

INFOLINK UNIVERSITY COLLEGE

**The Fifth National Research Conference on the
theme Quality Research for Sustainable
Development**

Organized by

Research and Community Service Office

June, 2024

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To become one of the top10 leading private higher education institutions in Ethiopia and also famous in African by the year 2030 G. C in teaching, research and community services

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INFOLINK UNIVERSITY COLLEGE

Research and Community Service Office

The Fifth National Research Conference on the theme Quality Research for Sustainable Development

Welcoming address.....

Dear Ladies and Gentlemen,

As President of Infolink College, I am pleased to welcome you to this landmark fifth conference on the Quality Research for sustainable Development hosted by Infolink University College.

As an Institution, we gave value for knowledge production (research) in addition to knowledge transfer (teaching) and knowledge application (community services).

In order to scale up the practice, we are aggressively working both at Dilla and Sodo campuses too.

Please be our partner in our future activities.

So, dear research presenters and participants thank you for coming and have a nice stay.

Dr. Dereje Tarekegn (PhD), President

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ASSESSMENT OF SERVICE QUALITY DIMENSIONS AND CUSTOMER SATISFACTION IN SELECTED HOTELS: A COMPARATIVE STUDY OF THREE HOTELS IN HAWASSA CITY, ETHIOPIA.

ZINASH NIGUSIE

Abstract

The main objective of this research is to assess the service quality and customer satisfaction from the point of view of customer's Expectation of the service quality and Perceptions of service delivered by Haile Hotels and Resort, South Star Hotel & Gezahegn and Elfinesh Hotels and Resort. Descriptive study design was used, a sample of 348 international and local guests. These respondents were selected by using simple convenience sampling method and the hotels were selected purposively. Thus, the pilot study was conducted through questionnaire by 26 respondents. Reliability of the questionnaire was checked by Cronbach's alpha and the face and content validity was checked by my advisor and other his colleagues. The data were analyzed using statistical tools such as mean and analysis by applying both a modified version of the Lodging Quality Index (LQI) model & SERVQUAL. The major findings of the study tells that, the hotel guests' perceptions of service quality provided by the hotel industry were lower than their expectations, The lowest expectations and perceptions were given by Ethiopian guests towards the hotels in Ethiopia and the International guests as well as the overall customer satisfaction levels towards the hotel stay is not satisfactory. Based on the findings of the study, the researcher recommended that each hotels needs to improve quality services so as to satisfy customer's needs. They should hire ethical, potential, capable, self-motivated, and enthusiastic employees who are able to deal with customer and will try to solve customer complaints and other issues in prompt & an effective manner should provide continuous training to the employees on issues. Due to the ever changing social and economic environment, as well as customers' preferences, hotel operators should be proactive to be side by side with the changes and therefore continuously encourage them to complete the feedback forms.

Keywords: Customer, Expectation, Perception, Satisfaction, Service Quality

INTRODUCTION

Background of the study

Customer satisfaction is a critical success factor in service organizations. Hotel industries in developing countries also have to compete with others and have to satisfy local and International customers, because, today's customers are more aware, educated and open to a Lot of information through web sources, internet, bulletins, magazines, journals, articles, etc., (Armstrong, Mok et al. 1997; Padma and Rajendran 2010).

Customer satisfaction is a key to building lasting relationships with consumers. Satisfied customers repurchase the service, recommend and encourage others to use the service, develop positive word of mouth toward the service and the organization, pay less attention to competitive brands and advertising, are less sensitive to price and buy other services. (Zekiri 2011).

According to Wilson et al., (2008) illustration that customer satisfaction has also been a subject of great interest to organizations and researchers similar. One of the factors that can help to increase sales is customer satisfaction, because satisfaction leads to customer loyalty. Customers become very high during marketing era of the 1950s when companies could produce what they can sell and not just selling. What are the qualities of these services provided to customers? Are the customers satisfied with these services? Thus, this research was originated from the fact that customers/consumer is the key to business.

The present day business environment is becoming competitive and challenging now more than ever. The research of service quality is an essential means for prosperity and existence in today's challenging business setting and plays a part in the long-lasting earnings of a

business (Fynes, Voss & De Burca, 2005). Intensified competition among service givers has pressurized companies to be more attentive to the service quality rendered to customers (Li & Lu, 2010). Although numerous amount of research have been conducted in the field of service quality (Mohammad & Alhamadani, 2011; Chavan & Ahmad, 2013)

In the event that customers are satisfied with products or brands, they most likely become loyal customers and keep spreading good word of the hotel. In that manner, in the event that they are disappointed, they will probably switch off brands and talk bad of the brand to different customers about the hotel. The brand of the hotel is an essential factor that emphatically or contrarily influences advertising exercises and the image is the main thing that creates a good impression of the hotel (Pearce & Robinson, 2011).

Nurminen (2007) discovered that cost is not the main reason that causes dissatisfaction of customers. Basically, customer dissatisfaction is mostly caused by offering low quality products and services to customers. Customer satisfaction assumes an imperative part of your business. Not only is it the main pointer to quantify client unwaveringness, but also a key purpose of separation that helps you to draw in new clients in focused business situations (Nurminen, 2007).

Consumer loyalty is a good measure of the quality of services offered to customers. Hotels can create strategies to improve the quality of their services and products by measuring the level of their customers' loyalty. In most cases, customer satisfaction lays out a blueprint that can be used to improve services. It gives the hotel management a reason to understand the needs of their customers and keep on offering quality services.

According to Mathews (2008), the main difficulty facing most industries is the ability to continue satisfying their customers while at the same time making huge profits. Competition puts pressure on many hotel services providers to provide quality services. Moreover, competition enhances many innovations that are focused on satisfying customers. Along these lines, it is important for hotels to come up with their own unique ways to meet the needs of their customers while at the same time making ample profits.

As indicated by Peters and Pikkemaat (2005), the employees play a major role in ensuring that customer needs are met. A successful employee evaluation project will ensure that the hotel management streamlines the conduct of employees while serving customers. Therefore,

managers should use the feedback from customers to assess the competency of the employees. Moreover, such information could be used to define the elements of an ideal employee.

Morrison and O'Mahoney (2002) proposed another inspecting method that can enhance the quality of services offered by hotels. The evaluation technique is based on the responsiveness of employees when it comes to handling customer requests. They suggest that measuring the responsiveness of an employee is a good way to monitor the effectiveness of employees in terms of the speed service delivery. In this way, customers will feel that their needs are met in time. Responsiveness can also show the hotel's commitment to customer request and willingness to act on issues that may

cause dissatisfaction. It is worth noting that satisfaction is relative to different customers. As indicated by many researchers, some customers may not appreciate some services as much as others would. Subsequently, cultural differences may prompt the hotel to customize their services to fit the cultural practices of a specific customer. For example, a customer visiting Lake Kivu Serena Hotel from a foreign country may have different preferences as compared to customers from Rwanda. Therefore, the hotel should have adaptive employees who can learn the preferences of different customers and meet their needs accordingly. Thus, consumer loyalty is the aftereffect of learning the needs of a customer and offering services in a customized way (Tsiotsou & Goldsmith, 2012).

For instance in tourism earning it is directly or indirectly linked with the number of nights spent by visitors in the country, quality of service is the key factor to increase the length of stay and to increase the satisfaction. Service quality is important to measure and decide research effectiveness while it becoming a major part of business practices. But still now there is no research was conducted or done on the issue of Assessment of service quality dimension on customer satisfaction particularly in Hawassa City SNRS Hotels.

Due to the reason, this research is to measure and evaluate the level of service quality and customer satisfaction in the hotel industry targeting the three purposively selected hotels found in Hawassa City SNRS. And to determine which dimension of the service quality has a significant effect on the customer's level of satisfaction by applying both a modified version of SERVQUAL which is the LODGING QUALITY INDEX for additional strength of instrumentand SERVQUAL for dimensions that was customized model for the hotel industry.

The statement of the Problem

Condition of expected service quality in order to obtain high customer satisfaction is a vital issue as well as a challenge facing the contemporary service industry. Due to this reason, the issue has become of great importance for both academics and practitioners in the subject area of marketing (Ghasemi *et al*, 2012). It is not the first time that service quality appears to obtain such importance. Through the last 20-25 years many firms have invested in service initiatives and promoted service quality as ways to differentiate themselves and thus gain competitive advantage (Zeithaml *et al*, 2006). After commencement of the Ethiopian millennium in 2007 every sector of the country goes high particularly in tourism attraction and hotel accommodations.

Hawassa City SNRS town is one key beneficiaries of the government's reform. After transformation of structures there has been seen boom of business and economy, diversification of business activities, scaled up employment sectors. The town is being seen on the right truck of growth and development.

Though a great emphasis is given for the expansion of hotel industry since the early time, many service related problems are still unnoticeable. Simply collecting money with no advancement in service quality is fact of today's most hotels. In addition to that lack of quality hotel service is one of primarily figured in the town. There are only few hotels that give accommodation, restaurants, cafes, and catering services to guests and residents but there are reflected significant gaps have acknowledged by other research Bezuye (2010) and Alelign (2013).

Due to this regard, the reviewed literatures and research conducted on hotel services in different countries plus personal observations in Hawassa hotels point towards that Hotels have much serious quality and customer handling strategy problems and it needs a serious research on the issues. This was seen when the employees are very much delaying both in taking order from the guests who are waiting for their order and, even long wait for the delivery of the order.

This plus often observing are may be lack of hotel service ethics. It is clear that the quality of service in hotel industry is an important factor of successful business. The existing trend of complete quality management in hotel industry have role in the achievement of competitive advantage of hotel companies and is needed the subject of current research into service quality in hotel industry. It is essential to identify the service Quality & whether the customers are

given what they need & expect. So, this research is proposed to evaluate the Assessment of service quality and customer satisfaction in hotel industry in Hawassa City SNRS.

In Ethiopia handling of customer related issues are not scientific still it is following traditional way according to Buzeye (2010) like throwing the food in front of the guest, giving not attention to the guest, cheating the guest or failure to give a change back as fast as possible, chewing gums while serving the guests, pasting finger in to nose while serving, touching hair and other bodies, using mobile game and phone communication while serving the guest, not use hair coverings while providing food, etc with all this lack of respect of customers'. As witnesses assured different tourists emphasize that three things attract foreigners to visit Ethiopia. One is presence of sites of different tourist attraction; second in country level towns resides continental and international offices to host conferences of different issues.

The third factor is security of the whole country to host anyone who wants to refresh leisure times with no fear of terrorist acts like neighboring Kenya, Sudan and Somalia. Due to this fact growth in Ethiopia's tourism industry continues to be steadily even despite the effect of the global financial & other crisis.

International visitors' arrival in Ethiopia reached about 770,000 in 2015 from 592,615 in 2014, with average growth of 14.02 % in 2014, (The World Bank's Global Economic prospect Report for 2016). With the growth of visitors how are hotels in Hawassa served their customers are still encompassed by issues of debates and controversies. But numerous studies have been conducted on service quality and customer satisfactions in typical organizations. However, only a limited number of studies have focused on service quality and customer satisfactions still now there is no research was conducted on the issue of assessment of service quality and customer satisfaction in Hawassa City SNRS town hotels.

International visitors' arrival in Ethiopia reached about 523,740 in 2020 from 812,000 in 2019, with average growth of 10.37 % in 2019, (The World Bank's Global Economic prospect Report for 2020). This decreasing problem of international visitors was in the case of corona virus. Due to recent international visitor's interest in visiting international hotels in Hawassa town, the customers are still encompassed by issues of debates and controversies. But numerous studies have been conducted on service quality dimensions and customer satisfactions in typical organizations. However, only a limited number of studies have focused on service quality and

Customer satisfactions still now there is no research was conducted on the issue of assessment of service quality dimensions and customer satisfaction in Hawassa City SNRS town hotels.

Therefore, this research accordingly investigates assessment of service quality dimensions and customer satisfaction of hotels in Hawassa City SNRS to forward visible and scientific solution to improve service delivery of hotels. Using the modified form of SERVQUAL, this is LODGINGQUALITY INDEX that was customized specifically for the hotel industry.

Research Questions

- What are the tangibility's of service quality perceived by customers in each hotel?
- What are the reliabilities of service quality expected on customers in each hotel?
- What are the responsiveness of service quality gaps perceived by customers in each hotel?
- What is the assurance of service quality gaps perceived by local & international customers?
- What is the empathy of strategies to reduce the gap in three hotels?

Objectives of the study

General objective

The general objective of this study was to assess the service quality dimensions and customer satisfaction in three hotels in Hawassa City SNRS, Ethiopia.

Specific Objectives

1. To examine the tangibility expected customers towards the given services of Hawassa town selected hotels.
2. To examine the reliability perceived by customers towards the services quality of Hawassa town selected hotels.
3. To identify and evaluate the responsiveness of service quality gaps on customer satisfaction in selected hotels.
4. To find out and assure service quality gaps perceived by local & international customers in selected hotels.

5. To recommend the hotel administrations to reduce the service quality gap and enhance the empathy of customer satisfaction.

RESEARCH DESIGN AND METHODOLOGY

Research Design

The research design which used for this study was descriptive research design. It is considered the most suitable research design to be descriptive by its nature, because of its high degree of representativeness and the ease in which a researcher could obtain the participants' opinion (Polit & Beck 2004). A methodology employed by this research was the central purpose of the study to measure the level of satisfaction of customers by using the SERVQUAL Model that contains standard close-ended questions in relation to the five service quality dimensions, the quantitative one was chosen. The other incentive to use the quantitative design is simplicity and convenience in stating the phenomenon to be investigated. Simultaneously, data about the adequacy and applicability of the model, factors that have lowered the satisfaction of the customers and their cause, and possible solutions to overcome these obstacles was collected and analyzed qualitatively. Moreover, the research followed a **descriptive** study because the researcher uses more than one case in the research. The main data collection instruments were Questionnaires and it has been developed based on the components of the service quality in the hotel industry classified in the LODGING QUALITY INDEX. It is a simpler method compared to SERVQUAL. However, LODGING QUALITY INDEX (Getty and Thompson, 1994) has been chosen to develop the questionnaire and for using dimensions SERVQUAL were also used in this study. The questionnaire is a complete survey of 36 questions covering mostly hotel services more over as supportive data collection instrument was collected by quantitative questionnaires data collection plus few open ended questions are asked to check level of satisfaction.

