives due emphasis to the basic research questions indicated below.

3. Research questions

Based on statement of the problem the student researcher will try to seek answers for the following basic research questions.

1. What are the major leadership styles that are practiced in Andarge W/Giorgis Memorial Secondary School at present?
2. To what extent are the staffs satisfied with leadership practices of the school?
3. Do the managers of the school possess the necessary leadership qualities and skills that enable to manage the organization?
4. What are the major factors that influence the role of leadership in the school?
5. What major problem do leaders face as they work with staff members?
6. What actions need to be taken to create a conducive working environment in the school?

These are, thus, the core questions that the research undertaking tries to answer.

4. Objective of the study

The general objective of the study is to investigate the extent of current leadership practices hampering the teaching-learning processes in the school and suggest remedial measures. The study, specifically, intends to achieve the following objectives.

- ❖ identify the leadership style predominantly used by the school management;
- ❖ identify the major currently prevailing leadership skill gaps;
- ❖ identify factors that influence leadership practices in the school;
- ❖ investigate the effects of the current leadership practices on productivity and morals of the teachers;
- ❖ identify major problems that the school leadership faces; and
- ❖ propose the measures that need to be taken to fill the existing gap;

5. Research Design and Methodology

All employees at Keg. Andarge Memorial Secondary School is considered as a target population of the study. Among the total population of 86, 54 teachers and 32 administrative staff were included in the study, 40% of them are selected as a sample respondents. In order to select sample respondents' simple random sampling techniques is used. This makes all member of the population to have equal chance of being selected.

All relevant and useful primary as well as secondary data were employed in this study. In order to come up with the required result, the researcher used questionnaire and interview as a data collection tools. The researcher used descriptive statistics in order to analyze and interpret the data. Thus, frequencies and percentages were used to summarize and interpret the data collected from the sample respondents.

6. Summary, Conclusions and Recommendations

This chapter summarizes the main findings of the study and forwards recommendations based on the conclusions.

6.1 Summary of Findings

The study was designed to examine the leadership practices and problems in Keg. Andarge W/Giorgis Memorial Secondary School. It was also intended to suggest possible solutions to the problems identified in order to enhance the successful implementations of leaders in the school.

To collect the relevant data for the study, the researcher has distributed questionnaires to thirty-five selected representative populations. The responses given by the respondents have been analyzed and interpreted. Therefore, on the basis of the data collected, the study has come up with the following findings.

- The general information inferred from the data show the leadership style most preferred by the employees is democratic leadership style;

- As confirmed by the majority of the respondents the communication of the school's leadership with the employees is limited;
- It is evident from the study that the school leaders are autocrats;
- The study indicates that, leaders in the school are not ready to provide conducive work environment to the employees;
- According to the study, the majority of the respondents' degree of interest towards their work is average. Also, employees in the school under study have no senses of belongingness for their compound because of lack of dedicated manager (leader).

6.2 Conclusions

On the basis of the findings stated above, the following conclusions can be drawn.

- The finding shows that the majority of the employees are young teachers between ages 20-29, and they are degree holders. This enables the school to achieve its goals and objectives of providing quality education to the society.
- The study indicates that, currently the activity of leadership is not the same as the preferred leadership style by the majority of the respondents. This has hampered the teaching-learning process.
- Analysis of the data reveals that job satisfaction of employees is average. This indicates that the ability of leaders to enhance motivation of workers is low. Low motivation results in low productivity and lowered performance.
- On the basis of the findings above, it can be concluded that, leader's attitude towards workers as mentioned by the majority of employees is not positive. This may affect the working condition of the employees.
- According to the finding, the school leaders do not communicate with their subordinates frequently. This might cause absence of unity between leaders and employees. It is better to prepare a picnic or get together program within the staffs. It will maintain the opportunity to form unity in the school.

6.3 Recommendations

Based on the findings of the study and the conclusions drawn, the researcher has forwarded the following recommendations and possible solutions for the problems identified.

- Substantial effort should be made by leaders of the school to retain and upgrade their managerial knowledge and skills. This is crucial to influence a group of followers.
- It is advisable that the management of the school should give attention for the employee's benefits.
- Since the major activity of leaders is influencing a group of followers, or motivating his/her subordinate towards the organization's goal and objectives, thus leaders should communicate their subordinates smoothly and friendly.
- Leaders of the school should communicate their subordinate frequently. Because, whenever leaders communicate their subordinate closely. Employees will be free to discuss all the ambiguities they have. It helps to avoid job dissatisfaction.
- Since the majority of employees are not satisfied with their working environment the leaders should start to make attractive (conductive) working environment.
- In order to achieve the school's goal effectively and efficiently, the leader's style has to be democratic that is preferred by the majority of the respondents.
- Finally, to improve leadership practice in the school, owners of the school and the respected body should improve the above points.

