St. Mary's University

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The 18ᵗʰ National Student Research Forum

Research and Knowledge Management Office (RaKMO)

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Preface:

It is with great pleasure that RaKMO (Research and Knowledge Management Office) of St. Mary's University presents this compilation of research papers, which emerged from the 18th National Student Research Forum held in August 2024. This annual forum, organized by RaKMO, provides a significant platform for undergraduate students to share their research findings with their peers and gain valuable experience in presenting their work at academic conferences.

The primary objective of the 18th National Student Research Forum was to foster an environment of knowledge exchange and scholarly discourse among undergraduate students. The forum aimed to open doors for these young researchers, enabling them to showcase their research works and contribute to the wider academic community.

At the 18th National Student Research Forum, a total of 8 papers were presented, featuring the scholarly contributions of students from both St. Mary's University and Arsi University. The diverse range of topics covered in these papers reflects the breadth of academic disciplines and research interests among the participants.

To ensure wider dissemination and accessibility of the valuable research presented, St. Mary's University has taken the initiative to publish all the papers in this proceedings volume. It is important to note that the ideas and viewpoints expressed within these papers are solely those of the respective authors and do not necessarily represent the official stance of the university.

We would like to extend our sincere gratitude to all the presenters and participants of the 18th National Student Research Forum. Their dedication and commitment to scholarly inquiry have contributed significantly to the success of this event. We also extend our appreciation to the organizers, reviewers, and contributors who have worked tirelessly to bring this proceedings volume to fruition.

We hope that this compilation of research papers will serve as a valuable resource for researchers, scholars, and students alike, inspiring further exploration and discovery in their respective fields of study.

Thank you for your interest and support in the 18th National Student Research Forum.

Opening Remark, Tedla Haile, Executive Vice President, St. Mary's University

Forum participants,

Colleagues,

Ladies and Gentlemen:

It gives me great pleasure to make these opening remarks at the 18th Student research Forum. It is also pleasing to see you all here as participants to listen to the research and project outcomes of novice researchers who are to present their papers for public scrutiny after passing through the ritual of in-house defence in the presence of their advisors. In this regard, the presenters should be appreciated for their confidence in being forthcoming to face large gathering of participants.

A research forum like the one we are to witness today has inspirational value for upcoming students much more than the familiar research events that happen here and there across the country. This one, as the organizers label it, is "by students and for students" showcasing there undergraduate final year papers, which we might see elsewhere in rare occasions. In today's Ethiopia, we all suffer from information overload and yet the very few take the pain of sifting facts from fiction. Here you are! Our paper presenters today are part of the new generation who are to take up diverse positions in the civil service, business and industry in the years ahead. They are here to dispel the stereotypes that are told about them time and again for quite some time. They are to present us diverse problems and propose solutions employing their questioning, analyzing and synthesizing skills. This is not an easy exercise. It requires reading scholarly books and articles, engaging in serious discussions with peers and advisors and finally arriving at a decision of one's own.

St. Mary's University has, for years, allocated its resources for research undertakings toward contributing scholarly outputs to those who might need them. In this regard, our flagship annual international conference on Private Higher Education Africa, which had its 22nd edition, months back is unique in Africa in the sense that it is probably the first to have 22 years of uninterrupted conference focusing on private higher education in Africa. Our Student Research Forum closely follows it out-aged by four years. Then comes our Multidisciplinary Seminar whose 16th edition was held two or so weeks back. The last and the youngest research forum is the one focusing on distance learning, which is to have its 12th edition in few weeks' time.

Finally, I would like to thank those who are now to take the floor as paper presenters and rapporteurs of subsequent sessions, and the Research and Knowledge Management Office who have toiled a great deal organizing three research events, including today's in the last three months.

With that I declare the Forum is open!

Roles of Cooperatives in Agricultural Inputs Supply System: The Case of Some Selected Kebeles in Lemuna Bilbilo District, Arsi Zone, Oromia Regional State of Ethiopia

Tamirat Alemu

Abstract

The main purpose of the study was to investigate the role of cooperatives in Agricultural Input Supply System: The case of some selected kebeles in Lemuna Bibilo District Arsi Zone, Oromia, Ethiopia. The study delimited to the selected there Kebeles of Lemuna Bibilo District, Arsi Zone, Oromia, Ethiopia. The study was delimited to Galema Farmers Cooperatives Union which was established in 2000 in Bekoj'i town served as center of Lemuna Bibilo. Data were collected through questionnaire from 89 members of Galema cooperatives of the three Kebeles, namely, Bedi Aware, Dawa, Bursa and Tulu Negeso. The members were selected through simple random sampling technique and the three managerial bodies of the cooperatives were selected through purposive sampling technique to participate in the interview. Descriptive research design and mixed-research method were employed. Primary and secondary sources of data were used. The data gathering tools used in the study was questionnaire, interview and plans and reports (documents). The quantitative data encoded in SPSS Version 26, and the results were analysed through simple descriptive statistics, i.e., mean, frequency, percentage, standard deviations etc. The qualitative data were analysed through thematic analyses. As a result, it was found that cooperatives were potential suppliers of improved seeds, fertilizers and agricultural equipment. As per the perceptions of the participants, agricultural cooperatives enhanced social cohesion (score mean=3.84); improved the households economy (mean= 3.22); enabled to learn members of the family (mean=3.45); enabled to pay health payments (mean=3.88) and played a role to reduce unemployment among the HHS (mean= 3.76). Among the challenges that the cooperatives faced were: lack of commitments followed by unfulfilled auditing and accounting documents, uninteresting management bodies, weak relationship and coordination within and between governmental and none-governmental organization working on cooperatives. On the other hand, there were opportunities available for the enhancement of cooperatives. Among others, the focus of government was on food security and self-sufficiency. Therefore, the researcher recommended that cooperatives have to have commitments while carrying out their activities auditing their works is essential. Furthermore, there must be periodic and consistent auditing members' interests on managements should be managed and there should also be strong and consistent relationship and coordination within and between governmental and non-governmental organization working on cooperatives.

