Innovations

An Assessment of Factors Affecting the Effectiveness of Inventory Management in Public Sector of Kellem Wollega Zone: The Case of Dambi Dollo Town

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Abstract

This study intended to assess the factors affecting the effectiveness of inventory management in the public sector of Dambi Dollo Town, Ethiopia.The study was targeted toward total of 584 staff of 24 public sectors employees and storekeepers founded in Dambi Dollo town level which is organized in to four pools such as administration pool, Woreda communication pool, agriculture pool, and civil service pool. The researchers employed stratified sampling to group the samples, a purposive sampling technique to select respondents and a simple random sampling technique to select employees within each stratum.The study was used explanatory research design and questionnaires were used as the data collection instrument, Closed-ended questions were used in collecting the data. A study also used a sample size of 241. The quantitative data was analyzed by use of SPSS version 26.0. The study used regression and correlation model to show the relationship between the dependent variable and the independent variables. The study revealed that long bureaucratic procurement procedures, ineffective inventory documentation, lack of adequate qualified and well trained staff and lack of adequate fund are obstacles of the effectiveness of inventory management. The researcher recommends that too much rigid rules and policies need to be avoided; improve current inventory management documentation. Adequate funds need to dispatch on a timely manner while qualified and adequate personnel need to involved in stock control.

Keywords;1. Effectiveness of Inventory Management, 2.Procurement Procedure, 3.Public Sector.

1. Introduction

According to Hugo *et al.* (2002, 169),Inventory management is concerned mainly with planning and control of resources. Theremust be a store, where to buy, when to buy, and how much to buy to control materials. The purpose of inventory management is to ensure continuous supply of inventory at lowest possible cost for ongoing operation of organization.Inventory management is essential activity which organizes the availabilities of resource for the smooth continuing of operation. It coordinates purchasing, manufacturing, storing and distribution functions to meet the marketing needs and customer satisfaction. This role includes the supply of new products consumables; spare parts, obsolescent items, and all other items that help to have satisfactory operation to customers.

Inventory enables a company to support customer satisfaction by making the operation with high quality. (Wild, 2002,p. 4)

According to Gourdin (2001, p. 82) Inventory is one main area of logistics that has received a great deal of management attention. Management should realize that holding excessive inventory is simply too expensive. Therefore, a great deal of effort has been expended to eliminate unnecessary stock without affection the ongoing operation. Management's goal should be to hold only what is necessary to satisfy customer requirements and manage it effectively. According to Watson (2002) scientific management is essential in effective inventory management as it aims to improve methods of storage and distribution and removal of wastage and inefficiency in undertaking storage activities. This is especially relevant in the public sector where there is constant demand for uniformity of treatment, regularity of procedures and public accountability for operations.

In the past, inventory management was not seen to be necessary. In fact, excess inventories were considered as indication of wealth. Management by then considered over stocking beneficial. But today firms have started to embrace effective inventory management (Susan & Michael, 2000). Managers, now more than ever before, need reliable and effective inventory management in order to reduce costs and remain competitive (Closs, 1989). According to Dimitrios (2008) Inventory Management plays a decisive role in the enhancement of efficiency and competitiveness of organization. Effective inventory management entails holding an appropriate amount of inventory. Too much inventory consumes physical space, creates a financial burden, and increases the possibility of damage, spoilage and loss. On the other hand, too little inventory often disrupts business operations, and increases the likelihood of poor customer service.

Empirical evidence suggests that institutions throughout the world have adopted inventory management systems into their operations. Jones and Riley (1985) argued that changes in the corporate environment would necessitate and result in changes of inventory management. In particular, institutions will seek for systems that will enable them manage their supply chains more effectively and efficiently. In the current century, the inventory management practices have changed significantly. Developments in IT have made most of the institutional processes within organizations more efficient (Gunasekaran *et al.* 2001). It is for this reason that system developers and technological experts have linked up with inventory managers to develop systems that will enhance the efficiency of the inventory management process (Cachon& Fisher, 2000).