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Workers Participation in Decision Making Processes: The Case of Commercial Bank of Ethiopia (Head office)

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1. Background of the Study

Traditionally, most managers and subordinates, consider decision-making is only the responsibility and duty of managers. However, even if the major player may be the manager, every respective and affected body by the decision should be participated.

Much of managers' time is spent working with other people, and much of what managers does is, therefore, influenced by others frequently, even where an individual manager has the responsibility for solving a specific problems, getting the decision put in to effect requires the involvement and participation, and therefore commitment of others, (Ayalew .K, 2003).

Over the past years, research effort has shown, participative decision making have a positive effect on workers' satisfaction and productivity. As organization consists of peoples, they make decision on their environment. The problem of decision-making depends on the acceptability by the majority, which creates mutual interest to achieve the common organizational goals. Therefore, the decision maker or manager should adopt participatory approach to create conducive environment within the organization before passing any decision. Because, this enables them to create mutuality, which is the basis to the creation of synergy in the proposed decision.

2. Statement of the Problem

Ideally, managers know decision making is a process that in one way or another affects people "it is a process made by people to people and for people" (Ivancevich & Matteson, 1990). However, when we came to the practical setting, particularly the organization

under study, decisions are undertaken at different levels concerning different issues. But information from informal groups within the organization shows that most of these decisions are made in centralized manner. Workers were, thus, not involved in the planning, decision making and other important activities done by the organization. Due to this, workers lack a sense of belongingness, organizational commitment, motivation in their work. This lack of autonomy gradually made them develop negative feelings towards the organization. Such factor can have significant impact over the CBE's current and future performance, position and competitiveness in the industry.

Furthermore, the success of CBE is highly affected by the quality of decisions. To make sound decision, all employees affected by the decision must have a say or participate in decision-making process. Since workers are at the center in implementation of plans or decisions, it is difficult to attain the desired result without their contribution and willingness.

3. Research Questions

This study attempts to seek answer for the following basic questions.

- ❖ To what extent are the workers involved in decision-making?
- ❖ What kind of decision-making approaches are mostly used by the organization?
- ❖ In what types of decision-making are workers mostly involved?
- ❖ To what extent are workers satisfied with the decision making processes of the bank?
- ❖ Do they involve in the development of the strategic plan of the bank?
- ❖ Would managers accept the idea raised by workers or filter it when they pass the decision?
- ❖ What kind of feeling and level of awareness do workers have regarding decision-making practice?
- ❖ What is the level or degree of decision-making authority that departments/sections enjoy?

4. Objective of the Study

The general objective of the study is to investigate whether Commercial Bank of Ethiopia significantly involves its workers in its decision making process at various levels. Specifically, the objectives of the study include the following.

- ❖ To examine whether the organization adopts participatory decision-making approach or not;
- ❖ To identify the problems encountered due to authoritative decision-making;
- ❖ To assess the extent of workers involvement in decision-making;
- ❖ To indicate the type of decision allowed for participation;
- ❖ To assess to what extent employees are satisfied by the decision making practice;
- ❖ To assess the level of autonomy given to each department or sections;
- ❖ To inform the benefit obtained from participative decision making;
- ❖ To suggest possible solutions for the problem at hand.

5. Research Design and Methodology

The study employed descriptive research method. The overall employees and managers at deferent levels within the head office of the Commercial Bank of Ethiopia were considered as a population for the study. Among the total population of 1,053 i.e., 972 employees and 81 mangers were included in the study, 10 % of them were selected as sample respondents. In order to categorize the total population, stratified sampling method is used. Also Simple random sampling technique is used to take sample from each stratum because; each member of the population under study has an equal chance of being selected.

All relevant and useful primary and secondary data were collected to make the study complete and accomplish its stated objectives. Primary data was collected through interview with managers and distribution of questionnaire to employees. The researcher used questionnaire because, it kept the privacy of respondents, and it is cheap and can gather large information from wider respondents. Beside, interview is used in order to cross check the data obtained from employees and managers. Secondary, data were

collected from different written document, such as books, magazines, journals, company profile, reports; enter net web page and other important documents for the study.