INTRODUCTION

Background of the Study

Co-operation as a way of life has been and continues to be a tradition in finding the solution to the socio-economic problems of the people in Ethiopia. Examples of such cooperation can be found everywhere in the working of mutual aid institutions, such as Equb, Eddir, Wonfel or Jigii, Senbete and many others. The traditional cooperation among the rural community was a ground to the flourishing of modern cooperation in early 1960s, realizing that these traditional institutions failed to meet the requirements of credit services and equipment needed for productive purposes in full. In all circumstances the program for cooperative development was, therefore, formulated and had been included in the second five-year-development plan (1962-67) of the country (Zerihun, 1998).

The Derg regime established an extensive network of socialist agricultural cooperatives throughout Ethiopia by organizing the peasants. There was virtually no member participation. Instead, party agents and political activists largely ran these cooperative systems (Dessalegn, 1994). Corruption and mismanagement were so prevalent in the service cooperatives, which handled the purchase of consumer goods for rural communities, whose basic goods were: soap, salt, sugar and paraffin oil but there were generally in desperately short supply of goods in the cooperative shops.

The existing government abolished the command economy and introduced economic and political liberalization, including steps to promote the development of democratically governed, market oriented, member owned cooperatives; and professionalism in the management of cooperatives. In addition, the government has placed a high priority on food security and self- sufficiency. Cooperatives are promoted as part of Ethiopian rural and agricultural development strategies, within the national macroeconomic policy framework of agricultural development led industrialization (ADLI) (Jemal, 2008).

Within the above context, cooperative promotion office has been established at regional and federal level to launch the extension of on-going cooperative development efforts to benefit small scale farmers and to promote the spirit of self-help community organization: as an integral part of farming community's development. Consequently, several agricultural cooperatives (primary and secondary) have been established in many parts of the country, not only to benefit members but also to benefit rural communities. In line with this, this research analysed the roles cooperatives in the supply of agricultural input.

Statement of the Problem

In Ethiopia, where the small-scale farming dominates the overall national economy, agricultural production and productivity is very poor. The entire agriculture of the country is characterized by limited use of improved input and backward cultural practices, and depends on rain. Besides, the agricultural productivity continues to be poor and fails to meet the food demand of the ever-growing population. The factors attributing for poor productivity are recurrent droughts, environmental degradation, poor infrastructure in quality and quantity, and backward cultural practices. Considerable

loss also occurs to the produce due to poor practices of post-harvest handling and limited use of appropriate post-harvest technologies (MoARD, 2005).

Delelegn, et.al (2016) identified lack of access to agricultural inputs (e.g. improved seeds, fertilizers) are the constraints of smallholder producers. This implies that the need of cooperatives to provide agricultural inputs. However, the extent to which the cooperatives are tried and carried out agricultural inputs for the farmers is not well known.

Moreover, due to the weakness of markets, characterized by high transaction costs, high risk, and inadequate communications and transport infrastructure, people living in food deficit areas continue to face famine and food insecurity while producers in surplus regions endure unattractively low producer prices (Eleni, et. al, 2004). This shows that the agricultural sector in the country can produce food to meet the needs of the people provided that the sector makes efforts to conserve the rain water for irrigation, introduce improved agricultural inputs and improve the marketing infrastructure in Ethiopia.

Ethiopia began transforming its agriculture in the mid1990s after the existing government formulated a development strategy centered on agriculture. The strategy known as the Agricultural Development Led Industrialization (ADLI) sets out agriculture as a primary stimulus to generate increased output, employment and income for the people, and serves as the springboard for the development of the other sectors of the economy (Samuel, 2006). Depending on this strategy, the government has given emphasis to the development and promotion of cooperatives to facilitate agricultural marketing activities. Promotion of cooperatives has then significant contribution in enhancing rural development through supplying agricultural inputs and marketing farmers' produces. To this effect, for example, there is a union of 40 agricultural cooperatives known as Oromia Agricultural Cooperatives Federation. This union consists of 1600 affiliated primary cooperatives societies found all over Oromia Regional State (Oromia Agricultural Cooperatives Federation, 2023). Galema Agricultural Cooperatives union is one the farmers union established in Arsi Zone of Bekoji Wereda and is located as catchment area for the study.

Cooperatives contributed to the achievement of the MDGs in 2015 because of their inherent characteristics. Because cooperatives are economic associations, they provide the opportunity for poor people to raise their incomes. Because they are democracies with each member having one vote, they empower people to own their own solutions, and because they pool risks at the level, for small land-holding, developing and agricultural based economic countries like Ethiopia, cooperative type of business is recommended as a solution to promote income distribution, reduce poverty and vulnerability, and improve quality of life and social welfare (Nuredin, 2014). With a focus on cooperatives, there are some studies employed in Ethiopia. For example, the study of Delelegn, et. al (2016) explored the extent to which co-operatives strengthen rural development in sub-Saharan Africa and the development of agricultural co-operatives in Ethiopia. This does not show the roles of cooperatives in agricultural inputs. The study of Muluken (2015) focused on the roles of agricultural cooperatives in building sustainable livelihood for rural women. The study of Nuredin and Byeong (2014) investigated the roles of cooperatives in rural development in SNNPR. Jemal's (2008) study

was the roles of cooperatives in agricultural input out-put marketing; however, this study is outdated. Virendra, et. al (2015) limited the roles of cooperatives in improving livelihood of farmers on sustainable basis.

It is hardly found empirical studies on the roles of cooperatives in agricultural inputs supply. Thus, a knowledge gap on the major agricultural inputs that the cooperatives provides, the extent that what roles can play the cooperatives in the socio-economic value of the small holder farmers and the challenges and opportunities of those cooperatives to supply agricultural inputs.

Therefore, this study investigated the roles of cooperatives in AgriculturalIinput Supply System: The Case of Some Selected Kebeles in Lemuna Bibilo District, Arsi Zone, Oromia, Ethiopia.

Basic Research Questions

To address the problems stated in the statement of the problem, this study answered the following basic research questions:

1. What were the agricultural inputs supplied by the cooperatives established in the study area?
2. To what extent did the cooperatives established in the study area play the roles in their socio-economic value of the small holder farmers?
3. What were the major challenges the cooperatives faced while supplying agricultural inputs?
4. What were the opportunities available for the cooperatives to provide agricultural inputs?

Objectives of the Study

General Objective of the Study

The general objective of the study was to investigate the roles of cooperatives in agricultural input Supply System: The case of some selected Kebeles of Lemuna Bibilo District in Arsi Zone, Oromia, Ethiopia.