Ethiopian Federal Governmentestablishingthe country procurement and property administration proclamation/ proclamation no. 649/2009/ to accomplish better transparency, efficiency, fairness and impartiality in public procurement and to enable the utilization of the large sum of public money spent on procurement in a manner that ensures greater economy and efficiency by addressing problems encountered in the course of implementation of the proclamation determining the procedures of public procurement and establishing the Supervisory Agency during the years in which it was enforce. It is essential to ensure that an organization, enabling the realization of the economic benefit and efficiency flowing from bulk purchase is in place and to ensure that public property in which a significant amount of public money is invested, is utilized in such a manner as to enable the government device maximum benefit there from and modernize the administration thereof, it is necessary to introduce an integrated public property administration.In order for the organization to safeguard the public sector inventory, Oromia region government prepared the clear procedure and regulations (No 2/2003) have to be developed and established so as to prevent any sort of fraud or theft of inventory.

1.2 Statements of Problems

According to Jessop and Morrison (1994) inventory constitutes the most important part of current assets in the government public sector. Since a comparative largeness of inventories maintained by the sector, a considerable sum of an organization's fund has been committed to them. It thus becomes vital to manage inventories effectively so as to avoid unnecessary cost and ensure a high level of customer service. Many organizations in the world over do not give inventory management the prominence it deserves in spite of its varied importance. The problem of inventory management has presented for too long. This problem is still with us to date, and is a worldwide rather than a peculiar problem. Thus, it is not limited to a single organization, but in all business and it is not only limited to the private sector but also in the public sector.

According to Sunil and Sameer (1998), to compete more effectively in a global marketplace, it is imperative that firms realize the issue of inventory management and align their purchasing to the diverse environments in which they operate. The study by Njeru, (2008), on the causes of poor performance in inventory management established that inadequate skill was the most important factor affecting the effectiveness of inventory management.The research conducted in theEthiopian Electric Utility shown that there is problem in inventory management and recommended thattheEthiopian Electric Utility should see its inventory management as a key functional part which can determine the quality of electric service provision. There was a problem of inventory management at all levels and its result was reflected directly on customer dissatisfaction and poor quality electric service provision (Wolde, 2015)

According to Dambi Dollo town inventory control committee (DDTICC) report in June, 2014 in store there were different raw materials stored and transfer year to year without use and the report claimed the problem might have been to inaccurate recording,which was a good indication of poor inventory management.As Dambi Dollo town report conducted in July, 2020 in the public sector, the report discovered that some vital items were out of stock, leading to hasty buying because of low stock levels. The town report claimed that the problem might have been attributed to poor funding and long bureaucratic procurement procedure. There is no research has been done in on the inventory management system in the public sector of Dambi Dollo town. Due to the above reasons these studies, therefore, important to undertake studies that assess factors affecting the effectiveness of inventory management in public sector of Dambi Dollo town.

2. Theories Related to Inventory Management

2.1 Scientific Management Theory

To investigate the influence of staff training on effective stores management, the study is based on scientific management theory. The theory basically consists of the works of Fredrick Taylor. Fredrick Taylor started the era of modern management in the late nineteenth and early twentieth century's; Taylor consistently sought to overthrow management by rule of thumb and replace it with actual timed observations leading to the one best practice (Watson 2002). He advocated for the systematic training of workers in the one best practice rather than allowing them personal discretion in their tasks. He further believed that the workload would be evenly distributed between the workers and management with management performing the science and instruction and the workers performing the labor, each group doing the work for which it was best suited. Taylors" strongest positive legacy was the concept of breaking a complex task down into a number of subtasks, and optimizing the performance of the subtasks, hence, his stopwatch measured time trials (Osdorne& Rubinstein, 1990).

2.2 Theory of Inventory and Production

The theory of inventory and production is described as specialty in operations research and is commonly referred to as the mathematical theory of inventory and production (Hillier & Lieberman, 2001). The theory is concerned with the development and adoption of inventory and production systems that are effective and that will result in the minimization of institutional cost. In this connection, the theory studies the following organizational functions: supply chain, warehousing, manufacturing and production, spare part allocation, and logistics. According toHillier and Lieberman (2001), institutions should follow the following steps in order to have an effective inventory management system: (1) develop a mathematical model which describes the behavior of inventory; (2) design and adopt an optimal inventory policy with respect to the firm's mathematical model; (3) develop a computerized information processing system that will provide information on the current inventory levels; (4) use the current inventory levels information to apply the optimal inventory policy to replenish existing inventory levels. In addition, the theory of inventory and production considers and uses the following measures: ordering costs, shortage costs, holding costs, salvage costs, discount rates, and revenues.