Sources of data

The data were collected from the primary sources; i.e. international and local customers in three hotels, business owners and retire as well. The data from the primary sources were gathered with the tools of close-ended questionnaires.

Sample size and Sampling Technique

The Study Population /Sample frame/: Both Domestic and Foreign customers of three hotels in Hawassa City are namely South Star International, Haile Hotel & Resort and Gezahegn and Efenesh Hotels &Resort.

Accordingly, a total of 348 both domestic and international customers have contacted as samples through a strategy of the heterogeneity by stratifying in to domestic and international customer and then random sampling techniques was used. To make the samples more representative of the population, herewith also time randomization approach was pursued. According to this approach, international customers arrived and accommodated by the studying hotels at different time intervals were conveniently checked. In this research the sample size were customers of three hotels. There are three traditional approaches to determining sample size. The size of the sample may be determined through personal judgment; budget and the cost of the research may be the good determinant of the sample size (Green et al., 1988). The fact that this research attracted all potential participants may determine sample size. Here all of these factors were considered when determining sample size.

Sample size of this research was 348 guests from population of approximately 2,670 guests in the specified days. The sample size of the study was determined by using the formula developed by Yamane (1967). Sample size from the guests is calculated as follows;

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

1

Where n = the sample size

N= the population size

e = the acceptable sampling error

$$n = 2670/1+2670 \times (0.05)^2 = 348$$

The above sample size was the representative sample proportion at 95% confidence level and $\pm 5\%$ precession when population is large and unknown. If the population is small, then the sample size can be reduced slightly. This is because a given sample provides proportionately. These sample selections are also applied by researchers in analysis of service quality by Osman, Rahim and Rahayma (2010) & Hao Chen (2009); Brodie, R. J., Whittome, J. R. M., & Brush, G. J. (2009) & Ismail Mensah (2009). Customers were selected in their two weeks stay in the month of April 5th to 17th, 2021. These days were selected for basic reasons that national higher education forum held on those days with foreign/international/ visitors frequently using this season according to observations of these hotels. So getting international customers view were believed to be easy to fetch their international perspectives in their satisfaction level of the service quality of hotels rendered. And guests are stayed more days relative to other normal days to make the sampling technique safer as taking hotels guests in the research sample was very tire some and complex. Moreover local guests were also part of the sample that was stayed in the hotels in those specified days. Within these two weeks assumed 100% occupancy, in simple arithmetic the population would be 2,670 customers. From all these guests 348 of them were selected using the above formula and respondents who fill in the questionnaire were selected but using random sampling.

Then 116 questionnaires for each of the selected three hotels were distributed to assess their level of satisfaction render by the hotel service. But the actual average bed room occupancy of visitors was 100/ hotel accordingly and questionnaire distributed sample matrix as follows. Then the average population of each hotel sample was divided by 15 equal size of questionnaire multiplied by 10 data collecting days. To select sampled customers from their stratum by randomly here is explained as table below.

Data collection method and Instrument

The study has employed a simple survey method of data collection since it is economical, free from interviewer's bias, gives adequate time to respondents for answering the questions. Both structured and few unstructured questionnaires were used. Slightly adapted standard questionnaires were developed based on literature review of related topics on Assessment of Service Quality gap on Customer Satisfaction also in consultation with the researcher's main advisor and other experts. The questionnaires are relied on five SERVQUAL dimensions called Tangibility (Q1.1-Q1.7), Reliability (Q2.1-Q2.6), Responsiveness (Q3.1-Q3.7), Assurance (Q4.1-Q4.8) & Empathy (Q5.1-Q5.8). It also has three parts that are annexed as A1, A2 and A3

in the appendix.

A1 is structured type survey questionnaire which its purpose to evaluate the Expectation and Perception of the customer's with overall level of satisfaction. A2 is concerned with few unstructured type questionnaire provided to customers'to identify their experience and factors affecting their choice. A3 is types of questionnaire that helps to get general personal information. A total of 47 questions of which 36 are statements to be rated and the rest open-ended were developed by taking in to consideration the constructs of 5 service quality dimensions and customer satisfaction.

Analysis of Respondents Profile

To find out general background of customers of three hotels (SSH, HHR and GEHR) the respondents were asked their Gender, Age group, educational level, occupation and Nationality. The results and analysis of demographic factors obtained from the structured questionnaires are represented below.

Demographic Data of the selected Hotels

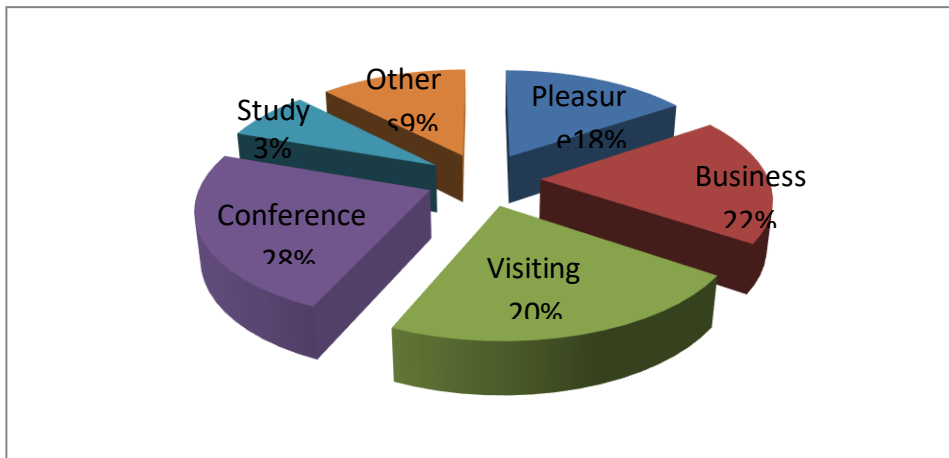
No	Item	Categories	SSH		HHR		GEHR	
			N	%	N	%	N	%
1	<i>Respondents for gender</i>	Male	92	79.3%	93	80.2%	85	73.3%
		Female	24	20.7%	23	19.8%	31	26.7%
2	<i>Respondents for age groups</i>	20-25	16	14%	16	14%	17	15%
		26-30	10	9%	10	9%	12	10%
		31-35	39	33%	32	27%	34	29%
		36-40	24	21%	20	17%	23	20%
		41-45	21	18%	30	26%	27	23%
		Above 46	6	5%	8	7%	3	3%
3	Education level of respondent	Diploma	14	12%	2	2%	10	9%
		BA Degree	41	35%	48	41%	46	40%
		MA	34	29%	30	26%	32	28%
		Others	27	23%	36	31%	27	23%
4	Occupation of Respondents	Business owners	21	19%	23	20%	23	20%
		Students	12	10%	12	10%	9	8%
		Employee	50	43%	55	47%	53	46%
		Retires	4	3%	6	5%	19	16%
		Others	29	25%	20	18%	12	10%

In terms of the respondents` gender background of the selected Hotels; 77.6% were male and 22.4% were female; in terms of their age in the selected three hotels 20-30 were 43%, 26-30 were 28%, 31-35 =89%, 36-40= 58%, 41-45= 67% and above 46= 15% , in terms of their education level diplomas were 23%, BA degrees were 116%, MAs were 83% and others were 77% and interims of their occupation of respondents in the selected three hotels; business owners were 59%, students 28%, employee 136%, retirees 24% and others were 53%.

This indicates majority of the respondents in selected hotels were male, majority of the respondents were between under the age of 31-35 (33%,27%, 29%) in three hotels respectively , the majority of the respondents education level were BA degree and majority occupation of respondents were employed.

Due to the preconditions taken by the researcher it seems to be that the employed have more time compared to other people so they take advantage to travel more for conference reason they had an advantage to see different experience in different parts of the world. For this reason, most of guests who stay in hotels are employed. The guests who have full-time jobs also spend their time in hotels but for both conference and business reasons. Consequently, they are described for 1/2 of all guests in hotels.

Respondents in the purpose hotel staying/visiting in South Star



Descriptive Statistics of Customer Expectation in Three hotels

Customer Expectation mean of service quality dimensions in three hotels

Service Quality Dimension	SSH	HHR	GEHR
	Mean	Mean	Mean
Tangibility	6.1802	6.0634	6.0902
Reliability	5.8943	5.9662	5.9918
Responsiveness	5.8603	5.9560	5.9215
Assurance	5.9412	5.8299	5.8576
Empathy	5.8759	5.6682	5.7582
Average of dimension	5.95038	5.89674	5.32386

Source: own survey, 2023

Table shows the Expected mean score for the five dimensions of service quality in three hotels. Let us see each hotel one by one; South Star, the highest Expected mean of customers scored by Tangibility (6.1802) Assurance (5.9412), Reliability (5.8943), Empathy (5.8759), Responsiveness (5.8603) and overall service quality dimension (5.95038). In other hand Haile Hotel guests Expectation scored Tangibility (6.0634) followed by Reliability (5.9662), Responsiveness (5.9560), Assurance (5.8299), 5.6682). Whereas, Gezahegn and Elfinesh Hotel guests scored highest mean in Tangibility dimension (6.0902) and the least mean scored in Empathy dimension.

Descriptive Statistics of Customer Perception in Three hotels

Customer perception mean of service quality dimensions in three hotels level

service quality Dimension	SSH	HHR	GEHR
	Mean	Mean	Mean
Tangibility	4.1247	4.7229	3.2272
Reliability	3.8010	4.1278	3.2869
Responsiveness	3.5522	3.6960	3.3267
Assurance	3.5914	3.9549	3.3586
Empathy	3.3769	3.7406	3.1189
Average of dimension	3.68924	.5364	4.04844

Source: *own survey, 2021*

Table shows the perceived mean scored on five dimensions of service quality in three hotels. SSH, the highest perception mean of customers scored by Tangibility (4.1247) Reliability (3.8010), Assurance (3.5914), Responsiveness (3.5522), Empathy (3.3769) and overall service

quality dimension (3.68924). While HHR guests perception scored highest in Tangibility (4.7229) followed by Reliability (4.1278), Assurance (3.9549) Empathy (3.7406), Responsiveness (3.6960), Whereas, BM hotel guests scored highest mean in Assurance (3.3586) next (3.3267) and reliability dimension (3.2869) and the least mean scored in Empathy dimension.

In general, based on overall perception concern of expectations on the service quality, HHR (4.04844) hotels guest have better perception than SSH (3.68924) & GEHR (3.26366). According to the Table 10 definition, both customers have relatively in Tangibility and Reliability dimensions better perception than other dimensions. But the other dimensions were perceived less than that of average overall perception mean of both users of this hotel and it needs a lot of assignments should be forwarded for hotel managers, hotel employees and staffs to work on those dimensions which are less perceived in both.

Comparison of Service Quality Gap between guests

Comparison of Service Quality Gap of mean between local & international guests

Hotels	Customers	TAN	REL	RESP	ASSU	EMP	Average mean of guests
SSH	Local	-2.0686	-2.055	-2.3372	-2.3225	-2.4674	-2.25006
	INT	-2.0168	-2.2059	-2.2227	-2.4302	-2.5919	-2.2935
HH R	Local	-1.3319	-1.7525	-2.2641	-1.8813	-1.8637	-1.8187
	INT	-1.3655	-2.0882	-2.2479	-1.8566	-2.114	-1.93444
GEHR	Local	-2.8202	-2.6853	-2.6661	-2.507	-2.8202	-2.376
	INT	-2.9784	-2.7576	-2.4026	-2.4772	-2.7651	-2.67618

the comparison of hotels and their guests in service quality dimensions report shows that there were gap in each dimension of service quality in hotels perceived by both Local & International customers. As indicated in the result, all service quality dimensions were less perceived than expected by the customers in three hotels. In general, Local customers have better perceptions in Tangibility, while international customers had the lowest perception score. There were higher perception in Responsiveness and lower in Empathy compared to local customers. And the comparison was made between Ethiopian customers and International customers, the differences in mean perception clearly visible and indicated that international customers perceived better than local customers.

CONCLUSION

The main objective of this study was to assess service quality dimensions on customer satisfaction in South Star Hotel, Haile Hotels and Resort and Gezahegn and Elfinesh Hotels & Resort in Hawassa City, SNRS, Ethiopia. In this study, hotel guests from different countries having different expectations and perceptions were analyzed. Comparisons between Ethiopian (local) hotel guests and hotel guest from abroad the country or international was undertaken. The results showed that, in general, the lowest expectations and also lowest perceptions of their hotel stay was whether those Ethiopians than international hotel guests.

Major Findings were concluded as follows

- International hotel guests had lowest mean scored in empathy dimension in case of expectations as well as perceptions. On the other hand, Ethiopian/Local /hotel guests have lowest mean scored in the same with as on empathy dimension as an international guests in expectation and perception.
- The overall satisfaction levels of international guests were lower than the Ethiopian hotel guests in five service quality dimension.
- From the finding of the study, it can be concluded that, out of five service quality dimensions, Tangibility has scored the highest mean whereas Empathy has the lowest mean scored.

- The combinations of dimensions tangibility, reliability, responsiveness, assurance and empathy together have significant and positive effect on customer satisfaction.
- Based on overall perception concern of expectations on the service quality HHR guests have better perception than the others.
- Hotel administrators in HHR by enhancing empathy to satisfy the customers were better than the others.