Specific Objectives of the Study

The specific objectives of the study were to:

1. Assess the agricultural inputs supplied by the cooperatives established in the study area,

2. Investigate the roles of the cooperatives in the socio-economic value of the small holder farmers in the study area.

3. Explore the major challenges that the cooperatives faced while supplying agricultural inputs.

4. Discuss the opportunities available to support the cooperatives while providing agricultural inputs in the study area.

METHODOLOGY

Description of the Study Area

The study area is found in the central part of the Oromia National Regional State of Ethiopia. According to the Oromia Regional State Bureau of Finance and Economic Development Report of 2010, Arsi Zone is astronomically lies between 7° 08' 58'' N to 8° 49' 00'' N latitude and 38° 41' 55'' E to 40° 43' 56'' E longitude. The Zone is divided into 24 districts. Assela town, the capital city of the Zone is found 175 km away from Addis Ababa. Lemu-Bilbilo, which is situated at 56 km away from southern part of Asella, is one of the 24 districts of the Arsi Zone. Based on the report of Central Statistics Agency population projection of Ethiopia for 2014, the population of the district is estimated to be 219,922 with 85% living in rural areas (CSA, 2013). This study was delimited to three Kebeles, namely, Bedi Aware, Dawa Bursa and Tulu Negeso of Galema Farmers Cooperatives Union.

The total land coverage of Lemu-Bilbilo is 1031km2. The district is sub-divided into 33 kebeles consisting of 25 rural and 8 urban kebeles based on the information obtained from the report of physical and socio-economic profile of the district (CSA, 2015).

The altitude of the Lemu-Bilbilo ranges from 1500m to 3800m above sea level. The district is divided into three ecological zones, namely, high land 80%, mid-latitude or moderately cool 17%, low land or moderately warm 3%. The district has a tropical heavy and erosive rainfall as well as cool to moderate climate. The mean annual rainfall ranges from 800 to 1200mm and the average annual temperature is 15^0c.

In the district, both crop and livestock production (mixed agriculture) is experienced. Crop production is the main economic activity practiced in the district. There are two cropping seasons in the area: Belg (short rainy season) from February to April and 'Meher' (main rainy season) from June to September. More than 75% of the total crops are produced during the main ('Meher') season. The major annual crops grown are barley, wheat and maize from cereal crops, horse bean and field pea from pulses and linseed and rapeseed from oil seeds crops. Other crops like inset and vegetables are also widely grown in the district.

This study was conducted in the Arsi zone of Oromia region focusing on the Galema Farmers' Cooperatives Union (GFCU). The Arsi zone is divided into 24 administrative woredas. The total area of the zone is around 20,737 km2 (2,073,724 ha.) from which 43.6% is arable land. The zone is also divided into four major climatic zones; Dega (highland) 39.7%; Weyna dega (medium highland) 27.5%; Kola (lowland) 29.1% and Werch (frost highland) 3.7%. At present, from 24 woredas, 16 of them are cultivating malt barley. Based on agro-ecology, six woredas are labelled by the Kulumsa Agricultural Research Center (KARC) as highly potential for malt barley cultivation, including the Lemu Bilbilo and Digelu Tiyu woreda (KARC, 2013).

The Galema Farmers Cooperatives Union was established in 2000 in Bekoj'i town, in the Arsi zone about 50 kilometers far away from the malt barley commercial center, Assela.

The union has currently 121 multipurpose primary cooperative as members. These multipurpose primary cooperatives are located in four different Woredas and represent 74,917 smallholder farmers in the region. Based on the union annual report, 11% of these smallholder farmers are female (GFCU, 2018)
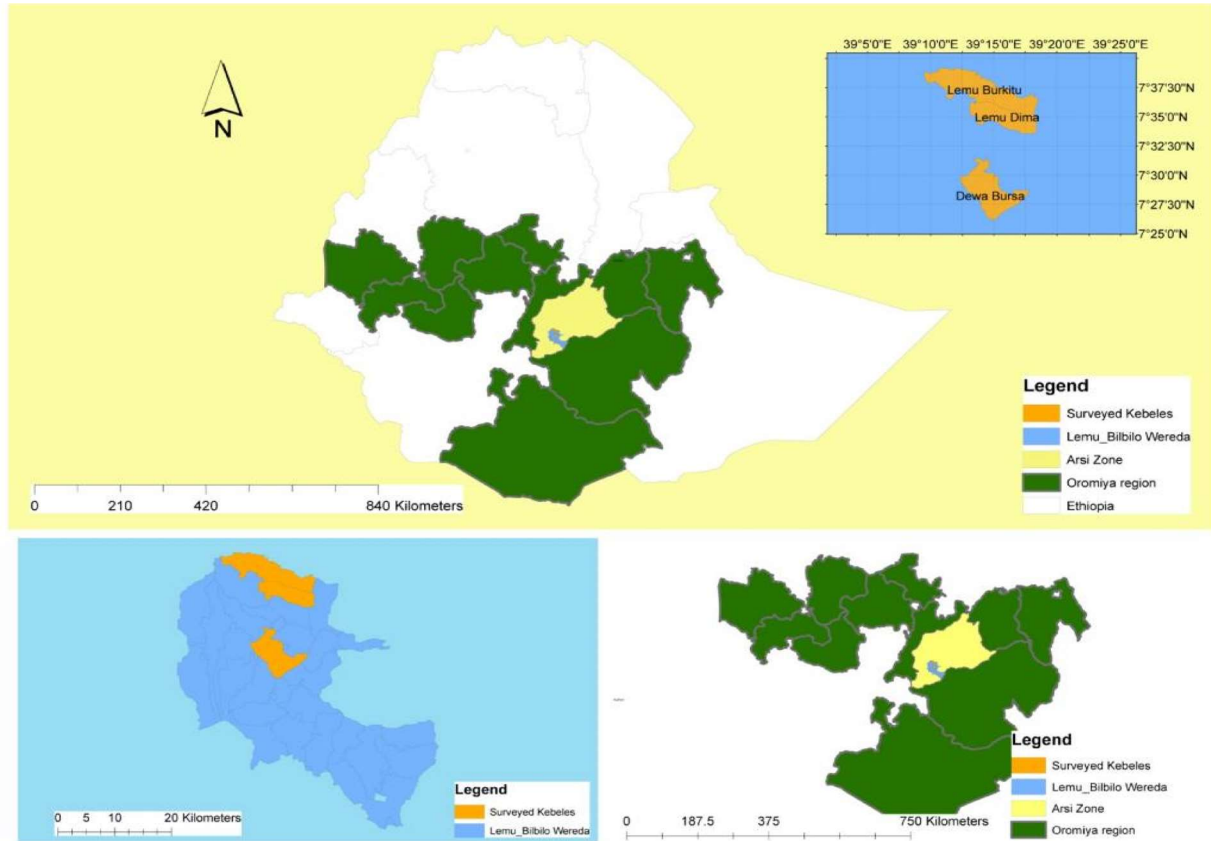
Figure 1: Map of the Study Area *(Source: Wondwosen, 2015)*