2.2 Variables

2.2.1 Documentation /Stores Record

According to Susan & Michael, (2000) accuracy of inventory records is necessary to provide satisfactory customer service, determine replenishment of individual items; ensure that material availability meets repair or project demand, analyze inventory levels and dispose of excess inventory. Bailey and Farmer (1982) state that stock recording are expected to maintain particulars of receipt, issues and balances remaining in stock for each individual item held in the storehouse daily. According to Susan & Michael (2003), Stock records provide the management with the information which is used to ensure accountability through stocktaking and stock audit exercise.David Jessop and Alex Morrison,(1999) states that records can be posted manually but, where the volume and complexity of the documents handled is of major proportion mechanical methods are often to be more effective. Manual posting is comparatively slow, there is high risk of filling the wrong detail, and it can be easily misplaced or lost due to multiple handling as compared to Computer posting system.

2.2.2 Funding

With enough funds the organization can run its activities efficiently and effectively while with inadequate funds an organization may have difficulties in running its activities (Carter & Price 1993). According to Dobler & Burt (2006), Funds can be a constraining factor to effective inventory control when funds allocated cannot cater wholly for the organizations material requirements within the budget period. According to Burton(1981), other factors that may affect allocated funds include the variability in user demand patterns and frequent price variations. The stature of financial management in the organization can affect adversely its effectiveness and in the finance resource application in various activities.

2.2.3 Skills Possessed by Staff

Qualified staff that is competent and skilled will help the organization to achieve its goals and objectives by being efficient and effective when carrying out their various functions. For an organization to succeed, qualification is therefore a pre-requisite and must be matched with job requirement, hence the need to hire and develop ambitious personnel.If staff involved in stock

management is not qualified and competent, then there will be ineffectiveness in inventory management. Bailey & Farmer (1982) says that for Stock control function to achieve a superior performance, it's necessary to recruit, train and develop personnel with the capacity and motivation to do better job. Carter and price (1993) indicate that training of staff is vital if full use is to be made of their abilities and talents. Coe, (1989), says that it's important to ensure that sufficient number of the appropriate caliber is available to the organization in pursuit of its objectives. Incompetent employees can render stock control virtually ineffective.

2.2.4 Procurement Procedures

Procurement is the process of acquiring goods, works and services, covering both acquisitions from third parties. It involves option appraisal and the critical "make or buy" decision which may result in the provision of goods and services in appropriate circumstances (Counci, 2012). Public Procurement as is the acquisition of goods and services at the best possible total cost of ownership, in the right quantity and quality, at the right time, in the right place for the direct benefit or use of governments, corporations, or individuals, generally via a contract (Azeem, 2007). As organization become large and more complex, the authoritarian- paternalistic patter gave way to increased functional specialization with many layers of middle and lower management for coordinating organization effort (Kenneth & Kenneth, 2005,).

According to Osborne and Plastrik (1997) the advantages of bureaucracy are many folds. Apart from consistent employee's behavior, it eliminates overlapping or conflicting jobs or duties and behavior of the system is predicable. Despite the above advantages, bureaucratic organization has some significant negative and side effect. Too much red tapes and paper work not only lead to unpleasant experiences but also to inefficient operations (Osborne et al., 1997). Since employees are treated impersonality and they are expected to rely on rules and policies, they are unwilling to experience individual judgment and avoid risks (Osborne & Plastrik 1997).Bureaucracy expects conformity in behavior rather than performance (Kenneth& Kenneth,2005)

2.3 Empirical Literature Review

2.3.1 Studies from Different Countries

Bagby (2004),on his research titled manage inventory to meet profit goals: A case study of USA argued that, the closer they get to carry zero inventories- without sacrificing customer demand the closer they get to reach that pinnacle of organization efficiency. When the concept of just in time inventory management evolved, for example it brought a fresh new look at the entire manufacturing cycle, and how it could operate without interruption or non-value- added time costs. Suchthinking combined with today's available technology, has brought inventory control system to a new level. Management can now meet their customers demand without incurring the costs and burdens that come from stocking excess inventory. Features such as effective forecasting, vendor management and data management control make it possible for organizations to achieve a much higher rate of efficiency.