Recommendations

In this section, a list of recommendations has been presented based on the findings of the survey conducted on customers of selected three hotels in Hawssa City SNRS. In relation to the findings, the study came up with the following recommendations:

- ❖ Hotels should provide continuous training to the employees on issues of service quality dimensions like Responsiveness, reliability, tangibility, assurance and empathy. Because customers are expecting employees of the hotels should respond to the requests of customers promptly, the hotel/restaurant's employees should always be willing to help/facilitate the customers, and they should address customers' questions appropriately about the hotel or restaurant to speed up customer's service , Assurance and Empathy skills like accessibility, staff availability, and attention paying for customers and flexibility and the like issues would be very important to compassion and improve their customers satisfactions.
- ❖ The top management of the Hotels should be responsible and eager to make their hotels customer oriented organizations. Therefore, the hotel administrates and top managements should employ/hire ethical, potential, capable, self-motivated, and enthusiastic employees who are able to deal with customers and solve customer's complaints and other issues promptly and effectively.

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FACTORS AFFECTING THE ADOPTION OF DIGITAL BANKING: IN CASE OF DASHEN BANK HAWASSA CITY CUSTOMERS

ABENEZER DEMELASH

Abstract

The reasoning of this investigation was to survey factors that affect adoption of digital banking in case of hawassa city customers. Data was gathered through questionnaire distributed to a target of 397 respondents with response rate of 96.22 % from customers of the selected branches. Quantitative research approach was used to answer research questions. The collected data was analyzed using SPSS version 26 for descriptive and inferential analyses. The effect of the factors was analyzed using Pearson correlation and multiple regressions. The outcomes of the research revealed that the explanatory variables Technological factor, Environmental factor and organizational factor have strong correlation with dependent variable, social factor have moderate correlation with dependent variable and demographic factor has a weak correlation with dependent variable.

Keywords: digital- banking, adoption,

INTRODUCTION

Background of the study

Technologies that are newly created and put into use alter how people act and communicate in daily life. They are affecting customer behavior and expectations, corporate practices, and the competitive landscape, and the banking sector is in no way an exception to this. Digital banking is the future, according to the majority of those working in the financial industry. Because both internet banking and mobile banking use digital applications in some capacity, "digital banking" is frequently conflated with both of these terms. Digital banking is a pressing issue, not an academic one, and these days, digital revolution affects more industries than just banking. In order to deliver improved customer services and experiences effectively and efficiently, digital banking is the integration of new and developing technology throughout a financial services business, along with corresponding changes in internal and external corporate and people interactions.

(Sharko et al 2017)

Banks' use of advanced technologies, such ATMs and POS, to deliver services is one of their most crucial responsibilities. Customers now judge banks based on their ability to assist them in resolving issues and building long-term commercial relationships. Quick transactions and the absence of time losses are valued as key success factors in the banking system where banks compete with one another. Customers choose technology and speed over all other factors in this competition, placing technical specialization of banks in second position. (Vahdat et al 2017)

In 1960s, introduction of Information Technology (IT) in banking sector offered computerization and automation of back-office tasks. Such automation further supported the new technology ATM in 1970, followed by telephone banking in 1980s. In 1990s, banking sector adopted new technological era of Internet Banking (IB). (Mishra & Singh, 2014)

The Internet was widely accessible by the 1990s, and online banking started to become the standard. Early 2000s advancements in broadband and e-commerce technologies gave rise to a situation that approximated the modern digital banking environment of today. Through the following ten years, cellphones proliferated, paving the way for mobile payments that went beyond ATMs. More than 60% of people now prefer using their cellphones for digital banking. (Clayton, 2013)

The demand for digital banking services is growing, which is hastening the adoption of technology to broaden financial inclusion in Ethiopia's telecom sector. According to the GSMA, smartphones

will represent 58% of internet connections in Ethiopia by 2025, and they will be crucial for enabling clients to access digital financial services.

Through cooperation with IBM and its business partners Eidiko Systems Integration Pvt. Ltd. and Afor PLC, Dashen Bank has acquired a versatile, secure, and reliable integration platform that makes the most of the bank's resources in both cloud and on-premise contexts. Thanks to the deployment of a hybrid cloud strategy, the bank can now deploy and grow its digital channels across any technology environment, enhancing the open banking experience with significant stakeholders including fintechs, neo-banks, corporate and telecom partners. Dashen Bank is now able to quickly onboard and integrate new partners and applications.(Dashen bank, 2021)

Because of our collaboration with IBM, Dashen Bank is now able to enhance its integration capabilities while lowering integration costs, increasing speed to market, agility, security, and the quality of integration projects. Amole, our omni-channel banking platform, already demonstrates these benefits by utilizing IBM Cloud Pack for Integration for critical financial transactions like money transfers, mobile wallets, etc. to speed up operations and improve digital experiences for our customers. ShimelsLegesse, chief information officer at Dashen Bank, makes this statement.(Dashen bank, 2021)

As consumer preferences for digital and mobile solutions continue to develop as a result of increasing smartphone penetration and the desire for convenience, IBM is glad to be a trusted partner to Dashen Bank in accelerating their digital transformation. In order to ensure that Dashen Bank had a fully integrated, cloud-ready solution that satisfied its integration need, we helped the bank determine the hybrid cloud strategy that best matches its needs. IBM's GM for East Africa, Caroline Mukiiira, said.(Dashen bank, 2021)

The move will allow the bank to be more adaptable to changing business needs and digital-first customer expectations enhancing its competitive advantage through easier deployment and development using a cloud-native approach. Additionally, the bank is able to comply with government and international policies and regulations. (Dashen bank, 2021).

Statement of the Problem

People occasionally have to travel for three to four hours to conduct a bank transaction, and occasionally the cost of the transaction was higher than the amount of money being deposited or withdrawn. Financial transactions can be carried out by customers using digital banking on secure websites. Since most banks now offer digital banking services, user-friendly technology is becoming more and more popular with customers. Most consumers now use the technological banking services offered by the banking industry more and more. Saving time and money are two benefits. From the viewpoint of the customer, banking offers an accessible, 24 hour, seven day a week, convenient, and efficient method of managing finances. However, there are some drawbacks to online banking, such as lack of knowledge to operate the technology, high setup costs, legal complications, a lack of customer-banker interaction, security concerns, and privacy concerns. (S.Bulomine, 2017)

In Ethiopia researches which are related to this topic are very limited. As we know most of the country population lived in rural areas, and have not the idea about digital system. So it there must be deep investigation on this topic because traditional banking waste time and energy for customers.

Segenet, (2021) identifies about the factors affecting adoption of amole digital payment and determine those effects perceived usefulness, perceived ease of use, perceived risk, attitude, and reliability on its adoption of Amole in view of subscribers of Amole Digital Payment. But the concept the study focuses is very limited and the researcher will investigate on the factors that affect the general digital system.

Limited researches have done on the areafactors affecting adoption of digital banking/ internet banking or e-banking such as Genet, (2021), Worku, (2015), Tewodros, (2021), Atnkut, (2018). All of these researchers investigate different factors like environmental factors, technological factors, usefulness, trust and others but all of the researchers are focused on either mobile banking or internet banking. Internet and mobile banking are parts of digital banking so this research is try to study internet and mobile banking as a general.

Objective of the study

General objective

The overall objective of the study is to investigate the effect of factors on the adoption of digital banking in case of dashen bank hawassa city customers.

Specific objectives

- To examine the effect of Technological factors on the adoption of digital banking
- To examine the effect of Organizational factorson the adoption of digital banking
- To examine the effect of Environmental factors on the adoption of digital banking
- To examine the effect of Demographic factors on the adoption of digital banking
- To examine the effect of Social factors on the adoption of digital banking.

Research Questions

This study tried to answer the following research questions

- How the Technological factors affect the adoption of digital banking?
- How the Organizational factors affect the adoption of digital banking?
- How the Environmental factors affect the adoption of digital banking?
- How Demographic factors affect the adoption of digital banking?

- How social factors affect the adoption of digital banking?

RESEARCH METHODOLOGY

Description of the study area

The researcher selected dashen bank for this study. It runs through a network of over 675 Branches around the country and I will study on the hawassa district on the 9 branches. This bank is chosen because of its usage on high degree ICT and automation systems.

Research Design

Research design contains about the type of data, method of data collection, source of data and sampling strategy (Saunders, Lewis, & Thornhill 2012). In this study the investigator used descriptive and explanatory proposals. The descriptive is used to describe factors affecting the digital-banking in Dashen bank. The explanatory design used to describe the relationship among the variables of the study. The researcher will try to explain the relationship between autonomous and central variable by using multiple linear regression analysis.

Research Approach

For the reason of this research, the researcher used quantitative approach to respond the research questions by collecting quantitative data from digital-banking service users. Quantitative approach was chosen as the association among the dependent and independent variables were measured quantitatively.

Data Sources

In order to achieve the objective of the research, the investigation approach was used is quantitative approach. The reason for choosing quantitative research approach is to meet the purpose. With regard to the sources of data, the study was used both primary and secondary foundation of data. Based on the nature, range, aims and availability of time and resource, the researchers were used questionnaires and secondary data source like books, documents, research papers, journals and publication, Danshen bank website, dashen bank annual reports and other relevant journal

Sampling design

Sample data determination

Sample size is actually the whole quantity of units which are to be selected for the analysis in the research study and the representation for the study calculated according to the formula suggested by Yamane's (1967) with 95% confidence and 5% acceptable sampling error. Among 215,101 populations; the sample scope is calculated using the following formula.

$$n=N/(1+(e^2))$$

Where: n= sample size

N = population number

e= margin of error

Using the above formula, the sample size was calculated at 95% confidence interval and e will be 0.05, and the population number $Nn= 58900/ (1+58900(0.05^2))$ $n= 397$

For the proportional allocation a formula by bowley (1926) was formulated. In this formula the sampling fraction n/N used for all strata. The allocation is used to for all strata with high degree of precision. The allocation of a given sample of size n to different stratum was done in proportion to their sizes.

$$i^{th} \text{ stratum, } n_i = n \frac{N_i}{N} \quad i= 1,2,3 \dots$$

n = sample size = 397 N_i = Population size of i^{th} strata

N = population size = 58900

1. Alamura branch

$$N_1 = n \frac{N_1}{N} = 397 \frac{7500}{58900} = 51$$

2. Tabor branch

$$N_2 = n \frac{N_2}{N} = 397 \frac{5200}{58900} = 35$$

3. Monopol branch

$$N_3 = n \frac{N_3}{N} = 397 \frac{8000}{58900} = 54$$

4. Philadelphia branch

$$N_4 = n \frac{N_4}{N} = 397 \frac{6800}{58900} = 46$$

5. Hawassa sub branch

$$N_5 = n \frac{N_5}{N} = 397 \frac{7000}{58900} = 47$$

6. Tulla branch

$$N_6 = n \frac{N_6}{N} = 397 \frac{7500}{58900} = 51$$

7. Warka branch

$$N_7 = n \frac{N_7}{N} = 397 \frac{6300}{58900} = 42$$

8. TTC branch

$$N_8 = n \frac{N_8}{N} = 397 \frac{5200}{58900} = 35$$

9. Woldeamanuel branch

$$N_9 = n \frac{N_9}{N} = 397 \frac{5400}{58900} = 36$$

Sample size for digital banking users

No	Name of branches	No of digital banking users	Sample size
1	Alamura branch	7500	51
2	Tabor branch	5200	35
3	Monopol branch	8000	54
4	Philadelphia branch	6800	46
5	Hawassa sub branch	7000	47
6	Tulla branch	7500	51
7	Warka branch	6300	42
8	TTC branch	5200	35
9	Woldeamanuel branch	5400	36
10	Total	58900	397

Source: Banks annual report 2021/22

Sampling techniques

Basically, sampling methods can be categorized into probability sampling and non-probability sampling. Probability sampling is a technique in which every unit in the population has a chance (non-zero probability) of being selected in the sample, and this chance can be accurately determined. It often requires a sampling frame and enumeration of the population to select respondents on random basis. Non probability sampling is a sampling technique in which some units of the population have zero chance of selection and/or where the probability of selection cannot be accurately determined. Nonprobability sampling relies on personal judgment of the researcher.

Data collection tools

There are different types of data collection tools among them the following tools was used research focuses.

Interview

The researcher used a semistructured conversation with a manager in each of the nine bank branches. The semi structure interview will use for the questionnaire distributed in each of branches.

Questionnaires.

A questionnaire is a list of questions or items used to gather data from respondents about their attitudes, experiences, or opinions. Questionnaires can be used to collect quantitative and/or qualitative information. Questionnaires are commonly used in market research as well as in the social and health sciences.

A questionnaire will distributed to all 397 samples of nine branches by non- probability sampling method. The questionnaire will prepare as affirmative sentence and it will be related with the factors affecting adoption of digital banking mentioned in the research. To give answers there are five scales which is known as Likert rating scale, and they are Strongly Agree (SA)= 5, Agree (A) =4, Neutral (N) = 3, Disagree (D) = 2, Strongly Disagree (SD)= 1. Likert scale make easy way for respondents to answer the questions.

Method of data processing and analysis

A document is a piece of writing that contains information whereas a record is a document that can be used as evidence. Both documents and records provide information, but records also serve as evidence. This is the main difference between document and record.

After the responses gathered, every kind of data concerning the questions was separated and gathered to answer different research objectives. The data received was classified into totally different categories and expressed as percentage and frequencies. The analysis methodology that utilized within the thesis will be quantitative by using applied mathematics software Package for the Social Sciences (SPSS) version 26 for the data analysis. Both descriptive statistics and inferential statistics will apply.

Descriptive statistics used for measurement percentage and frequency of the information of the respondents, it is additionally applied to for explaining every variable inside the study of factors affecting digital banking and thus implementation of digital banking.