2.2. Research Design and Approach

The current study provided description about: the status of the agricultural inputs provided by the cooperatives, the roles of the cooperatives on the socio-economic value the members, challenges faced the cooperatives to supply agricultural inputs and the opportunities support the cooperatives. Therefore, descriptive research design was employed. Descriptive research design describes the characteristics of a particular phenomenon, it was preferred. It is concerned with specific predictions, with narration of facts and characteristics concerning individual, group or situation.

Considering the research approach, the study was inquired to generalize the results from a sample of population and attempted to gain an understanding of the underlying status. So, a mixed-research method was used for the research.

2.3. Data Source

For the study, both primary and secondary data were used. The primary data were gathered through questionnaires and interview whereas the secondary data were mustered from the documents of the cooperatives.

2.4. Population and Sampling Techniques

According to Galema Farmer's Cooperatives Union (2022), the Galema Farmers Cooperatives consisted of 121 cooperatives as members. Therefore, the target population was 121 cooperative members of the study area.

Since managing the data was costly, difficult and time constraint, all members of the cooperatives were could not participate in the study. Thus, a sample was used. For the reason of giving equal access at different level, simple random sampling technique was used. The size to be sampled depending on the type of research design that was used; the desired level of confidence, the level of accuracy and the characteristics of the population the researcher uses (Kothari, 2004). Hence, by considering the level of acceptable error at 5% since the total population was not large, the sample size required for this research was determined using the formula of Yemanes (1967) as follows: In the determination of sample size, the three criteria (level of precision, the level of confidence or risk and the degree of variability) were very important to gather the required data from the sample respondents. Hence, by considering these issues, the sample size, based on Yemane's (1967) sample size determination formula, was determined to collect the appropriate data through questionnaire for this research.

$$n = \frac{N}{1+Ne^2}$$

Where: n = the sample size

N=the study population i.e. 1

e = the level of precision (for this study 0.05)

1=designates the probability of the event occurring

Therefore:

$$n = \frac{121}{1+121X.05^2}$$

$$n = \frac{121}{1+0.3025}$$

$$n = \frac{121}{1.3025}$$

$$n = 92.89 = 93$$

In the study, 93 members of the cooperatives were intended to be participated; however, the response rate was 89. To select the participants from 121 targets, it was important to note that the list of the population for this current study obtained at the head office of the cooperative located at Bokeji.

Regarding the selection procedure, the samples from the list of the respondents in the excel format, i.e. all the serial numbers1-121 targets were scrolled in paper mixed. And, finally, 93 papers out of the 121 papers were selected through lottery method. Then, the selected serial numbers were participated in the study. The questionnaires were given to the head office and administered to the selected members and after two weeks the questionnaires were collected.

3. Methods of Data Collection

Questionnaire

Close-ended followed by open--ended questionnaire was prepared. The variables treated in the questionnaires were: part I: profile of the respondents, part II: agricultural input supplied by the cooperatives; part III: the socio-economic value of the members due to their membership; part IV: challenges, and Part V: opportunity. The 93 members were participated in the questionnaires. The questionnaires were prepared in Oromia and English.

Interview

Interview focused on: 1) the agricultural inputs provided by the cooperatives, (2) the roles of the cooperatives on the socio-economic value the members, (3) the challenges that the cooperatives faced to supply agricultural inputs and (4) the opportunities supported the cooperatives to provide agricultural inputs in the study area. Three of the cooperatives managerial bodies were selected through purposive sampling technique and participated in the interview. The interview was conducted after the data had been collected via questionnaire the interviewees' responses were recorded by their consent to check the content validity.

Documents

Secondary data like plans and reports of the cooperative were gathered through documents.

3.1. Data Analysis Methods

The data obtained through questionnaire encoded with SPSS Version 26. And, the data were analysed through descriptive statistics to probe the mean, standard deviation, frequency and percentage. In the analyses of the qualitative data collected through interview, the following steps were employed: In the open coding, the interview was transcribed and the data were broken into discrete parts to create "codes" to label them. This enabled the researcher to continuously compare and contrast similar events in the data. In the axial coding, the connections and relationships between codes had been made. Next, the researcher aggregated and condensed codes into broader categories. The next step was selective coding; here the researcher brought it together with one overarching category by selecting one core category that captured the essence of the research. The connections between this overarching category and the rest of the codes and data were identified. After that, categories or codes that did not have enough supporting data were removed. And again all the other categories and codes were checked if they had enough data to be robust. The final step was reviewed; here the transcript and code according to the overarching category were read and reviewed. The results of the study presented in tables and figures given below.

3.2. Results and Discussions of the Study

Chapter four deals with the profile of the respondents and issues, such as served as center of Lemuna Bibilo. Thematically, the variables treated in the current study were: (1) the agricultural inputs were provided by the cooperatives, (2) the cooperatives had roles on the socio-economic values of the members, (3) challenges faced the cooperatives to supply agricultural inputs and (4) the opportunities supported the cooperatives to provide agricultural inputs in the study area.

3.3. Demographic Characteristics of Cooperative Members

Data from 93 members of cooperative were collected in Lemuna Bibilo. However, the returned questionnaires were 89 (with a response rate of 95.6%).

Table 1. Profile of the Respondents

		Frequency	Percent
Sex	Male	53	59.6
	Female	36	40.4
	Total	89	100.0
Age	18-25	5	5.6
	26-33	29	32.6
	34-41	26	29.2
	42 -49	15	16.9
	50 and above	14	15.7
	Total	89	100.0
Level of Education	Not Read and Right		
	Primary	5	5.6
	Secondary	26	29.2
	Complete 10 /12	27	30.3
	TVET	12	13.5
	Diploma	17	19.1
	Total	89	100.0
Residency	Rural	77	86.5
	Urban	12	13.5
	Total	89	100.0
Means of livelihood	Agriculture	50	56.2
	Trade	15	16.9
	Government Worker	4	4.5
	Other	20	22.5
	Total	89	100.0

(Source: Own Survey, 2024).