The study by Nyakeri & Ochiri, (2014), which sought to find out factors affecting effective inventory management in public health facilities in Kenya with the aim of making recommendations on how to improve such effectiveness an to specifically, find out if enterprise resource plan, Just in Time, Economic order quantity and material requirement planning are the factors affecting effective inventory management on healthcare facilities by using descriptive research design in Kenya, on 75 sample sizes selected out of 300 target population of Kenyatta National Hospital (KNH);revealed that the hospital as not implemented advanced inventory management systems which has disadvantaged it on responsiveness to cases of stock outs, poor records, high stock costs, poor quality services and

reduced efficiencies. The study concluded that ERP implementation enhance accuracy in inventory management, provides speed in inventory management, reduce the cost managing inventory and also JIT helps to match demand and supply, provides short lead times and short time deliveries for inventor. in public Hospitals, helps with proper controls in inventory management and finally provides efficiency in inventory management.

The studybySwaleh, Lucy Anisa and Dr. Were, Susan, (2014) aimed to investigate the factors affecting implementation of inventory management systems in the public sector in case of National Aids Control Council (NACC) to specifically investigate the effect of resource availability, technology, government, and top management support on effective implementation of inventory management systems in organizations by using descriptive designed research by further employing qualitative and quantitative research approaches to the sample size of 97 selected by quota sapling technique out of 130 target population. The responses of the respondents were analyzed using qualitative and quantitative techniques. The study established that the organization lacked adequate financial resources to implement inventory management systems and also established that Technology use has led to optimization of production, if used public procurement policy has simplified the implementation of inventory management system and top management officials have a positive direct effect on inventory management system usage" in NACC.

Additionally, the study undertaken by Godana, (2014), on determinants of effective inventory management at kenolKobil limited,which is guided by four objectives (information technology, distribution channels, Staff Competency and material handling equipment's) and employed descriptive research design, by targeting toward procurement managers, stores managers and other stores personnel in the KenolKobil to whom the questionaries' are distributed. By using both quantitative and qualitative analysis techniques founded out that information technology reduces lead times on effective inventory management; thatinformation technology has no effect on increased lead times in effective inventory management; that no change on lead times brought by information technology. The study also found that most employees have basic Staff competency (competencies) on inventory management at kenolKobil.

According to the Eckert (2007) stuy that examined inventory management and role it plays in improving customer satisfaction founded that a positive relationship between customer satisfaction and supplier partnerships, education and training of employees, and technology existed. Although, Pallangyo (2003) in Tanzania summarized that, the proper control and maintenance of inventory to any company is needed in order to ensure that production continues without interruption. The study points out that the things to be considered for effectiveness of inventory control to the organization, Training, Computer application; Improving security, and Motivations and also brief out that it is advisable for the company to introduce overtime payments and bonus system in order to motivate employees.

### 2.4 Inventory Management Practices inEthiopiaCases

The study by Wolde (2015) on Inventory management practices of Ethiopian electric utility: the case of Addis Ababa city concludes that utility should see its inventory management as a key functional part which can determine the quality of electric service provision. There was a problem of inventory management at all levels and its result was reflected directly on customer dissatisfaction and poor quality electric service provision. Even though there were other causes cited by the respondents for power interruption, which was out of the scope of this project, all respondents agreed that the main one was material shortage. The study found out that enhancement in the level of effectiveness in inventory management practices would result in increased business performance of Ethiopian

Electric Utility (EEU). Thus, it can be implied that inventory management of the utility has very crucial role to the operation of the utility while there were critical issues that needs improvement in the EEU's inventory management.