Inferential statistics used for correlation, statistical procedure and analysis of variance analysis performed to analyze whether or not there is relation between each item of the six factors which

affect digital banking and its implementation. The researcher will use correlation analysis technique to ascertain whether or not the implementation of digital banking and the factors had relation.

RESULT AND DISCUSSION

Respondents Demographic Detail

This part shows the demographic characteristics of the respondents. From the collected data from the questionnaire the respondents have different characteristics of gender, age, education level and monthly income. Because of the difference of the characteristics of the respondents they give different response according to their awareness on the implementation of digital banking.

Gender profile of respondents

Gender profile of respondents

		Frequency	Percent	Valid Percent
Valid	Male	221	57.9	57.9
	Female	161	42.1	42.1
	Total	382	100.0	100.0

Source: own survey (2023)

we can see that among the 382 respondents 221 or 57.1% are males and 161 or 42.1% are females. This survey indicates that most of the respondents were males. From this finding both genders are participate in the study and all are gives their response so the study was not focuses only on side.

Age of the respondents

Age of respondents

		Frequency	Percent	Valid Percent
Valid	20- 30 years	169	44.2	44.2
	31- 40 years	165	43.2	43.2
	41- 50 years	43	11.3	11.3
	Above 50	5	1.3	1.3
	Total	382	100.0	100.0

Source: Own survey (2023)

The table shows that the frequency of respondents age 20-30 is 169 with percentage of 44.2%, 31-40 is 165 with percentage of 43.2 %, 41-50 is 43 with percentage of 11.3% and above 50 is 5 with a percentage of 1.3%. From this finding most respondents are 20- 30 and secondly 31-40 years. This result shows the survey question is well distributed to respondents according their age. The heterogeneity of the age gives a chance to get a varied response from respondents.

Educational level of Respondents
Educational Level of respondents

		Frequency	Percent	Valid Percent
Valid	Grade 12 and below	18	4.7	4.7
	Diploma	84	22.0	22.0
	First degree	234	61.3	61.3
	Master's degree	42	11.0	11.0
	Above master's degree	4	1.0	1.0
	Total	382	100.0	100.0

Source: Own survey (2023)

From the above table shown the frequency of respondents below grade 12 is 18 with a percentage of 4.7%, Diploma holders is 84 with percentage of 22%, First degree holders is 234 with percentage of 61.3%, Master's degree is 42 with percentage of with percentage of 11% and above master's degree is 4 with percentage of 1%. It indicates that most of the respondents are First degree holders then secondly diploma holders and thirdly Masters. So the questionnaire was filled with educated persons and they have good understanding to fill the questionnaire on digital banking.

Descriptive summary of study variables

From the questionnaire distributed the responses of the respondents was analyzed through descriptive statistics. The respondents was responses based on factors of services based on the research model that use the two frameworks, technology- organization- environment (TOE) and perceived characteristics of innovation (PCI) and the researcher selected the social factor from this framework.

Technological factors

The results of the responses from respondents from the selected nine branches according to technological factors that focuses on the perceived risk (security), perceived usefulness, relative advantage and compatibility.

Descriptive Analysis for Technological factors

Factors	SA (5)	A (4)	N (3)	D (2)	SD (1)	Mean	Std. Dev
Customers trust the digital banking technology	96 25.1%	171 44.8%	61 16%	45 11.8%	9 2.4%	3.79	1.025
Customers are secured	132	209	7	20	14	4.11	0.945

when they are using digital banking	34.6%	54.7%	1.8%	5.2%	3.7%		
Customers do not fear risk of digital banking technology	114 29.8%	139 36.4%	29 7.6%	93 24.3%	7 1.8%	3.68	1.189
Digital banking is efficient according to time saving	241 63.1%	105 27.5%	8 2.1%	18 4.7%	9 2.4%	4.45	0.929
Digital banking functions without time limit	225 58.9%	113 29.6%	17 4.5%	20 5.2%	7 1.8%	4.38	0.928
Digital banking is faster and suitable than conventional banking system	236 61.8%	113 29.8%	9 2.4%	18 4.7%	6 1.6%	4.45	0.876
Digital banking competes to my life style	175 45.8%	160 41.9%	14 3.7%	23 6%	10 2.6%	4.22	0.961
Average mean and std						4.15	0.979

As shown in the above table the responses are on a scale 1-5, with 1 representing strong disagreement and 5 representing strong agreement. From the responses of respondents were 25.1% strongly 44.8% on customers trust on the digital banking technology with a mean score of 3.79 and standard deviation of 1.025. The majority of 69.9% are trust the system, so the bank sectors implement the digital system by giving good attention for their customers security.

Respondents were asked for customers are secured when they are using digital banking and they were give an answer by 34.6% strongly agree and 54.7% agree with a mean score of 4.11 and standard deviation 0.945 and this indicates that around 89.3% respondents are agreed on security issue with digital banking so the security issue has no doubt on the customers.

According to the question customers do not fear risk of digital banking technology has replied with 29.8% strongly agree and 36.4% agree mean score of 3.68 and standard deviation 1.189. This implies that 66.2 % of respondents have not fear on the risk of digital banking, so the result shows the technology has less risk of security.

For the question digital banking is efficient according to time saving the respondents were given their answer by 63.1% strongly agree and 27.5% agree with a mean score of 4.45 and standard deviation 0.929. From this result 90.6% of respondents are choosing digital banking according to time saving, so it has an effect on the customer's adoption.

For the question digital banking functions without time limit the respondent's gives their responses by 58.9% strongly agree and 29.6% agree with a mean score of 4.38 and standard deviation 0.928. This result implies that 88.5% of respondents are agreed on this. This result show that digital banking gives service for their customers without time limit effectively.

The question stated as digital banking is faster and suitable than conventional banking system is replied as 61.8% strongly agree and 29.8% agree with a mean score of 4.45 and standard deviation 0.876. This indicates that 91.6% of the respondents choose the digital banking system, so according to the result digital banking to much better (Relative Advantage).

Responses were also given for the question digital banking competes to my life style is replied as 45.8% strongly agree and 41.9% agree with a mean score of 4.22 and standard deviation 0.961. This result shows that 87.7% of the respondents are agreed. This result shows digital banking is competes with customer's life style.

By combining the above results with average mean of 4.15 and standard deviation of 0.979. From the result most of the respondents are agreed on the issues of technological factors, so the bank should expand its technological services to its customers. The study result is somehow consistent with the findings of B.Pavithra & Dr. K.Geetha (2021); Al-smadi (2012); Tabrani et al (2020); Prabowo (2022) and others.

Social Factors

Descriptive Analysis of social factors

Factors	SA (5)	A (4)	N (3)	D (2)	SD (1)	Mean	Std Dev
My bank promotes itself to make more popular it's digital services for the society	96 25.1%	171 44.8%	61 16%	45 11.8%	9 2.4%	3.79	1.025

My bank digital services are well known (more popular) throw out the country	114 29.8%	139 36.4%	29 7.6%	93 24.3%	7 1.8%	3.68	1.189
Popularity is a basic issue for banks to grow their performance and their access for digital banking services	213 55.8%	151 39.5%	11 2.9%	3 0.8%	4 1%	4.48	0.694
My bank has a good image in the society	112 29.3%	187 49%	34 8.9%	23 6%	26 6.8%	3.88	1.106
A good image is mandatory for banks to grow their ability	268 70.2%	106 27.7%	1 0.3%	4 1%	3 0.8%	4.65	0.624
Average mean and std						4.096	0.9276

Source: Own Survey

From the above table the question stated as my bank promotes itself to make more popular it's digital services for the society replied 25.1% strongly agree and 44.8% agree with a mean score of 3.79 and standard deviation of 1.025. This imply that 69.9 % of respondents are agreed on this issue. For the question my bank digital services are well known (more popular) throw out the country replied as 29.8% strongly agree and 36.4% agree with a mean score of 3.68 and standard deviation 1.189. This result shows that 66.2% of respondents are agreed.

For the question popularity is a basic issue for banks to grow their performance and their access for digital banking services replied as 55.8% strongly agree and 39.5% agree with a mean score of 4.48 and standard deviation 0.694. This result implies that 95.3% of respondents are agree with this issue. According to the question stated as my bank has a good image in the society the respondents replied as 29.3% strongly agree and 49% agree with a mean score of 3.88 and standard deviation1.106. This result indicates that 78.3% of the respondents are agree on this issue.

For the question a good image is mandatory for banks to grow their ability replied as 70.2% strongly agree and 27.7% agree with a mean score of 4.65 and standard deviation of 0.624. This result imply that 97.7% of respondents are agreed.

By combining the above result the social factor have a mean score of 4.096 and standard deviation of 0.9276. This result shows that most respondents are agreed about issues which are mentioned under social factor.

Organizational factors

Under organizational factors human resource and service efficiency are included.

Descriptive Analysis of Organizational factors

Factors	SA (5)	A (4)	N (3)	D (2)	SD (1)	Mean	Std Dev
The bank must have skilled and experienced staff members for adoption of digital banking	195 51%	134 35.1%	24 6.3%	13 3.4%	16 4.2%	4.25	1.012
Using skilled staff members for the bank will change the interaction to the digital banking users	236 61.8%	101 26.4%	10 2.6%	20 5.2%	15 3.9%	4.37	1.036
Absence of skilled employees becomes an obstacle for adoption of digital banking	216 56.5%	123 32.2%	14 3.7%	17 4.5%	12 3.1%	4.35	0.973
My bank gives efficient service for digital systems like (ATM, mobile banking, and others)	43 11.3%	61 16%	21 5.5%	151 39.5%	106 27.7%	2.43	1.342
The quantity of digital system like ATM should be more for effective usage	249 65.2%	95 24.9%	6 1.6%	18 4.7%	14 3.7%	4.43	1.001
Average mean and std						3.966	1.073

From the result on the above table the question stated as the bank must have skilled and experienced staff members for adoption of digital banking replied as 51% strongly agree and 35.1% agree with a mean score of 4.25 and standard deviation 1.012. This result indicates that 86.1% of respondents are agreed on this, so according to this result the banks should have well skilled and experienced staff members.

For the second question which stated as using skilled staff members for the bank will change the interaction to the digital banking users replied as 61.8% strongly agree and 26.4% agree with a mean score of 4.37 and standard deviation 1.036. This result implies that 88.2% of respondents are agreed.

According to the question stated as absence of skilled employees becomes an obstacle for adoption of digital banking replied as 56.5% strongly agree and 32.2% agree with a mean score of 4.35 and standard deviation of 0.973. From this result 88.7% of respondents are agreed.

For the question my bank gives efficient service for digital systems like (ATM, mobile banking, and others) the respondents replied as 39.5% disagree and 27.7% strongly disagree with a mean score of 2.43 and standard deviation of 1.342. This result implies that 67.2% of respondents are disagree on the efficient delivery of digital service by the bank. This issue needs a serious decision for the sake of customer's needs.

According to the question stated as the quantity of digital system like ATM should be more for effective usage the respondents replied as 65.2% strongly agree and 24.9% agree with a mean score of 4.43 and standard deviation 1.001. This result shows that 90.1% of respondents are agreed on this statement.

By combining the above questions the organizational factor average mean is 3.966 and standard deviation 1.073. According to the result most of the respondents are agreed on the issues stated under organizational factor. But the digital services like ATM machines are not sufficient for the customers.

Demographic factors

Under demographic factor Age, Gender and education level are included

Descriptive Analysis for demographic factors

Factors	SA (5)	A (4)	N (3)	D (2)	SD (1)	Mean	Std Dev
Relatively young peoples are	112	187	34	23	26	3.88	1.106

using digital banking more than older peoples	29.3%	49%	8.9%	6%	6.8%		
My age increases my ability to use digital banking	123 32.2%	203 53.1%	20 5.2%	27 7.1%	9 2.4%	4.06	0.932
Comparatively male users are more in quantity than female digital banking users	53 13.9%	112 29.3%	90 23.6%	88 23.1%	39 10.1%	3.14	1.214
My education level increases my ability to use digital banking	130 34%	196 51.3%	27 7.1%	18 4.7%	11 2.9%	4.09	0.924
Average mean and Std						3.785	0.9245

Source: Own Source

From the above table the question stated as relatively young peoples are using digital banking more than older peoples replied as 29.3% strongly agree and 49% agree with a mean score of 3.88 and standard deviation 1.106. From this result 78.3% of respondents are agreed that young peoples are using digital banking more than older peoples.

For the question my age increases my ability to use digital banking replied as 32.2% strongly agree and 53.1% agree with a mean score of 4.06 and standard deviation 0.932. This result implies that 85.3% of respondents agreed that their age has effect on the digital banking usage.

According to the question comparatively male users are more in quantity than female digital banking users replied from strongly agree to strongly disagree with a mean score of 3.14 and standard deviation of 1.214. The mean score indicates the respondents mostly the respondents gives a neutral response.

For the question my education level increases my ability to use digital banking replied as 34% strongly agree and 51.3% agree with a mean score of 4.09 and standard deviation 0.924. This result implies that 85.3% of respondents are agreed their education level has effect on their digital banking adoption.

By combining the above issues the average mean is 3.785 and standard deviation of 0.9245. This imply that most of respondents are agreed about issues in the demographic factor.

CONCLUSION AND RECOMMENDATIONS

Summary of Major Findings

The research objective is to show the factors that affect adoption of digital banking by using two frameworks which TOE (Technology- Organization- Environment) and from PCI (Perceived characteristic of innovation) the researcher uses social factor.