As per Table 1, 53 (59.6%) of males and 36 (40.4%) of females were participated. Therefore, most of the respondents with a share of about 59.6% were males followed by females. Regarding the age of the respondents, 5.6%, 32.6%, 29.2%, 16.9% and 15.7% were aged 18-25, 26-33, 34-41, 42-49 and 50 and above, respectively. Thus, most of the participants were laid in the age category between 26 to 33 and 34 to 41. Among the participants in the study area, 2 (2.2%) cannot read and write. Five (5.6%)

and 26 (29.2%) of the respondents' educational levels were primary and secondary. The majority (frequency=27 or percentage=30.3) were grade 10 and/or 12 complete. And, 13.5% and 19.1% had TVET and Diploma educational levels. Most of the respondents with an account of 77(86.5%) were rural residents followed by the 12 (13.5) urban residents. Above half (56.2%) of the participant's means of livelihood were agriculture. The remaining, i.e. 16.9%, 4.5 and 22.5 means of livelihood were trade, government worker and other.

3.4. Types of Cooperatives and Members' Engagements

Table 2 Membership of the Participant

		Frequency	Percent
Your status in the cooperative	Member	74	83.1
	Management	15	16.9
The level of the cooperative you have engaged?	Primary	77	86.5
	Secondary	12	13.5
The type of the cooperative based on the number?	Primary	80	89.9
	Multipurpose	9	10.1
How long have you been member of the cooperative	1 to 3 years	15	16.9
	4 to 7 years	10	11.2
	8 to 11 years	19	21.3
	12 to 15 yeas	15	16.9
	16 and above	30	33.7

(Source: Own Survey, 2024).

Table 2 depicted the participant's status, level, type and membership in years. Accordingly, majority with a share of 74 (83.1) were members whereas 15 (16.9) were part of the management in cooperatives. And, majority of the respondent's with an account of 86.5% and 89.9% participated in primary level of the cooperative and primary type of the cooperative based on the number. Vis-à-vis, their membership in cooperatives 15 (16.9%) one to three years, 10(11.2) for four to seven years, 19 (21.3%) eight to eleven years, 15 (16.9) twelve to 15 years and 30 (33.7%) having 16 and above membership in cooperatives, therefore, the respondents in this study were experienced in the membership of cooperatives.

3.5. Agricultural inputs provided by the cooperatives

The items in the variables were measured using '5-point Likert Scale of Strongly Disagree (1) to Strongly Agree (5)''. The rule of thumb pertaining to the intervals for breaking the range in measuring variables that were captured with the five-point Likert type scale (that ranges from strongly disagree to strongly agree) was calculated by (5-1= 4) then divided by five as it was the greatest value of the scale (4/5= 0.8). Afterwards, number one which was the least value in the scale was added in order to identify the maximum of this cell. Thus, the cut off applied in the following descriptive statics were: strongly disagree if the mean is from 1 to 1.8; disagree if the mean was from 1.6 to 2.64; moderate if

the mean was from 2.65 to 3.2; agree if the mean was from 3.21 to 4.2; strongly agree if the mean was from 4.21 to 5.00.

Table 3 Agricultural inputs provided by the cooperatives in the Study Area

	N	Min	Max	Mean	Std. Deviation
Provided improved seeds	89	1	5	3.22	1.321
Provided seeds	89	1	5	3.39	1.258
Supplied fertilizers	89	1	5	3.42	1.396
Supplied agricultural equipment	89	1	5	3.42	1.176

(Source: Own Survey, 2024).

According Table 3, the score mean value of provided improved seeds were 3.22, implied the respondents were moderately agreed with the item. And, the standard deviation, i.e. 1.32 revealed the responses of the respondents were relatively homogeneous. Thus, the cooperatives established in the study area were moderately provided improved seeds. The respondents were agreed that the cooperatives provided seeds supplied fertilizers and, agricultural equipment.

3.6. Role of Cooperatives: in the Socio Demographic Characteristics of the Respondents

Table 4 the participant's Family Size

	Your family size (in number)
Mean	4.54
Median	4.00
Mode	5
Std. Deviation	2.143
Range	11
Minimum	1
Maximum	12

(Source: Own Survey, 2024)

As displayed in the above Table 4, the mean was 4.54, revealed that the respondents had in average a family size of 4.54. The maximum and minimum values of family size were 12 and 1, respectively.

Table 5 Participant's Economic Level

		Frequency	Percent
Do you have Farm land?	Yes	73	82.0
	No	16	18.0
	Total	89	100.0
Your level of income per month (in br.)	less than 4,000	14	15.7
	4001 to 7000	18	20.2
	7001 to 9000	29	32.6
	9000 to 12000	10	11.2
	above 12000	18	20.2
	Total	89	100.0

(Source: Own Survey, 2024)

As displayed in the above Table 5, most of the respondents with a share of 73/82%/ had farm lands. And, most of the respondents with an account of 29/32.6%/ monthly incomes were 7001 to 9000br.

Table 6 Role of Cooperatives in the socio economic Value of members

	N	Min	Max	Mean	Std. Deviation
Enhanced social cohesion	89	1	5	3.84	1.224
Improve the Households economy	89	1	5	3.22	1.241
Enables to learn members of the family	89	1	5	3.45	1.332
Enables to pay health payments	89	1	5	3.88	.963
Used to reduce unemployment among the HHS	89	1	5	3.76	1.25
Valid N (listwise)	89				

(Source: Own Survey, 2024)

Table 6 depicted the roles of cooperatives in the socio economic value of the members. The score mean value and standard deviation of the item reads as "*Enhanced social cohesion*" were 3.84 and 1.224. This revealed that the respondents who had relatively consistency in their responses agreed. The score mean value of the second item reads as "improve the households' economy" was 3.22, and this implied that the participants moderately agreed with the item. The score mean of the third and fourth items were 3.45 and 3.88, which implied that the participants agreed with the items.

Therefore, the participants perceived that cooperatives in the study area, enhanced social cohesion, improved the household's economy, enabled to learn members of the family, and enabled to pay health payments and used to reduce unemployment among the HHS.