2.5 Conceptual Framework for The Study

The conceptual framework for this research brings forth the independent and dependent variables of the study. The independent variables are the variables that I will manipulate in order to determine their effect or influence on the dependent variable. They will help me predict the amount of variation that occurs in the dependent variable (Kothari, 2008).The value of the dependent variable depends on the independent variables. The independent variables were including: Documentation, procurement procedure, Skill and Funds in Dambi Dollo town public sector. The dependent variable is the effectiveness of inventory management in Dambi Dollo town public sector. The conceptual framework of the study has depicted as below;

Figure 1: Conceptual Frameworks
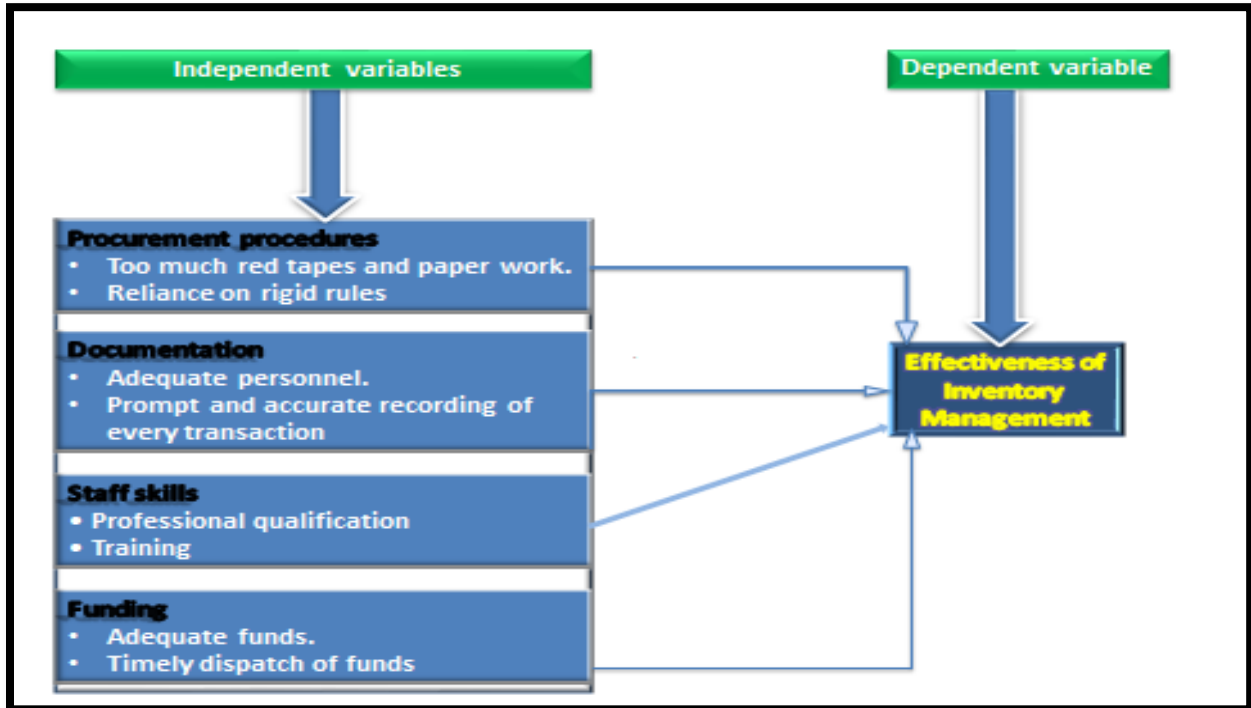
Figure 1: Conceptual Frameworks
(Source: Kariuki James (2020)

3. Methodology

The study employed an explanatory research design in order to determine the factor affecting inventory management strategies on performance of public sector in Dambi Dollo Town, Oromia Region, Ethiopia. The study targeted to 24 public sectors of consisting population totally 588 employeesin towngrouped to four sectors such as administration pool, Woreda communication pool, agriculture pool and civil service pool. Sample size of the population was determined by using formula (Cochran, 1992: 53-57) and (Israel, 1992: 39) and a size of 237 samples was obtained.The study employed stratified random sampling of probability sampling and purposive sampling of non-

probability sampling techniques, to group the samples in strata having similar characteristics for heterogeneous groups (i.e., based on their pools) in order to obtain a representative sample from each group of a given population, to select employees within each stratum (Kothari, 2004, 62) and to select respondents who are storekeeper in order to identify the right sample element based on their roles or position in organization in relation to the process of inventory management practices (Saunders et al., 2003)respectively. The researchers used closed ended self-administrated 5 points likert-scale questionnaires for the collection of the data.