This study's goal was to investigate the variables affecting Dashen Bank's adoption of digital banking. It was quantitative, descriptive, and explanatory, and it ran from February 2023 through July 2023. The population of those who utilize digital banking served as the sample size. The study, which was carried out in the city of Hawassa, identified the constructs of technological variables, environmental factors, organizational factors, demographic factors, and social factors using a sample of 397 users from this platform. The researcher had developed and tested the theories he had taken. All proposed hypotheses, with the exception of the demographic factor, were supported, as was already stated in the analysis of this study. According to the research, only the demographic factor has little effect on the dependent variable. The previous chapter described in detail how Dashen Bank's customers assessed the extent of constructs' or dimensions' effects on their intention to adopt digital banking. The conclusions of the respondents are clearly and comprehensively provided in this chapter's section.

The influence of the five independent variables on customer intentions to use digital banking was a question that the respondents were asked to respond to. The reliability test that the researcher used to assess the questionnaires before doing the analysis revealed that the instrument's coefficient alpha for this study exceeded 70%. It is allowed for more analysis because all the dimensions have values more than 70%.

In order to assess the dimensions, correlation and regression analysis were used to examine the independent variables (technological factors, environmental factors, organizational factors, demographic factors, and social factors) and the dependent variable (adoption of digital banking). As a result, the following correlation and regression analysis findings were made. As shown in the analysis section of the study and the correlation analysis results listed below, technological factors, environmental factors, and organizational factors all have a strong correlation with adoption. Social factors have a moderate correlation with adoption, and demographic factors have a weak correlation.

Results of correlation analysis

Technological factors and adoption of digital banking

Technological factors and adoption of digital banking are related with strong correlation ($r=0.612$)

Environmental factors and adoption of digital banking

Environmental factors and adoption of digital banking are related with strong correlation ($r = 0.667$).

Organizational factors and adoption of digital banking

Organizational factors and adoption of digital banking are related with strong correlation ($r = 0.710$).

Social factors and adoption of digital banking

Social factors and Adoption of digital banking are related with moderate correlation ($r = 0.578$).

Demographic factor and adoption of digital banking

Demographic factor and adoption of digital banking are related with a weak correlation ($r = 0.332$).

Then after as the multiple regressions analysis shows below and depicted in the tables of the previous chapter all independent variables explain the dependent variable to a different extent.

According to the results of multiple regression analysis, technological, environmental, organizational, demographic, and social factors each had a coefficient of adoption explanation of 0.258, 0.316, 0.284, 0.012, and 0.238, respectively.

Conclusion

The goal of this study is to examine the variables influencing customers in Hawassa city's adoption of digital banking. The findings demonstrated that every element taken into account, with the exception of demographics, had significant effects on digital banking.

A number of conclusions can be made in light of the study's findings and statistical analysis. First, the study's findings showed that environmental and technological elements had a favorable and significant influence on customers' use of digital banking services. Customers will therefore have a positive attitude toward digital banking if technological and environmental requirements are satisfied.

Second: the result showed that Organizational factor has a positive and significant effect on adoption of digital banking. This means Organizational factor influences could result in potential customers transferring to digital banking services.

Third: the results showed that positive and significant effect of social factor on digital banking services. This means customers will have a good attitude to digital banking services if the bank has a good image in the society.

Fourth: the result showed that demographic factor positively affect but not significant on adoption of digital banking.

Recommendation

Since security is the major issue for implementing e banking, all banks generally and Dashen bank particularly, should take serious security measures such as creating awareness Medias how to use digital banking in a secured way. In addition, banks should acquire latest and reliable digital banking technologies to enable customers to use digital banking products and services without fearing of security risk.

According to the information collected from open ended questions, Dashen bank has the distribution problem of produced ATM cards for customers. To solve this problem the bank should aware and motivate customers by calling and following them to use the card. Not only doing on ATM cards but also the bank should motivated by preparing gifts to customers to use other e banking products of the bank.

There is lack of adequate human resources to implement digital-banking projects in Dashen bank. Most of the time, the staffs are busy on routine works of retail banking activities and not effectively doing on digital banking activities. The bank should hire additional staffs who works on selling and awareness creation about the digital banking products to customers. Besides, there should be continuous training program for employees from lower level to higher managerial position for effectively implement digital banking products and services of banks.

According to the information from respondents, there is no sufficient government support and legal framework that affect customer's willingness to use technological innovation. Hence, the responsible government organ i.e. NBE should provide a clear set of legal framework to support and facilitate the digital banking practice effectively by protecting them from fraudulent risks that might arise from using electronic banking

According to the respondents, there is also lack of ICT infrastructure, for providing e banking service adoption and implementation. The government should support the banking industry by working on ICT infrastructure improvement. In related with it the responsible government organ is Ethio-Telecom. Hence, there should be better and quality network that not disturb the customers to use e banking services.

Another challenges for e banking is lack of better competition with local banks and still the foreign banks are prohibited to operate in Ethiopia. Most technologies in our country are universal and not unique. They lacks flexibility and better technological features. This is due to lack of better competition especially from foreign banks. Therefore, government should open the door for foreign banks, which have the required technologies to implement e banking.

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ASSESSMENT OF CONFLICT MANAGEMENT PRACTICE IN CASE OF YIRGALEM INTEGRATED AGRO INDUSTRIAL PARK TEMESGAN DESALEGN GEZAW

Abstract

The purpose of this research is to assess conflict management practice of Yirgalem Integrated Agro Industrial Park. In order to conduct the study the researcher used simple census since sampling technique for 35 employees. Questionnaire was used as methods of data collection. The study used descriptive survey cross-sectional research design for the purpose of analyzing and interpreting the data. Still the study employed qualitative research approach. The findings of the study revealed that lack of transparency during overtime work; promotion and salary increment stage, lack of team spirit among employee and inappropriate decision of managers are the major cause of conflict. There exist mostly unfair arbitration and using weak method of conflict resolutions. Managers mostly exert an influence forcedly on one party (i.e. Employee) instead of arbitrate. Besides, when evaluating the result from the conflict resolution technique used, as a whole most respondents agreed that it is weak. Managers give high concern for the task while forgetting conflict management as integral part of management. To put it in a nut shell the organization did not consider conflict management as integral part of management. From the conclusion the following main recommendations were drawn: The study recommended hiring well experienced Human resource Manager.

In the long-run,

The park should coach managers from the existing managing staff; the organization needs to be transparent while giving overtime work, salary increment and promotion.

This could avoid suspect and objection from the mind to the employees, the organization should also establish an inclusive and arbitrary decision making while resolving conflict. It has to resolve conflict after hearing both parties in the presence of third party as a witness. Employees should be given the right to appeal to next authority after being hurt by managers. In this way managers will also be free of any kind of wrong doings.

Keywords: Types of conflict in the organization, Sources of Conflict, Conflict management Practice*of the management

INTRODUCTION

Background of the Study

Despite the fact that there is hardly single definition of conflict exists, most definitions involve the upcoming elements. An independent group perceives there has been incompatibility between from within and the group interact with each other in some way (Putnam and Poole, 2020). Conflict is a process in which one party perceives its interests are being opposed or negatively affected by another party (Wall and Callister, 2020) and the interactive process may manifest in incompatibility, disagreement and dissonance within or between social entities (Rahim, 2021).

Conflict is normal and resolving it in a positive way helps to promote a healthy relationship (Windle and Warren,2022). Conflict pursuits by two different persons inevitably come about the expense of other (Rashid,2020). When conflict is properly managed, it leads to positive source of competitiveness and collaboration in work places and on the other hand when conflicts are unmanaged, it can create division, low morale, and chaos in the same environment (Dowell et al,2021).

Conflict between people in an organization can have both positive and negative effect. Positive effects within each group, such as increased group cohesiveness, increased focus on task and increased loyalty where by each sees the other team as enemy, becomes more hostile and decrease it communication with the other group (Nelson and James,2019).

Although conflict is a normal part of life, learning how to resolve conflicts effectively can be discouraging task, particularly in the work place. Managing conflict may be viewed as an important element in achieving organizational effectiveness and enhancing productivity. Many organizations however, suffer chronic patterns of unresolved conflict that are costly and often asymptotic of series organizational dysfunction. In fact, some experts believe that unresolved conflict represents the largest reducible cost in many businesses, yet it remains largely unrecognized (Slaikev and Hassan,2022).

There are several causes of conflict which may occur when a party is required to engage in an activity that is incongruent with his or her needs or interests; a party holds behavioral preferences, the satisfaction of which is incompatible with another person's implementation of his or her preferences. A party wants some mutually desirable resource that is in short supply, such that the wants of all parties involved may not be satisfied fully, a party possesses attitudes, values, skills, and goals that are salient in directing

his or her behavior but are perceived to be exclusive of the attitudes, values, skills, and goals held by the other, two parties have partially exclusive behavioral preferences regarding their joint actions, two parties are interdependent in the performance of functions or activities(Rahim,2022).

Conflict is inevitable in organization where individuals and groups interact to produce complex output or achieve their goals. Although conflict can often be destructive, at other time it may stimulate creativity, encourage flexibility and even be satisfying because it provides an interesting environment to work (Skeran, 2019:374).

Wilmont and Hocker (2018) state that conflict is expressed struggle between at least two interdependent parties who perceive incompatible goals, scarce resources and interference from others in achieving their goals” and conflict management styles refer to “patterned responses, or clusters of behavior, that people use in conflict” through diverse communication tactics (Ibid). At the individual level, conflict begins when one party perceives that the other has negatively affected, or is about to negatively affect, something that he or she cares about (Thomas,2021). Conflict management style has been and continues to be measured by a variety of classifications.

Follett (2019) first conceptualized the first five-style classification of behavioral conflict-handling strategies in the 1920's. Follett reported findings of methods individuals typically use when dealing with conflict (domination, compromise, integration, avoidance and suppression). Deutsch (2021) conceptualized conflict as a dichotomy involving either cooperation or competition. It is as incompatible interaction between two individuals, where one is interfering, obstructing or making the behavior of another ineffective. Dynamics and outcomes of conflict depend upon whether the conflict is handled cooperatively or competitively.

However, doubts were raised over the ability of Deutsch's (2019) dichotomy to reflect the complexity of an individual's perceptions of conflictive behavior (Ruble&Thomas,2019; Smith,2021) and a new two-dimensional grid for classifying the styles was developed by Blake and Mouton (2019). Based on Follett's (2020) classifications, Blake and Mouton (2021) grouped various styles for handling interpersonal conflict into five types (forcing, withdrawing, smoothing, compromising and problem solving). Blake and Mouton's (2019) work proposes that conflict is managed in different ways depending on whether the individuals especially managers involve may have high or low concern for production and high or low concern for people.

By juxtaposing the two dimensions, then they generated five styles (problem solving resulting from high concern for productivity and people, forcing showing high concern for productivity and low

concern for people, compromising based on moderate concern for productivity and people, smoothing depending on low concern for productivity and high concern for people, and withdrawing representing low concern for productivity and low concern for people).

Thomas and Kilmann (2020) also developed a model for handling conflict that utilizes five styles (competing, collaborating, avoiding, and accommodating and compromising). Competing style is high in concern for self, characterized by a drive to maximize individual gain at the expense of others. This style is in contrast to the collaborating style constructing solutions to conflict to meet the needs of all parties involved. The avoiding style is low in concern for self and disengages from conflict. The accommodating style sacrifices self-interests to satisfy the needs of others. Compromising straddles the midpoint between cooperativeness and assertiveness and involves making concessions to arrive at a solution of conflict.

On the basis of a factor analysis of the items of organizational communication conflict instrument, Putnam and Wilson (2021) developed three-conflict management style model divides conflict management strategies into factors (no confrontation (obliging), solution-oriented (integrating) and control (dominating). The above authors stated that non-confrontation or obliging strategies manage conflict indirectly, by either simply avoiding disagreements or by minimizing controversial issues. Solution-oriented or integrating strategies manage conflict both by searching for creative, integrative solutions and by making compromises. Control or dominating strategies manage conflict by arguing persistently for their positions and using non-verbal messages to emphasize demands. From the above theories and practices effective conflict and conflict management practice contribute a lot for achieving organizational objectives.

Statement of the problem

Conflict is inevitable in organization where individuals and groups interact to produce complex output or achieve their goals. Although conflict can often be destructive, at other time it may stimulate creativity, encourage flexibility and even be satisfying because it provides an interesting environment to work in. (Skeran, 2021:374).

Albert (2019) averred that there are productive and destructive conflicts. According to him, “A conflict is said to be positive when it is constructively discussed by the parties and amicable terms for settlement reached”.

Constructively managed conflict induces a positive performance while poorly managed conflict heats up the environment to bring about ‘dislocation of the entire group and polarization, reduced

productivity on job performance, psychological and physical injury, emotional distress and inability to sleep, interference with problem activities, escalation of differences into antagonistic position and malice and increased hostility.

Through conflict management a cooperative atmosphere is created for promoting opportunities and movement directed towards non-violent, reconciliation or basic clashing interest.

Because of their large number of employees and different employee's status, most PARK and similar higher institutes all over the country encounter different types of conflict which has negative outcomes due to improper management of conflict situations (Getachew2020).

YIAIP has all level of managers and units who have different interest and unique characteristic shaped by cultural, social, environmental and educational backgrounds under similar organizational goals and objectives.

Cultural diversity and complexity of interest and leadership problems leads to conflict. Racial and cultural diversity in the workplace depends on the type of job, the type of industry and the local community in leads to conflict. Who would you never choose to be in your inner circle? Racial and cultural conflicts arise when one emphasize differences and ignore similarities. In the other way, when an individual's personal goals are at odds with the goals of the organization, the individual may be tempted to fight for his/her personal goals, creating a conflict situation that will hamper success of the park. In addition, leaders in the park who cannot deal with subordinate use emotional deceive as a weapon on destruction & they may not give enough information for their subordinate in which case conflict may arise due to lack of communication.

This situation affects the overall performance and productivity of the park. Thus, the student researcher is going to conduct this research assumes that conflict has an adverse effect on YIAIP.