3.7. Challenges of Cooperatives in the Study Area

Table 7 Challenges of the Cooperatives

Items	Mean	Std. Deviation
Stiff competition	2.91	1.135
Lack of commitment	3.63	1.274
Globalization	2.99	1.336
Government's attitude towards subsidy	3.15	1.293
Unable to follow rule and regulation of their own by-laws and cooperative principles	2.93	1.444
Traditionally implementing their day to day activities without irrespective of legal frame work	3.20	1.217
Not utilize full legal documents for their business transactions	3.27	1.255
Unfulfilled auditing and accounting documents	2.18	.716
Poor in planning, marketing and saving	3.06	.970
Being abused by elected leaders	2.52	.799
Corruption and mismanagement	2.80	1.226
Lack of awareness of their business potential among governments and the general public	3.17	1.150
Mischaracterization of the management's interests	2.31	1.072
Weak relationship and coordination within and between government and none government organization working on cooperative cooperatives	1.74	.819

(Source: own Survey, 2024)

As per Table 7, the respondents agreed to the challenges, i.e. lack of commitment with a score mean value of 3.63. On the other hand from the listed items in the Table, the participants disagreed to: (1) unfulfilled auditing and accounting documents (mean=-2.18); (2) mischaracterization of the management's interests (mean=2.31); and, (3) weak relationship and coordination within and between government and none government organization working on cooperative cooperatives (mean=1.74). Whereas the participants moderately agreed with the listed items, such as stiff competition, globalization, government's attitude towards subsidy, unable to follow rule and regulation of their own by-laws and cooperative principles, traditionally implementing their day to day activities without irrespective of legal framework, not utilize full legal documents for their business transactions, unfulfilled auditing and accounting documents, poor in planning, marketing and saving, being abused by elected leaders, corruption and mismanagement, lack of awareness of their business potential among governments and the general public.

3.8. Opportunities of Cooperatives in the study area

Table 8 Opportunities of the Cooperatives

	Mean	Std. Deviation
A change of government role from direct control to advisory role	.51	.854
The legal framework	.45	.879
Dividend earnings	.31	1.007
The proclamation on cooperatives enabled to pool their resources together	.35	.955
Government enacted agricultural co-operative proclamation incorporating the internationally accepted principles	.24	.917
More cooperatives are established	.16	.782
Strong commercial enterprises developed	.17	.801
The focus of government on food security and self- sufficiency	.23	1.199

(Source: own Survey, 2024)

Concerning the opportunities of the cooperatives in the study area, the result (Table 8) revealed that the respondents who disagreed perceived the following listed items as opportunities:

1. A change of government role from direct control to advisory role was not perceived as opportunity in the study area;
2. The available legal framework and government enacted agricultural co-operative proclamation incorporating the internationally accepted principles. In similar vein , they also disagreed the proclamation on cooperatives which enabled to pool their resources together;
3. More cooperatives are not established and
4. Strong commercial enterprises are not developed.

4. Conclusions and Recommendations

4.1. Conclusions

From the findings, the following conclusions are given below.

Concerning the agricultural inputs, cooperatives were potential providers of improved seeds, fertilizers and agricultural equipment. And they could play crucial roles in the enhancement of social cohesions. Cooperatives played a number of roles amongst the members. Among the members, cooperatives were perceived that being member of the agricultural cooperatives enhanced social cohesion, improved the household's economy, enabled to learn members of the family, and enabled to pay health payments and used to reduce unemployment among the HHS.

Cooperatives faced a number of challenges while providing agricultural inputs. Lack of commitment was the major challenge happened to the cooperatives while providing agricultural inputs. Auditing and accounting documents, mischaracterization of the management's interests, weak relationship and coordination within and between government and none government organization working on

cooperative cooperatives were other challenges of the cooperatives. On the other hand, there were opportunities available for the enhancement of cooperatives. Among others the focus of the government on food security and self-sufficiency is the case in point.

4.2. Recommendations

The following recommendations are providing:

- Cooperatives ought to have commitments while carrying out their activities;
- Auditing their works is essential. Therefore, there should be periodic and consistent audit
- Managing members' personal interests should be restrained and
- There had better be strong and consistent relationship and coordination between government and non-government organizations working on cooperative cooperatives.

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Effects of Communication between Nurses and Patients in the Hospital Performance at Minilik II Hospital

Selam Tekalign

Abstract

This study investigated the effects of communication between nurses and patients in the hospital performance at Minilik II Hospital with a particular emphasis to Surgical Department/Ward. The success of medical practitioners in health centers was dependent largely on the communication skills with their clients. The researcher believes that there were problems related to communication. The objective of this research was to find out the effects of health practitioners' communication with clients on the hospital performance and to identify methods in order to improve health practitioners' communication with clients in the hospital. The research design that was used for this study was descriptive method, and it enabled to describe and analyze the effects of health practitioners' communication on the hospital performance and to identify variables which were related to communication in the case of Minilik II Hospital. To determine the sample, the researcher used convenience sampling technique for it was available for observation and willingness to participate in the research. 50 clients filled out the questionnaires and five nurses were interviewed. Both primary and secondary data were collected. Based on the, analyses and interpretations, the findings indicate there were good interactions and effective communications had positive impact on the service given in the hospital. In light of it, the hospital is expected to display positive communication skills to bring the patients at ease and get them safe. Communication, however, was susceptible to some barriers. Nurses in the hospital displayed good skills to treat patients in spite of the fact that there were some challenges like workload. As recommendation, the hospital should increase nurses' commitments, interpersonal skills and communication skills through training and educational development in the ward. Moreover,, the hospital should give awareness to the care takers regarding how to communicate with nurses to get their helps.

Key words: Clients Patients, Care takers, Nurses, Health practitioners, Patient center, Autonomy

1. INTRODUCTION

1.1 Background of the Study

The success of medical practitioners in health centers depends largely on the communication skills with their clients. Communication, the transfer of information by exchanging verbal and non-verbal messages (Chichirez, 2018) and as a key element in providing high-quality health care services, leads to patients' satisfactions and health.