4. Findings

4.1 Analysis of Descriptive Statistics Results
4.1.1 The Inventory Management Practices in Dambi Dollo town public sectors

Regarding the descriptive analysis of the study findings which deal with the extent of inventory management practices in Dambi Dollo town public sectors, supported by a mean deviation values implies that the majority of the respondents were similar opinion which most of the disagreed to the raised questionaries' relating to influence of procurementprocedures on inventory management. For instance for the statement inflexible and of procurement contribute to unacceptable contract delays, increased costs most respondents were agreed. This implies in Dambi Dollo town long bureaucratic procurement procedure is commonly experienced and respondents are not satisfied with Dambi Dollo town procurement procedures. In addition to this concerning influence of documentationon inventory management the majority of the respondents were similar opinions which has disagreed the which revealed that respondents were not satisfied with the Dambi Dollo town inventory documentation system and the town need to improve the current documentation system. In another case in relation to the influence of fund on inventory management the respondents similarly disagreed that the mean of deviation which implies they are not satisfied with the Dambi Dollo town fund allocation. Furthermore, the responses of the respond beside the influence of staff skill on inventory management majority of the respondents were disagreed with the Dambi Dollo town staff skill. For the statement, for the inventory management functions achieve a superior performance, it's necessary to give train for employees most respondents were agreed. This implies respondents were not satisfied by current the town staff skill relating to inventory management.

4.2 Analysis of Inferential Statistics Results

4.2.1 The effects of inventory management factors on the effectiveness of inventory management in public sectors of Dambi Dollo town
4.2.1.1 Pearson Correlation Analysis
Table 2: Pearson Correlation Analysis

		Procurement	Fund	Staff skill	Documentation	Inventory management
Procurement procedure	Pearson Correlation	1	.638**	.317**	.532**	.585**
	Sig. (2-tailed)		.000	.000	.000	.000
	N	222	222	222	222	222
Fund	Pearson Correlation	.638**	1	.303**	.438**	.640**
	Sig. (2-tailed)	.000		.000	.000	.000
	N	222	222	222	222	222
Staff skill	Pearson Correlation	.317**	.303**	1	.481**	.559**
	Sig. (2-tailed)	.000	.000		.000	.000

		222	222	222	222	222
Documentation	Pearson Correlation	.532**	.438**	.481**	1	.619**
	Sig. (2-tailed)	.000	.000	.000		.000
	N	222	222	222	222	222
**. Correlation is significant at the 0.01 level (2-tailed). Source: own SPSS computation, 2021						

As shown to the results in the above table, there is significant and positive relationship between all independent variable (procurement procedures, staff skill, funding, and documentation) and inventory management. Funding and inventory management (r = 0.640, p< 0.01), Documentation and inventory management (r =0.619, p < 0.01), procurementprocedures and inventory management (r = 0.585, P < 0.01), Staff skill and inventory management (r = 0.559, P < 0.01).The correlation coefficient value of 0.640 between funding and inventory management indicates these variables were significantly and strongly correlated followed by the correlation coefficient value of 0.619 between documentation and inventory management in the matrix.

4.2.1.2 Regression Analysis

In this study, a multiple regression analysis was applied to test the influence among predictor variables. The research used statistical package for social sciences (SPSS V 26) to code, enter and compute the measurements of the multiple regressions.

Table 2: Regression AnalysisModel Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.789ª	.623	.616	.48825

a. Predictors: (Constant), staff skill, documentation, funding, procurement procedure **Source: own SPSS computation, 2021**

As shown to the results in the summarized in Table 2 above, Coefficient of determination explains the extent to which changes in the dependent variable can be explained by the change in the independent variables or the percentage of variation in the dependent variable (Effectiveness of inventory management) that is explained by all the four independent variables (procurement procedures, staff skill, funding, and documentation). The four independent variables that were studied, explain 62.3% of the effective inventory management as represented by the R^2. As a result other factors, not studied in this research contribute 37.7% of the effective inventory management. Therefore, further research should be conducted to investigate the other factors (37.7%) that affect the effectiveness of inventory management.**R** is the correlation coefficient, which shows that there was a strong correlation between the study variable as shown by the correlation coefficient of 0.789.