Therefore, all the above initiates the student researcher to assessment problems related to conflict management practice in park. Thus, this research paper assumes that conflict between individuals and groups tend to result in an adverse effect in YIAIP on the achievement of its goals. Based on the annual report of the 2021 Park, there is gravely way of managing conflicts, there are problems in the park and is given least attention to manage conflict as integral part of management. The above empirical literatures disclosed the existence of literatures on conflict management practices around the Bola lame, Hawassa industrial park in Organizations in various geographical areas.

However, there are zero empirical literatures studied on the same theme in organizations like Park. Therefore, the current researcher is interested to fill the literature and the knowledge gape in assessing conflict management practice in YIAIP.

Objectives of the study

General Objective

The general objective of the research is to Assessments of conflict management practice in case of Yirgalem Integrated Agro Industrial Park.

Specific Objectives

In addition to the above general objective, there are some other specific objectives of the study and they are stated as follows:

- To investigate the causes of conflict in the Yirgalem Integrated Agro Industrial Park.
- To investigate how often conflicts occur in the Yirgalem Integrated Agro Industrial Park.
- To examine how conflict affect the Yirgalem Integrated Agro Industrial Park.
- To examine how conflicts are resolved in the Yirgalem Integrated Agro Industrial Park.

Research questions

Based on the above problem, the student researcher will raise the following basic questions to be addressed:

1. What are the main sources of conflict in Yirgalem Integrated Agro Industrial Park?
2. How often conflict occur in the Yirgalem Integrated Agro Industrial Park?
3. How does the conflict affect the Yirgalem Integrated Agro Industrial Park?
4. How do conflicts had been managed in the Yirgalem Integrated Agro Industrial Park?

METHODOLOGY OF THE STUDY

Back ground of the study area

Yirgalem (Amharic: ይርጋለጭ, *Yirgalem*) locally known as DikoDalle alternate names include **Yirgalem, Abosto, Dale**) is a town in Sidama Ethiopia. Surrounded by Lakes Woyima and

Gidawo, it is located 260 kilometers south of Addis Ababa and 40 kilometers of Awasa in the Sidama Nations, Nationalities, and Peoples Region.

The town has a latitude and longitude of 6°45'N 38°25'E and an elevation of 1776 meters. It is the largest settlement in Dale woreda. Postal service is provided by a main branch; electricity and telephone service are also available.

Yirgalem was occupied by the Italians 1 December 1936 during their campaign against the remaining Ethiopian Army of Sidama under Ras Desta Damtew. The town was capital of Sidama Province until after the 1975 takeover by the Dirge regime, when it was moved to Hawassa.

Around 1957 there was no telephone landline connecting Yirgalem; telecommunications were provided by a radio station. The next year, the town was one of 27 places in Ethiopia ranked as First Class Township. Installation of the landline between Yirgalem and Addis Ababa was completed in late 1960. By that time a branch of the Ethiopian Electric Light and Power Authority had started operation at Yirgalem.

The Mekane Yesus Church held its Eighth General Assembly at Yirgalem in 1973.

The Assembly passed a resolution requesting land reform in Ethiopia - a reform which was in fact put into action a couple of years later, as a result of the Ethiopian Revolution.

Research design

According to Creswell (2021), Research designs are plans and the procedures for research that span the decisions from broad assumptions to detailed methods of data collection and analysis. This plan involves several decisions, and they need not be taken in the order in which they make sense to me and the order of their presentation here. The overall decision involves which design should be used to study a topic. Informing this decision should be the worldview assumptions the researcher brings to the study; procedures of inquiry (called strategies); and specific methods of data collection, analysis, and interpretation. The selection of a research design is also based on the nature of the research problem or issue being addressed, the researchers' personal experiences, and the audiences for the study.

The formidable problem that follows the task of defining the research problem is the preparation of the design of the research project, popularly known as the “research design”. Decisions regarding

what, where, when, how much, by what means concerning an inquiry or a research study constitute a research design. “A research design is the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure.” In fact, the research design is the conceptual structure within which research is conducted; it constitutes the blueprint for the collection, measurement and analysis of data. As such the design includes an outline of what the researcher will do from writing the hypothesis and its operational implications to the final analysis of data (C.R. Kothari, 2004, P. 31).

Descriptive research includes surveys and fact-finding enquiries of different kinds. The major purpose of descriptive research is description of the state of affairs as it exists at present. In social science and business research we quite often use the term *Ex post facto* research for descriptive research studies. The main characteristic of this method is that the researcher has no control over the variables; he can only report what has happened or what is happening. Most ex post facto research projects are used for descriptive studies in which the researcher seeks to measure such items as, for example, frequency of shopping, preferences of people, or similar data. Ex post facto studies also include attempts by researchers to discover causes even when they cannot control the variables. The methods of research utilized in descriptive research are survey methods of all kinds, including comparative and correlational methods (C.R. Kothari, 2021, P.3).

To carry out this paper, the student researcher is going to use descriptive survey research method since the aim of this study is to assess and describe situations in the park and it will help to easily understand and interpret data to be collected.

Research Approach:-

There are three types of research Approach. These are quantitative, qualitative and mixed. Qualitative research mainly used to assess respondents attitudes, feelings and motivations whose findings are not obtained from quantifiable analysis while quantitative research involves mathematical analysis (Kothari,2020).

This Researcher paper to uses qualitative Approach because they work to provide the best understanding of research problem or to derive Knowledge about the problem.

Data Sources

In this section you will provide the Board with a description of the data in the study. Like “Participant Groups,” you can create more than one “Data Source” to describe the various aspects of data in the study.

Data sources can include data that are already collected and data that will be collected during the study. Data Sources can be used to describe different data collection methods and/or tools. For many studies, creating one “data source” will be sufficient for describing the data in the study; there are no rules or specific requirements regarding how this section should be completed but rather it is a tool to help you describe your study.

A “Data Source” can be “copied;” if you have similar data sources but want to describe them individually, using the copy feature can make it easy to do so.

If you have more than one data source, you can use the “Associate Data Source with Data Source” tool to describe how the data sources are connected.

The “Associate Data Source with Participant Groups” can be used to describe which participant groups use what data sources.

Please note that you will be able to upload any related Data Source documents (copies of the study instruments for example) in the “Data Source Upload” section.

The research applies both major sources of data Primary data sources. So that, gathering the most appropriate data can help successfully accomplishing the study; the researcher collect data from primary sources.

Population, Sample size and Sampling Technique

A census is a collection of information from all units in the population or a 'complete enumeration' of the population.

While a census is an attempt to gather information about every member of the population, sampling gathers information only about a part, the sample, to represent the whole. Because a sample is only part of the population, we can study it more extensively than we can all of the members of the population.

If doing a complete enumeration (all), a census is conducted. If only doing a partial enumeration (part), a sample is taken (This step talked about on this page).

The researcher is going to use census since the number of employees to be contacted is 35 (below hundred) and it is appropriate and possible to contact and distribute questionnaire to all the 35 employees. Data-gathering instruments are 100% by questionnaire.

Type Of data

The primary data is considered as a new because collection is made for the first time hence, original in character (Kothari, 2004). Primary data was collected through survey questions.

Primary data can be collected from interview and questionnaire. The secondary data is from documents and staff files.

The student researcher used both primary data for its research.

Methods of data collection

The main techniques for gathering data are observation, interviews, questionnaires, schedules, and surveys.

Questionnaire is the major way of collecting important data for the research since every employee has to express his/her feeling without fear of the observation of immediate supervisor in the Park.

Data Analysis method

The information obtained from different sources is analyzed mainly by descriptive statistical method of research which involves analysis of the data in tabular form and percentage method. The data collected from the census survey in the form table for simplicity purpose.

DATA PRESENTATION, ANALYSIS & INTERPRETATION

Background information of respondents:

No		Respondent number /#/&/%/	
1	Sex		
	male	22	63
	female	13	34
2	Age		
	18-29	18	81
	30-39	12	34
	40-49	5	15
	AbOve -49	-	-
3	Serves year		
	Below 1year	6	17
	1-5	29	82
	6-10	-	-
	Above 10	-	-

4	Education Level		
	Certificate	4	11
	Diploma	8	23
	Degree	23	66
	-Masters	-	-
	PHD	-	-
	TOTAL	35	100%

The data reveal that about 22(63%) of the population are male while the rest are female. This shows that females have to be encouraged to apply and get the working opportunity so that the park can be beneficial in quality service rendering.

Regarding the question about the age of the staffs, 18(5%) of the employees are between 18-29 which shows that half of the staffs in the park HRM are highly productive if the park HRM utilize it properly. 12(34%) of the employees are between the age of 30-39 which the same way shows the productive age of the employee is high whereas the rest are between 40-49.

Concerning on the service year the employees performed in park HRM, 6(17%) of the respondents have served the park HRM below 1 year while almost majority of the respondents have served park HRM from 1-5 years(almost 29(82%)). There are no employees who serve the park above 5 years since the park HRM has been opened and become operational within these 5 years.

The educational level of park HRM as seen by the response of the respondents, 4(11%) of them have certificate, 8(23%) of the employees have diploma, the rest have got their first degree23[66%] which shows the park HRM has a strong and educated employees which help it render the best service in the fastest manner. It is also relevant to the study to easily undertake the research in a manner that employees can frankly express their feelings towards conflicts in the park HRM

prevalence of conflict ;

Prevalence of conflict in the park HRM	Agree		Disagree	
	Number (#)	Percentage (%)	Number (#)	Percentage (%)
-Superior-Subordinate	23	65	12	35
-Formal	26	74	9	26
-Informal	17	49	18	51
-Conflict on the goal and work of the park	22	63	13	37
-Conflict on how work gets done in the park	23	66	12	34
-Relationship conflict	14	40	21	60
-Intra-personal conflict	15	43	20	57
-Intra-group conflict	9	26	26	72
-Inter-personal conflict	17	49	18	51
-Inter-group conflict	13	37	22	63

Question 1 23(65%) of the respondents agreed that there is a high degree of conflict in superior-subordinate relationship which shows that managers are not doing well in handling problems in a friendly manner rather they are showing their authority for their subordinate in the case of park HRM. It is also seen that 12(35%) of the respondents disagree that superior subordinate relationship cannot be the source of conflict in park HRM Degree.

26(74%) and 17(49%) of respondents agreed that formal and informal communication can be the source of conflict in park HRM respectively while. 9(26%) and 18(51%) disagreed formal informal communication cannot be the source of conflict respectively.

Regarding on the conflict on how goal can be the source of conflict 22(66%) of respondents agreed while 12(34%) disagreed that goal cannot be the source of conflict. In the same way, conflict on

how work is done, 23(66%) of respondents agreed that it can be the source of conflict while the rest disagreed.

Above 50% of the respondents disagreed that conflicts usually don't be arise due to factors like relationship, intra-personal conflict, inter-group conflict and intragroup conflict. Concerning on conflict which is arise from inter-personal conflict, almost half percent of the respondent agreed that it can be the source of conflict while 18(51%) of the respondents disagreed it couldn't be the source of conflict in park HRM .

Source of conflict in the park ;

Prevalence of conflict in the Park HRM	Agree		Disagree	
	Number (#)	Percentage (%)	Number(#)	Percentage (%)
-Competition for better Position	28	80	7	20
-The dynamic change in the parking industry	25	71	10	29
-Incompatible personality	17	49	18	51
-Poor communication	15	43	20	57
-Unreasonable or unclear Policy, procedure and rules.	12	34	23	66
-Decision making process	28	80	7	20
-status difference	21	60	14	40
-reluctant to identify and resolve conflict	23	66	12	34
-perceptual difference on values, facts, norms	22	63	13	37
-Unachieved expectations	13	37	22	63
TOTAL	35	100	35	100

(Source: Primary Data)

As it can be easily observed from the table, question 1 and 628(80%) of the respondent think completion for better position and on decision making process are the major conflicting areas in park. The rest disagree that these two factors cannot be the real source of conflict in the park HRM. 25(71%) of respondent ant thought the dynamic change in the parking industry can be the real source of conflict while the rest disagree on this idea. Almost half percent of the respondent responded that incompatible personality and poor communications are sources of conflict in park HRM while the rest disagree on their idea that these factors couldn't be the source of conflict in the park HRM.

Regarding the case of unreasonable, or unclear polity, procedure and rule,12(34%) of the respondents agreed with this source of conflict as the cause in the park HRM while the rest disagrees.

When we see sources of conflicts like status difference, reluctant to identify and resolve conflict, perceptual difference on values, facts and norms and unachievable expectations, 21(60%),23(66%), 22(63%) and 13(37%) of the respondents agreed that this sources are the real source of conflict in park respectively. The rest of the respondent disagreed those sources as not the real source of conflict in the park HRM.

Table- 5

No	What is your work relation with other work units	Respondents	
		Number (#)	Percentage (%)
	Dependent	25	71
	Independent	4	11
	Unable to work without other units	6	18
	TOTAL	35	100

Question 1 of table 5 shows how much the number of respondents in the park HRM who are dependent on other units and how much who are not. 25(71%) of the Respondents show their dependence on other work units while 4(11%) of the respondents show their not being dependent on other work units in the case of park HRM.

Regarding on those respondents who gave response on whether they are unable to work without other unit or not, only6 (18%) of them has said they are unable to work without other work units.

For the question whether respondents were involved in conflicting situations or not, 20(57%) were not involved in any conflicting situations were 43% of them were involved in conflicting situations.

Some of the reasons they give why the involved in conflicting situations are stated under:

- poor communication
- because there is no clear idea between superior and subordinates
- E.g. Work is not done without it support
- sometimes conflict happens depend on load of work, how of work and number of staff relation to the work unit.
- Unable to meet expectations.