Good communication has become increasingly reported as a key component in better nursing care outcomes as it is a multidimensional, dynamic, and complex process that takes place in the hospital or related places (Ammentorp, 2007). Nurses in hospitals need to enhance their skills in communication to improve patient satisfaction. Despite the aforementioned, barrier like cultural and language, cripples in interactions as the nursing profession has its nomenclature that nonmedical persons may not be able to understand (Okougha, 2010) because of lack of knowledge, nurse's discomfort, and environmental factors. Failure to recognize the two-way communication capability quite often leads to negative conclusions and attitudes. This has been displayed in different health centers.

In Ethiopia, a study conducted in Jimma University hospital (Melkamu, 2020) that assessed predictors of communication by patients' point of view showed that therapeutic communication was poorly implemented. This is because the communication of patients can be determined by the communication capacity of nurses. Ultimately, poor communication between nurses and patients increase mortality, morbidity, long hospital stay, increasing health care costs, and minimize clients' attraction towards health institutions. Therefore the purpose of this study was to assess the level of the nurse to patient communications and perceived barriers at Minilik II Hospital. In addition, nurses' experiences on the nurse to patient communication barriers were explored.

1.2 Background of the Organization

The first hospital in Ethiopia, Minilik II Hospital, was established in 1909 and staffed by Russian health personnel. Gradually, the hospital has been providing different services like Orthopedic and trauma surgery, Ear, Nose, Throat and Head surgery, and Dental and Maxillofacial surgery. In addition, it has Health Science College as the education wing.

1.3. Statement of the Problem

Effective communications in health center go a long way towards ensuring patients' feelings appreciated. To ensure a good healthcare encounter, there must be sufficient time for communication, enough resources and opportunities for patients and professionals to create a meaningful relationship, regardless of the duration of the encounter (Haran, 2021 and Johnson, 2004). From the patient's perspective, a meaningful relationship is often described as individualized attention focusing on his or her needs (Kadam, 2018) that allows him or her to be involved in the decision-making process. A good and meaningful relationship, from the patient's perspective, is characterized by gratitude and trust (Kwame, 2021).

So, effective communication for any one is an engine to the job where he/she is assigned. Hence, the researcher was interested in studying on this area since the success or failure of a given hospital depended on the active participation and performance of health practitioners who addressed the clients in a proper manner. Moreover, the researcher believed that there were problems related to communications which need investigation through conducting this research. Some of the problems were only focusing on health practitioners' way of communications to their patients. Therefore, the researcher identified some inappropriate communications among nurses and patients. The researcher tried to assess the effects of communication on the hospital performance in the case of Minilik II Hospital.

1.4 Research Question

- What methods did the hospital use to improve health practitioners' communications to the clients?

- What types of impact did the health practitioners' communications impose on performance?

- What were the problems related to health practitioners' communications to clients in the hospital?

1.5 Objectives of the Study

1.5.1 General Objective

The general objective of this research was to find out the effects of health practitioners' communications to clients on the hospital performance.

1.5.2 Specific Objective

The specific objectives of this study were to:

- identify the methods that were employed to improve the health practitioners' communications to the clients in the hospital,

- examine the impacts on the health practitioners' communications to the clients in the hospital and

- Single out the problems related to the health practitioners' communications to the clients in the hospital.

1.6 Significance of the Study

The study focused on the effects of nurses' communications to the clients in the hospital performance at Minilik II Hospital. The study enabled the organization to know their strength and weakness and then to follow the way to improve the health practitioners' communications to their patients in the hospital in an understandable way. The study also provided relevant information to different levels of management and workers to understand the importance of communication factors on performance.

Eventually, it created awareness to minimize problems related to health practitioners' communication in the hospital.

1.7 Scope of the Study

The scope of this study was limited to the effects of the nurses' communication to the clients in the hospital in the case of Minilik II Hospital. Since the effects of all factors on communications were unmanageable, the researcher tried to limit the factors to the following verbal communication, nonverbal communication, trust and compassion, language, cultural awareness and physical barriers in the ward. The study was also limited to Surgical Department/Ward in the hospital due to limited knowledge and resources that the researcher had.

1.8 Research Design and Methodology

1.8.1 Research Design

The research design that was used for this study was descriptive, and this enabled the researcher to describe and analyze the effects of health practitioners' communications on the performance of the hospital and to identify variables which were related to communication in the case of Minillik II Hospital.

1.8.2 Sampling Technique and Sample Size

To determine the sample, the researcher used convenience sampling technique as testing the entire community is practically impossible due to resources and time. The total population of the patients in the surgical wards was 75. From the total population, the researcher took a sample size by using convenience technique for its availability and willingness to participate in the research. Five nurses were participated in the interview.

1.8.3 Types and Sources of Data

Both primary and secondary data were collected. The primary sources of data were: health practitioners, caretakers and management bodies (head nurses) of the hospital. Secondary sources were: published books, internet (web page) and magazines of the organization.

1.8.4 Data Collection Method

Both primary and secondary data were used in the study. The primary data were collected using self-administers questionnaire for patients and their care takers. Interview was conducted with five nurses. Secondary data were collected from organizational record and sources written about communication in hospital.

1.8.5 Method of Data Analysis

In order to arrange the gaps which were made by the respondents while responding to questionnaires, a kind of adjustment was taken place through: Coding, categorizing and recording the data in a convenient way. Analyses of data depended on the information gathered from different sources. Tables were used for presentation of data, and interpretation was made under each table through descriptive

method due to qualitative nature of the data. The five scale parameters in the tables were reduced into three (agree, neutral and disagree) in the analyses based on the analyses and interpretations, the researcher made conclusion and recommendations.

1.9. Limitations and Delimitations of the Study

- Some respondents were not willing to give the information about their work conditions during the primary data collection.

- Shortage of time for gathering all the necessary data from the organization.

Regarding delimitation, the hospital had many health practitioners in different departments/wards, such as surgery, clinical, medical, pediatrics, and emergency departments, and out-patient sections. Since the researcher accessed in the surgical department, the study focused only on the relation of nurse-patient, in this department. The study was concerned with external communication in which the relationship with staff or other health workers did not consider. It is only nurses with patients' care takers in surgical department.

2. REVIEW OF RELATED LITERATURE

2.1 Theoretical Review

Any act by which one person gives to or receives from another person, the information about that person's needs, desires, perceptions, knowledge, or affective states communication. Communication may be intentional or unintentional (Badarudeen, 2010); it takes linguistic or non-linguistic forms. In fact, communication is more concerned with a dual listening process. For communication to be effective, the message must mean the same thing to both the sender and the receiver and has feedback to consolidate the intention.