Table 1: ANOVAª

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	85.487	4	21.372	89.652	.000ᵇ
	Residual	51.730	217	.238		
	Total	137.217	221			

a. Dependent Variable: inventory b. Predictors: (Constant), documentation, fund, staff skill, procurement procedure **Source: own SPSS computations, 2021**

According to the above ANOVA statistics table 3, the significance value is .0000 which is less than 0.05 thus the model is statistically significant in predicting funding, Staff skill, documentation, procurement procedure.

Table 2: Coefficient of determination

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	-1.381	.239		-5.769	.000
	Procurement procedure	.168	.075	.130	2.229	.027
	Fund	.389	.060	.359	6.520	.000
	Staff skill	.636	.106	.287	5.984	.000
	Documentation	.304	.064	.255	4.738	.000
a. Dependent Variable: inventory						

Source: own SPSS computation, 2021

The strength of each predictor (independent) variable influence on the dependent variable can be investigated via standardized Beta coefficient. Therefore, as shown the table above fund is the most contributing factor in the prediction of the effectiveness of inventory management in East woreda public sector with beta value of 0.359, followed by a staff skill with the beta value of 0.287. The other two predictors, in their descending order of standardized coefficients, documentation (B=0.255) and procurement procedure (B=0.130) have also significant impact on the effectiveness of inventory management. At 5% level of significance and 95% level of confidence, procurement procedures had a 0.027 level of significance; fund had a 0.000 level of significance, staff skill had a 0.000 level of significant, and documentation had a 0.000 level of significance. All the significance values were found to be less than 0.05 and thus, we can conclude that all the independentvariables were significant in contributing to the effectiveness of inventory management. As shown the above regression model, procurement procedures, funding, staff skill and documentation to a constant zero effectiveness of inventory management system would be at (-1.381). From the above table 14, the study established that taking all other independent variables at zero, a unit increase in procurement procedure would cause an increase in effectiveness of inventory management system by a factor of 0.168.As shown the result; procurement procedure is an important factor for inventory management in this study.

From the finding in the above table 4, the regression equation was

$Y = -1.381 + 0.168 X1 + 0.389 X2 + 0.636 X3 + 0.304 X4$

Where Y is the dependent variable (effectiveness of inventory management), X1 is procurement procedure, X2 is Funding, X3 isthe staff skillX4 is Documentation.

5. Conclusion

In light of the findings it can be concluded that long bureaucratic procurement procedures being experienced in the town which has various negative effects such as delays in the procurement of goods, frequent stock-outs /under-stocking, poor inventory management and uncertain change of prices.It also shown that funds allocated for procurement of various goods and services were not received on as and when required, even it is the allocated fund is not enough to cover the whole financial year, andpoor and slow financial resource planning, implementation and control practices whichresult in delays in procuring goods, works and services and finally cause failure to achieve the set targets/ goals, understocking of goods leading to poor customer service; poor staff morale and poor utilization of both human and physical resources which refers that lack of adequate fund had a negative effect on the effectiveness of inventory management systems in Dambi Dollo town. Additionally, from the findings it is concludedthecurrent documentation system of the town is not effective which again refers that documentation has a positive direct effect on the effectiveness of

inventory management system and finally, it is concluded that employment training was not a common means for preparing staff before deployment to inventory management sections. The study revealed that most respondents are not satisfied the current procurement staff skill and experience relating to procurement procedures thus the study concludes that use lack of staff skill had a negative effect on the effectiveness of inventory management system in the town.

6. Recommendation

Based on the findings, the researcher wants to give suggestions to Dambi Dollo town public sectors that it is advised to ensure that all the stakeholders involved in the budgeting process, enough funds are allocated and dispatched in a timely manner to the entire relevant sector to provide for sector requirement and ensure better customer service. Again, it is advisable for the town public sectors need to employ qualified and adequate personnel involved in stock control activities to reduce the shortage and improve their skills through training in order to meet user needs.Although it is recommendable to avoid if possible or minimize too much red tape and reliance on rigid rules that slow down the procurement process need to avoid through procurement reform. Bureaucracy delays the smooth procurement process and eventually affects public financial management since it adds more cost to contractors.

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