CONCLUSION AND RECOMMENDATION

Conclusions

The research finding from the questionnaire with some employees shows that:

- In Yirgalem Integrated Agro Industrial Park, there is a recurrent conflicting situation between the coworkers and immediate supervisors. Therefore, as conflict increases from time to time, productivity and performance will decrease.
- Some of the main causes of conflict are poor communication, formal and informal conflicts and conflict of interest. These conflicts lead to bad employer-employee relationship which intern lead to delayed decision making.
- The research finding has showed conflicts are undesirable in the park since conflict is seen as negative consequence of the park and the management tries to avoid it.
- Yirgalem Integrated Agro Industrial Park the managers are task oriented which ignores the wellbeing of the employees. Therefore, the conflict resolution gives only temporary solution rather that bringing permanent solution.
- Managers in Yirgalem Integrated Agro Industrial Park have less skill to resolve conflicts to the best interest of both the park and the employee. Therefore, employees will get dissatisfied in the decision making.
- Managers also will not involve subordinates and only impose what they decide on the employees which is also affect employees to accept that decision is the right one.
- There is different type of conflict in Yirgalem Integrated Agro Industrial Park.

However formal conflicts are the major one and it lead to turnover of employees.

- There is a less knowledge and understanding of the use of conflict.

Therefore, the park doesn't stimulate conflict and they will not use any conflict stimulation techniques.

Recommendation

The recommendations are drawn based on the conclusions drawn and the findings of the research.

- The management of the park is better to accept the existence of conflict and they should try to minimize its occurrence so that both the park and the employees will be benefited.
- The source of conflict should be identified and examined so that the park can resolve conflicts more easily and successfully.
- As poor communication is the prevalent source of conflict in Yirgalem Integrated Agro Industrial Park, the management of the park should use good communication channel and instrument for appropriate exchange of information.
- The managers should take conflict resolution as their major task and work hard in order to learn how to solve conflicts in the park.
- Conflicts shouldn't be avoided in the park since conflict may give ways to new ideas and opportunities in this very competitive and dynamic world and the managers should do better in this regard.
- There should be a full participation in the park when there is a conflict resolution.
- The wellbeing of employees should be given great emphasis so that productivity increases in service giving in the park.
- Since formal conflict is the major type of conflict in the park, managers should take a great care in resolving this conflict.
- Because conflict can benefit the park positively, managers should stimulate conflict by different conflict creating techniques.

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THE EFFECT OF SUPPLY CHAIN MANAGEMENT SYSTEM ON CEMENT PRODUCT END USERS: THE CASE OF DERBA CEMENT FACTORY

EYOB TEKLU

Abstract

Supply chain management is basically how to manage all operations throughout the complete supply chain in order to enhance product delivery to end customers. A good SCM deployment will improve the interaction between upstream suppliers and downstream customers, increasing customer satisfaction and company performance. As a result, the study's overarching goal was "to assess the effect of supply chain management practices on product end users in the cement manufacturing industry: the case of Derba Cement Company." The research especially attempted to investigate the impact of Derba Cement Company plc's strategic supplier alliance, customer interaction, information exchange, and quality, as well as environmental challenges. To achieve the study's objectives, the quantitative method was used, and the relationships proposed in the framework were tested using the descriptive research method. The primary data was collected from 221 employees of Derba Cement Company using a Likert scale type questioner as a measuring instrument for collecting the employees' perceptions towards the variables in five departments, namely, supply chain and Logistics management department, marketing department, and manufacturing department.

Statistical Package for Social Sciences (SPSS) 26 version data analysis was used to evaluate the acquired data using descriptive statistics, correlational and multiple regression analysis. The study's main finding was that supply chain management practices such as strategic supplier partnership, customer relationship, information sharing, information quality, and environmental issues had a significant impact on the sustainability of Derba cement plc.'s product supply. However, in order to boost consumer satisfaction even further, the firm must strengthen its supply chain system. Specifically, the company must improve supplier participation in continuous improvement programs, emphasize quality as a criterion for selecting best suppliers, frequently interact with their customers to set product reliability, deliverability, and sustainability, and the company must provide timely and complete information to its suppliers, as well as work more on solving the problem of equipment set up time for delivering service to the customer. Furthermore, the organization should strengthen its will to satisfy the requirements and wants of its customers.

Key words: supply Chain

INTRODUCTION

Background of the Study

Everything around us is made of concrete. It has long followed the growth of communities and urbanization. Cement and concrete are some of the most widely used construction materials in the world because of their resilience, strength, fire resistance, and sound insulation qualities, as well as their broad supply of raw materials and cheap production costs. In the overwhelming majority of requests we use every day, it serves as an indispensable component. It is necessary for the construction of numerous projects, including homes, electricity facilities, and civil infrastructure initiatives. The main ingredients in cement are limestone, grit, gravel, clay, and iron. The most well-known and frequently used variety of cement worldwide is Ordinary Portland (Colin R. Gagg, 2023)

In the new era global demands on construction and infrastructure advancements; establishing awareness of the sustainable development and socially and economically motivated regulations, limitation of resources, and growth in some cement sectors and declines in others forced the cement manufacturers to scope on the supply and logistics chains.

The proper supply chain management strategies will improve productivity, maximize efficiency, reduce expenses, and have a minimal influence on the environment. Customers have ever increasing expectations in terms of quality and timeliness, so businesses must collaborate even more than before to stay ahead of the competition. Each of these components brings supply chain management up for discussion with business administrators.

It is true that the cement business faces both possibilities and challenges as a result of globalization. Simply put, it gives the world's top cement producers the chance to up their expenditures by raising output to satisfy local demand that is on the rise as well as the chance to grow their companies in freshly developing foreign markets. The cement business, on the other hand, is currently facing new difficulties, such as increased competition from recently created materials and the introduction of more stringent regulations, particularly environmental laws. For this reason, the majority of cement producers have organized themselves into national and foreign cement associations. (Niloufar Fallah Shayan, et al. January 2022)

The concepts of supply chain and supply chain management are not well defined. As these subjects gained more attention, various meanings were given to them. According to (Ellram and Cooper's 1993) definition, "supply chain" appears to be used more frequently by writers than the term "supply chain management." Supply chain management is an integrating concept to handle the entire movement of a distribution route from supplier to final consumer.

Mentzer et al. (1999) and Porter and Millar (1985) highlight the objectives of supply chain management in addition to providing a definition. They contend that supply chain management works to gain a competitive edge by completing all tasks at a reduced cost or by producing distinct value that customers want at a higher cost. Managing a company's value chain entails controlling the connections between connected value operations.

Companies started to understand that making their entire supply chain viable is more important than simply increasing internal efficiency. Integrating important business procedures throughout the supply chain is a technique of supply chain management. (Salazar, 2012). This is due to the fact that supplier networks rather than individual organizations will now fight against one another.

The initiatives that have an impact on the entire supply chain, its components, or important procedures are the best supply chain practices. (Cuthbertson&Piotrowicz, 2008). Contextual elements like business type, firm size, location within the supply chain, and the style and length of the supply chain all have an impact on these practices. (Li, S., Ragu-Nathan, B., Ragu-Nathan, T. &Rao, S. S., 2006).

The goal of supply chain management procedures is to combine the movement of products and information throughout the network as a useful tool for competition. (Mbuthia, M.G &Rotich, 2014) However, despite the substantial improvements in study and practices, many organizations still find it difficult to comprehend the complicated problems connected to the coordinated planning and supply chain activities among the participants in their supply networks. Cook and others, (2011).

Many distributors and producers are realizing the potential for significant cost savings and service enhancements provided by adopting best practices in their supply chain. (Haque& Islam, 2013).

Although supply chain management in the cement business has received significant attention in recent years, particularly in North America, there is still a dearth of study in many other regions, including Latin America and India. The most talked-about subjects regarding the production of cement and material administration are listed in Agudelo (2008).

In the cement business, sustainability has also gained recognition. SCM plays a unique position in process improvement, particularly when it comes to the application of practices that boost the supply

chain's viability. In terms of providing a variety of cement products for the growing infrastructure development and building, Ethiopia's cement industry is also going to play a major role.

Statement of the Problem

In an increasingly competitive market, many businesses have started to realize that SCM is the key to creating a competitive edge for their goods and services. Jones,(1998). There aren't enough studies on supply chain management in the cement business, despite the fact that it's a popular subject in science. Cement is a significant component of the industrial sector and of the global economy. Meanwhile, supply chain management (SCM) has historically played an operational role within businesses, squandering chances to improve its idea and implementation as a mechanism to address the challenges of competitiveness. (Isabel, 2011).

The ability to rapidly react to market requirements and deliver the right product to the right consumer at the right time has become more important than offering the lowest priced, highest-quality, or best-performing product. In order to contend and enhance supply chain surplus on a worldwide scale, it is now necessary to comprehend and practice SCM. (Anderson, J.C. and Gerbing, D.W.,1988).

The Ministry of Trade and Industry (the name changed to The Ministry of Trade and Regional Integration (MOTRI) ,2020) stated on July 14, 2021, that a government order that had previously regulated cement costs and was put into effect by the Ministry was revoked as of that day. According to the Ministry, decisions regarding the cement market would be made based on open market rates for an indeterminate amount of time.(Addis Standard,2022)

In the 2013 Ethiopian fiscal year (2020/21) the total cement production in the country became 6.1 million quintals but it dropped to 4.1 million quintals in the 2014 fiscal year (2021/22). Cement usage has increased by an average growth rate of 30 percent, and Ethiopia's cement production companies are presently unable to satisfy the demand. (MoFED, 2013). This demand has drawn both internal and external rivalry. For instance, while imports have grown, new businesses have arrived to invest in Ethiopia. For instance, to help with the shortage of cement, the Ethiopian Ministry of Trade and Industry has declared that 320 million quintals will be imported in the 2013 Ethiopian budget year in addition to domestic output. Over the past ten years, Ethiopia's cement sector has experienced significant development. However, issues related to the government's investment strategy could reverse these gains. (IMF, 2016)

In Ethiopia's there are more than 21 Cement companies. Derba MIDROC, Dangote, Dashen, Muger, Messebo, and Habesha, Cement companies collectively control about 75% of the market for cement

manufacturing. According to a study by the Ministry, Cement Industry Development Strategy 2015–2025, the remaining cement makers are tiny cement factories that depend on vertical shift kiln technology. (*Journal of Energy Engineering, Vol. 27, 2018*)

Earlier, the ministry claims in the report that "production capacity has grown more than demand, leading to under-capacity production," according to new proof. "Some cement companies have started to struggle for survival due to substantially low capacity utilization compared to global standards. Recently, the Ministry of Trade and Regional Integration (MOTRI) says it will regulate cement factory gate prices in its latest attempt to lower the price for end users. It has set the price from 22 December 2022 for six months, according to the Capital Ethiopia newspaper. This latest attempt to stabilize the market follows measures such as setting fixed consumer prices, limiting sales volumes for individuals and asking producers to cut distributors out of the supply chain. However, Teshale Belhu, the state minister for the MOTRI, admitted that recent control measures had made the situation worse and increased the number of illegal traders instead. The government now intends to reduce its interaction in the cement market.

The country has suffered from a cement shortage since 2020 due to low domestic production levels. This has been exacerbated by security issues, a lack of raw materials and a shortage of foreign currency. (*Global Cement, January 2023*)

Objectives of the Study

General Objectives

The general objective of this study is to assess the SCM system practice in Derba MIDROC cement factory of Ethiopia.

The specific objectives

1. To identify the challenges of SCM practice of cement factories in Derba MIDROC
2. To determine the root justifications of issues with Ethiopian cement companies' SCM practices.
3. To assess the performance of SCM practice of Derba MIDROC Cement factory.
4. To examine how the shortage of cement product in Ethiopia can be solved.
5. To evaluate the uncertainty of political influence over SCM practice in the sector.
6. To identify factors affecting for the new cement product price challenges and indicates the solutions.
- 7- To ascertain how sustainability of cement product can be fulfill customer demand in Ethiopia.

Research Questions

- 1- What are the challenges of sustainable cement product supply in relationship with SCM system of Derba cement plant?

- 2- What are the basic issues and justifications for cement product shortage in Ethiopia?
- 3- How does supply chain management affect the end customer at Derba Cement factory?
- 4- Do political uncertainties have relationship with SCM of cement industry in Ethiopia?
- 5- What are factors affecting for the SCM practice in cement industry in Ethiopia?

What are the solutions for sustainable product demand for the current shortage of cement supply in Ethiopia related with Supply chain.

RESEARCH METHODOLOGY

This chapter provides a brief overview of the study area, research methodologies, population and sample, data collection strategy, reliability and validity test, and population. On how each data collection instrument is used, more details are provided along with examples.

Description of the Study Area

The study focuses on Derba MIDROC cement factory whose contribution to cement production market share is 25% and which is located 70km from Ethiopia's capital Addis Ababa is the largest cement plant next to Dangote cement PLC in Ethiopia, by producing 5,600 tons per day (TPD) of clinker and 700 TPD of cement of finished product.

Research Approach

I will use quantitative research approach.

Research Design

By analyzing challenges in exploring correlations between the dependent variable—supply chain management system and the independent variables—challenges of strategic supplier partnerships, effective customer relationships, managing environmental issues, and effective information communications—this research uses a descriptive survey research approach method to identify the current and future challenges of supply chain management performance.

Data Sources

The research thesis uses both primary and secondary source of data. The primary data will gather from the representatives of the employees of the industry and each heads of the department. Available material in the organization like document, manuals, annual reports, key performance results and any other related literature will be taken as a major source of secondary data.

Sampling Design

The term "target population" refers to a defined group of individuals or an object for which observations or inquiries can be made in order to create the necessary data structures and

information. (Hair et al. 2010). Therefore, the target populations for this study were the employees of the manufacturing department, the logistics and supply chain management department, and the sales and marketing department at the Derba MIDROC Cement factory.