Results of the study are summarized using descriptive analysis method. Thus, percentages and frequency counts are used to analyze and interpret the data collected from sample respondents.

6. Summary, Conclusion and Recommendations

In order to achieve the study objective, related literatures were reviewed, relevant interview questions were conducted and questionnaires were distributed to sample respondents. Based on the analysis of the data, summary of the findings, conclusions and recommendations are presented here under.

6.1 Summary of major findings

- According to respondents, the majority of employees in CBE do not feel that they are sufficiently involved in the decision making process of the organization. Moreover, the data obtained from interview showed that decision-making is relatively not participatory.
- Accordingly, the majority responded that, an operational decision made at lower management group seems better. However, a significant number of employees said that they are not participating in all decisions made in the bank.
- With regarded to employees involvement in strategic planning, information obtained from both management and employees indicate, strategic plan development process incorporates only top management of the organization.
- The majority of employees and managers confirmed that employees have high potential with respect to contributing valuable comments and suggestions. Which strengthen the effectiveness of the decision made by the bank since majority of them are well educated.
- Regarding autonomy of departments on deciding on a certain issue, both the management and employees agreed that departments could not decide on any issue since decision is made in a centralized manner.

- With regard to the action taken by the management of the bank, in order to create employees centered decision-making practice, the majority of employees agree moderately with the effort made by the bank. Moreover, the management of the bank said, there is no as such visible task is done concerning this issue. However, they are planned to be done by different activities concerning overall improvement with regard to employees.
- As per the majority of the employees, CBE has somewhat the problem of decision-making. This might be due to decisions made by top government body of the organization without considering different factors that influence effectiveness of decisions.
- Finally, the suggestion given by employee to open-ended questions indicated that, the bank should provided opportunities for employees to involved in decisions made at all levels.

6.2 Conclusions

Based on the findings of the study, the following conclusions are drawn:

- The study reveals that the majority of employees have some sort of doubt concerning their involvement in decision making because, employees could not have saying and participate in the decision, and this implies that most of the employees have uncomfortable feelings towards their organization.
- Majority of the bank employees didn't participate in decisions made on strategic issues. This means that they do not have the chance to contribute ideas in setting company vision, mission and value statements, which affects its effective achievement.
- The majorities of employees were not sufficiently satisfied with the management decision; this may affect effective implementation of the decision.
- Employees of head of CBE are not fully satisfied by managers' attitude to wards accepting their comment and suggestion. This might result lacking organizational citizenship and cooperation of employees.

- The study indicates that, employees' have the potential to contribute more to the effectiveness of the decision-making. This might indicate the level of openness of the bank to accept new technology.
- The study revealed that there is no power given to departments to decide on certain issues. This might arise as a problem because, centralized decision-making practice affect the autonomy of departments and create dalliances in service giving.
- The study also revealed that, there is no clearly observed activity done by the bank for the creation of employees' centered decision-making practice. Thus, this may result in lack of belongingness and may be a demotivation factor for employees.
- Currently, CBE is somewhat with in a problem associated with decision making. Employee response evidenced that; this might be because of improper implementation of organizational structure and centralized system of the bank.
- Lastly, employees suggested that the bank must create the opportunity for involvement of at least employees with good educational background and rich in business experience in the decision in order to create sustainable growth to the bank as well as the country in general.

6.3 Recommendations

As much as possible, having and utilizing human resource is mandatory for each and every organization. However, this is not the case rather how we can utilize this unique resource for the efficient achievement of overall organizational goals & objectives. In light of the major findings that have been discussed so far, the student researcher recommends the following points.

- In order to achieve a desirable level of professional commitment among workers, CBE should involve its workers in decision-making process.
- For effective implementation of decisions made in different level, the bank should be adopting participatory decision-making approaches.

- In order to create high level of satisfaction among its employees, it is recommended that CBE re-evaluate its decision-making practices.
- CBE should create the system of unity, to fill the gap between employees and management groups.
- In order to avoid service delay and customer inconvenience, CBE should delegate certain level of decision making power for operation department
- To keep morale and motivate employees, CBE should extend its effort in creation of employees' centered decision-making practice.
- In order to enhance employees' accountability in their position, CBE is strongly advised to evaluate its organization structure whether properly implementing and supports the day-to-day service delivery operation of the bank.
- Finally, CBE is advised to abolish centralized system of decision making and creating a system where employees and managers at different levels discuss and approve an issues of the organization together because it affect survival of the bank and its effectiveness in the existing industry.