Sample size determination

According to African development Bank report(2017) Derba MIDROC cement factory has about 739 permanent workers in all departments like Production, logistics, ITC, technical, marketing, departments, supply chain management section managers and general managers of these cement factories (Alubel, 2017). This same number is considered as the sample size However; only 300 personnel's are selected for data collecting. Using The Taro Yamane (196 7) method for sample size calculation;-

$$n= N/ (1+N (e)^2)$$

Where

n= corrected sample size,

N = population size, and

e = Margin of error (MoE), e = 0.05 based on the research condition.

$$=739/ (1+739(0.05)^2)$$

$$=259.52 \text{ which is about } 300$$

Sampling techniques

I used Simple random sampling techniques by using the payroll as sampling frame.

This will allocate to each profession and specialties using probability proportional to size.

Data Collection Tools

I used Interviews, as a *Data collection tool one* and Questionnaires/surveys/as a *Data collection tool two instruments*. As the measuring instrument, close-ended Likert type questionnaires would be used. For the purpose of this study a quantitative methodology involving a close-ended questionnaire would be used as the measuring instrument. The close-ended questionnaires can be administered to groups of people simultaneously, since they are less costly and less time consuming than other measuring instruments

Data collection tool one

Interview

I used an interview which is a qualitative research method that relies on asking questions in order to collect data. In interviews, there are usually two or more participants, one of whom is the interviewer who is posing the questions. There are various interview formats, which are frequently distinguished by their degree of structure.

Data collection tool two

Surveys (questionnaires)

My second data collection tool is Surveys (questionnaires):- which Contains questions that are both quantitative and qualitative. The qualitative questions would show a box where users may write in their own words, whilst the quantitative questions might present yes/no or rating scales (1 to 5).

Method of Data Processing and Analysis

I used Multiple Linear Regression analysis I will edit the data every day to make sure the responses will accurate and logically consistent. Data gaps and errors will be filling in as soon as practicable. After editing is finished, I will use quantitative methods to examine the data. I will also use Statistical Package for Social Sciences (SPSS IBM Version 20) for data processing Analysis.

$$\text{Z-Test} = \frac{\bar{x} - u}{\sigma / \sqrt{n}}$$

I used Z statistical test method.

Data analysis and presentation

Respondents General Information

The demographic profile of sample respondents in the selected department of Derba Cement plc is presented and analyzed below. The purpose of assessing and analyzing Gender and departments is to determine whether the researcher considered heterogeneity of sample respondents. On the other hand presented and analyzed work experience, and educational level of the respondents is to determine when the respondents more experienced, educated and SCM practices applied in daily process they have better opportunity to understand about SCM practices and give better response than other else.

Demographic status of respondents

Characteristics	Descriptions	Number of respondents	Percent
Gender	Male	131	58.7
	Female	90	40.4
	Total	221	99.1
Respondents age	Below 30 years	16	7.2
	31-40 years	147	65.9
	41-50 years	58	26.0
	Total	221	99.1
Educational status	Below diploma	13	5.8
	Diploma	5	2.2
	BA/BSC degree	106	47.5
	Master degree	95	42.6
	PHD	2	.9
	Total	221	99.1
Respondents Work Experience	2-5 Years	16	7.2
	6-10 Years	42	18.8
	Above 10 years	163	73.1
	Total	221	99.1
Respondents Working department	Production Management	18	8.1
	Supply & logistics management	127	57.0
	Operation management	10	4.5
	Marketing management	11	4.9
	Procurement management	22	9.9
	ICT department	1	.4
	Other departments	32	14.3
	Total	221	100

Source: researcher's survey data, (2023)

Descriptive statistical Analysis on Variables' Used for the study

Mean and standard deviation are used to analyze all of these variables. The mean value of the response, in particular, has been deemed an essential measure of the level of the company's SCM procedures on each item. To conclude the case company's total competitive advantage on each variable the following assumptions were used to determine and utilize the mean value:

If the mean value is between (0 and 1.50), it means that the respondents strongly disagree, if it is between (1.50 and 2.50), it means that the respondents disagreed, if it is between 2.50 and 3.50, it means that the respondents are neutral, if it is between 3.50 and 4.5, it means that the respondents agreed, and if it is 4.50 or higher, it means that the respondents strongly agreed (Burns & Burns, 2008).As a result, the mean score for all independent and dependent variables was calculated by equally weighting the mean score of all items within each dimension.The average mean result, together with their individual factors, was presented, analyzed, and interpreted independently as follows:

Descriptive Characteristics on the grouping Variables

Statistics	SCMP					PEU
	SSCP	CR	IS	IQ	EI	
Nvalid	221	221	221	221	221	221
Mean	3.3148	2.8643	2.9059	3.3330	3.4072	3.4329
Std. Deviation	.24665	.24397	.25834	.14348	.20789	.58745

Source:researcher'ssurveydata (2023)

The customer relationship has the highest mean (3.86) among the five independent variables, followed by environmental concerns (3.4), information quality (3.33), supplier relationship (3.31), and information sharing (2.9), respectively. Customer relationship, on the other hand, gets the lowest score of 2.86. The dependent variable's mean value (Product end users) is similarly the highest (3.43).

Descriptive analysis on Independent Variables (SCMP)

Strategic supply chain partnerships issues (SSCP)

Descriptive Statistics

Variables	N	Mean	Std. Deviation
Our company has no strong trust, problem-solving structures, or exchange of skills systems among partners.	221	3.67	0.615
There is no cooperation among supply chain members in our company	221	3.64	0.607
Our company Channel partners have inadequate security.	221	3.58	0.594
Our company has no other raw material suppliers.	221	3.52	0.636
Our company supply situation is volatile.	221	3.61	0.591
There is no legal enforcement to take disciplinary measures against persons who commit fraud-related acts in the company.	221	3.48	0.6
Our company has no incentive programs or performance evaluations for SCM staff	221	3.48	0.576

Based on the mean value, the respondents agreed on there is no strong trust, problem-solving structures, or exchange of skills systems among partners in there company (m=3.67, s.d=0.615), and they are agreed as there is no cooperation among supply chain members in there company (m=3.64, s.d=0.607), as well as they also agreed as there company supply situation is volatile. (m=3.61, s.d=0.591), and there company Channel partners have inadequate security (m=3.58, S.d=0.594), On other hand, the respondents neutral on the company has no other raw material suppliers with mean value (m=3.52, s.d=0.636), unfortunately the respondents were disagreed for the question that there is no legal enforcement to take disciplinary measures against persons who commit fraud-related acts in

the company with mean value (m=, 3.48 S.d=0.6), and Our company has no incentive programs or performance evaluations for SCM staff (m=3.48,S.d=0.576). From this it is possible to conclude that, the company has no good Strategic supply chain partnerships system in selecting best suppliers.

Accordingly, strategic supplier partnership SCM practices were not properly implemented in Derba Cement plc so that the company should focus on problem-solving structures on supplier partnership, cooperation among supply chain members and companies volatile supply situation. Among others and also they has to need some improvement on the respondent disagree and neutral with their suppliers in order to improve the strategic supplier relationship.

Customer Relationship(CR)

Descriptive statistics on Customer Relationship

Descriptive Statistics

Variables	N	Mean	Std. Deviation
Our organization regularly communicates with customers to establish reliability compared with your competitor.	221	1.67	0.473
Our organization regularly communicates with customers to establish responsiveness and other excellence compared with your competitor.	221	1.67	0.473
Our company regularly assesses and evaluates customer satisfaction	221	1.665	0.4730
Our organization regularly determines future customer expectations.	221	2.31	0.463
Our organization makes it possible for buyers to seek support from an opponent.	221	3.23	0.722
Our organization evaluates the significance of its customer relationships on a regular basis.	221	3.55	0.709

Table illustrates that the mean value of respondents were agreed on the organization evaluates the significance of its customer relationships on a regular basis with (m=3.55, S.D=0.709).

Some respondents neutral on the company makes it possible for buyers to seek support from an opponent or competitor with (m=3.23, s.d=0.722).and per (m=2.88, s.d=1.023) and the company regularly determines future customer expectations with the value (m=2.31, s.d=0.984). However, on the company regularly communicates with customers to establish reliability compared with the competitors, the company commitment to regularly communicates with customers to establish responsiveness and other excellence compared with other competitors, and on the company regularly assesses and evaluates customer satisfaction respondents respond dis- agree.

Even though the company evaluates the significance of its customer relationships on a regular basis the overall variables of the customer relationship, the finding has showed us Derba Cement Plc. has no good customer relationship with the customer. Therefore, the company has to work to improve they relationship with their customer, especially by frequently communicates with customers to establish reliability, responsiveness and other excellence compared with other competitor, responsiveness, and other standards, by regularly assesses and evaluates customer satisfaction, and by determining future customer expectations.

**Performance of Information Sharing (IS)
Descriptive Statistics**

Variables	N	Mean	Std. Deviation
Our organization notifies trading partners of shifting demands ahead of time.	221	3.89	0.668
Trading partners provide us with confidential information.	221	3.83	0.679
Trading partners keep us up to date on issues affecting our business.	221	3.85	0.647
Trading partners share important business process information with us.	221	3.95	0.689
Trading partners provide information that assists in the development of company plans.	221	3.67	0.628

Source:researcher'ssurveydata (2023)

Correlations between grouping Variables and Product End Users

	SSP	CR	IS	IQ	EI	PEU
Correlation Coefficient	0.407 **	0.33 **	.240 **	.392 **	-0.114	1.000
PearsonPEU Sig.(2-tailed)	0.111	0.054	0.000	0.004	0.091	
N	221	221	221	221	221	221

* Correlation is significant at the 0.05 level (2-tailed).

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

Source: researcher's survey data (2023)

Each questions in each category of supply chain management practice are transformed in to five variables i.e. SSP, CR, IS, IQ and EI. For product end users, the collected data using Likert scale type questioners was transformed in to PEU variable. The finding shows that all supply chain management practice variables coefficients are significant at the 0.01 level. Based on the above output value of sig (2-tailed), in Derba Cement, All independent variables (SSP, CR, IS, IQ and EI) used as supply chain management practice and Product end users have a statistically significant relationship $r < .001$). The direction of the relationship independent variables and dependent variables are positively & negatively correlated, that means these variables tend to increase or decrease together.

CONCLUSION AND RECOMMENDATION

Summary of the Findings

This study was aimed at analyzing the effect of supply chain management practices on sustainability of cement product end users of Derba Cement Company. The specific objectives of the study include identifying the existing practices of supply chain management from SCM practices perspectives, analyzing and assessing the effect of strategic supplier partnership on overall product end users demand, analyzing and assessing the effect of customer relationships on product end users, analyzing and assessing the effect of information sharing on overall product end users and analyzing and assessing Environmental Issues relationship in SCM on sustainability of cement product for end users demand.

The investigation was carried out utilizing primary data. The primary data for this study was gathered through the use of a questionnaire. The study used 221 respondents chosen using random sampling and 74% of corresponding change in assessing Derba cements plc's product sustainability for end users.

The findings of the survey also shows that there is an application of Supply chain management practices on product end users of Derba cement and except the Environmental issues it has a positive effect on the company's overall development with significant positive correlation ($r=6.258$) at significance level less than 0.005.

Conclusions

The findings suggest that the introduction of contemporary supply chain management principles in Derba cement was limited and is still not doing much for the sustainability of cement products for end users. Product quality and scarcity have a substantial impact on local and overall product demand throughout the country. Furthermore, the study identified some critical points regarding the implementation of SCM practices in Derba cement plc, namely, the level of understanding and implementation of SCM practices is not to the extent that it could have enabled companies to fully capitalize on the benefits SCM concepts can offer for the success of their respective organizations.

Nonetheless, the overall result of this study was that knowledge and execution of SCM techniques at Derba cement plc may have a direct, beneficial influence on their respective product end users when successfully and efficiently executed, and vice versa. Based on the findings from the data gathered and the multiple regression analysis, the results revealed that the influence of supply chain management techniques on the product end consumers of Derba cement is substantial and favorable in relation to the cement product sustainability improvements.

Strategic supply chain relationship and product end users are significantly and positively related. So that strategic customer relationship is one of the main predictor of sustainability of the cement product end users of Derba cement plc. As strategic relationship, Derba cement considered helped their suppliers to improve their product supply sustainability and product delivery speed and reality. However, the practices of continuous improvement system of customer relationship that include their key suppliers, and the issue of information sharing and quality consideration as a number one criterion in selection are given a less emphasis by the Company.

Strategic supply chain partnership and product end user are also moderately related. Derba cement assesses consumer satisfaction and promotes customer service interactions. However, their capacity to constantly connect with consumers to establish reliability, timeliness, and other criteria in comparison to their competitors is called into doubt. It indicates poor performance on these aspects.

However, Derba Cements Company has does not have Environmental policy related with SCM practice as well as Environmental conservation which has direct relationship on product raw material supply and product price inflation that leads to product shortage for end users.

Recommendation

The investigation and results lead to the following suggestions. The company should prioritize customer relationships and strategic supplier partnerships, and they will improve if the company involves suppliers in continuous improvement activities and emphasizes quality as a criterion for selecting the best basic product raw material suppliers as well as company product suppliers to end users.

As time comes for the competition, dissatisfied customers would retaliate by migrating to the new better supplier's. So, to improve the customer relationship company should be frequently interact with their customer to set reliability, responsiveness, and other standards services.

Derba cement plc information network should start from customers through the organizations to the suppliers and planning stage in order to meet the customer needs and to improve the level of information sharing.

Quality information has a great power to success or to remain in today era of competition. In order to assure the quality of its products the organization is better attention on the strategic supplier partnership SCM practices of joint problem solving, joint planning and goal setting, is improve their long term contract arrangement with suppliers. In addition the researcher reveals Derba Cement Company should provide adequate, reliable, complete and timely information with their customers as well as their suppliers.

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