There are two types of communication in an organization: internal, within institute, informal in various forms to workers, and external communication, with people like patients (Haran, 2021). Nurses, for example, communicate to sources outside the organization, such as patients, care takers and their families. It leads to a better public credibility, operational efficiency and improve overall performance and hospital's image.

Since the time of Florence Nightingale in the 19th century until today, specialists and nurses have paid a great deal of attention to communication and interaction in nursing (Fleiscer and Behrens 009). Effective communication is an important aspect of patient care, which improves nurse-patient relationship and has a profound effect on the patient's perceptions of health care quality and treatment outcomes (Li and Hegney, 2012). Moreover, they can increase patient satisfaction, acceptance, compliance, and cooperation with the medical team, and improve physiological status of the patient (Mohammadi and Varvani, 2009).

2.1.2. Effective Communication Skills for Nurses

To compose effective messages, certain communication principles should be applied. These principles being completeness, conciseness ties in closely with the basic concepts of the communication processes. They provide guidelines for choice of content and style of presentation-adopted to the purpose and receiver of your message. (Kadem, 2018)

For nurses, good communication in healthcare means approaching every patient interaction with the intention to understand the patient's concerns, experiences, and opinions. This includes using verbal and nonverbal communication skills, along with active listening and patient teach-back techniques.

Excellent verbal communication is a key factor in health services provider's environment. Practitioners should aim to always speak with clarity, accuracy, and honesty. It's also important to speak appropriately according to the person's age, culture, and level of health literacy. They should be aware of their tone of voice and their nonverbal communication such as facial expressions, and eye contact, don't let these emotions leak into patients' interaction. Written communication skills are also essential for effective nurse-to-nurse communication as they are responsible for creating and updating the patient's medical record (Heaven, 2006).

In addition, it's important to get to know the person behind the patient. the patient- centered relationships are critical in helping patients feel safe and comfortable. Creating meaningful connections with patients can improve outcomes and trust.

Cultural Awareness and Patient Education

Studies show that compassion can assist in prompting fast recovery from acute illness, enhancing the management of chronic illness, and relieving anxiety if and only if it is supported by cultural awareness. The patient's family education is also a plus.

Teaching patients and their care takers is an effective communication strategy where providers ask patients to repeat the information back to them. This method improves patient understanding and encourages adherence to care instructions. (Johnson, 2004)

Without confirmation of the patient's understanding of healthcare matters, there is no guarantee that patients will be able to perform the complicated demands that the healthcare system expects of them (Rejeh,2020). Self-maintenance and preventative tasks should be simplified within the patient's lifestyle.

Communication Barriers in Nursing

Sometimes the message sent is not always received the way it was desired. Communication barriers in nursing result in weak patient-nurse interactions and relationships. To overcome these, we must first understand the types of communication barriers that nurses regularly face. (Dawney, 2019). The environment in which you communicate with a patient can make a huge difference in effective communication. Busy, loud, and distracting settings can increase patient stress.

Social barriers include differences in language, religion, culture, age, and customs. Understanding each patient's cultural background can help nurses avoid prejudice and communicate clearly. Your communication strategies depending on the patient's age, as they will have very different ideas of what health and healthcare mean to them. For many patients, a trip to the doctor is anxiety-inducing. Anxiety and stress are psychological barriers, as are dementia and other cognitive conditions. Such psychosocial care has been proven to improve patient health outcomes and quality of life. Nurses may also need to overcome their own psychological barriers. Speaking to patients and family members about death, disease, and other sensitive topics can be distressing as (Anoosheh, 2009) explored nurses' feelings of anxiety.

Similarly, if an individual feels upset or angry, they may not want to communicate with you or may struggle to communicate without letting their emotions take over (Park E.K., 2005). Additionally, as to Thirstiness (2022), during the COVID-19 pandemic, the requirement for PPE, such as face coverings were made, especially it was difficult for some people to communicate -for example, if they were deaf and relied on lip reading.

2.1.3. The Role of Communication in Health and Social Care

The role of communication in health and social care is an incredibly important one. The nature of health and social care environments means that you will be interacting with multiple people on a daily basis, and it's essential that you are able to communicate effectively with them (Bridge,2013).

Finally, developing good communication skills is essential if health and social care workers are to develop other skills. For example, you would be unable to offer person-centered care if you do not communicate well with the individual in your care and understand their needs and preferences. Similarly, you need to be able to communicate well with individuals in order to uphold their privacy and dignity and promote their independence. Being able to communicate well helps you to carry out your role effectively. It is central to finding out service users' needs and wishes, delivering high-quality care, and building good relationships with service users, any visitors and your colleagues.

Communication, in general, aims at developing knowledge about interactional processes and communicative behavior. The discipline focuses on contacts and bonds between people, both in private and public contexts, and both face-to-face and mediated through various communication technologies (Ammentorp, 2007). Communication enables an individual to express ideas, thoughts and feelings effectively in writing and in speech.

2.2. Empirical Review

According to some previous researchers, it was seen that the factors affecting the employees' different health centers in a negative way were: social barriers and job dissatisfactions, limited cultural knowledge, lack of trust, etc. Moreover, with the pace of time, several other factors revealed the negatively affected employees' communication and performance. On the other hand, other researchers attempted to determine the factors that displayed nurses in positive way and as a result of these researches, too many factors have been found (Thorsteinsson, 2002). A study of nurses conducted by Mendes (1999) yielded the following ranked order of motivational factors: (a) interesting work, (b)

full appreciation of work done, and (c) feeling of being in on things. Another study of health practitioners conducted by Dei Pino (2013) yielded the following ranked order of communicational factors: (a) nonverbal, (b) verbal, and (c) cultural factors. Research conducted by McCabe (2004) used a descriptive survey of health workers, rank-ordered the communicational factors affecting work correlation with patients as: (a) nonverbal, (b) trust and compassion, and (c) verbal communication. Technological developments were also seen to be effective to determine the ranked factors that affected the working staff communication. Job satisfaction, language with clients and psychological concern were also considered as major factors in effective communications.

2.3. Conceptual Framework

The model below illustrates some of communication hurdles which affect the health practitioners' work performance. These factors formed the independent variables of the study and were manipulated to positively or negatively affect the dependent variable, which indicates the relationship between nurses and patients. These independent variables were covered in the given literature review.
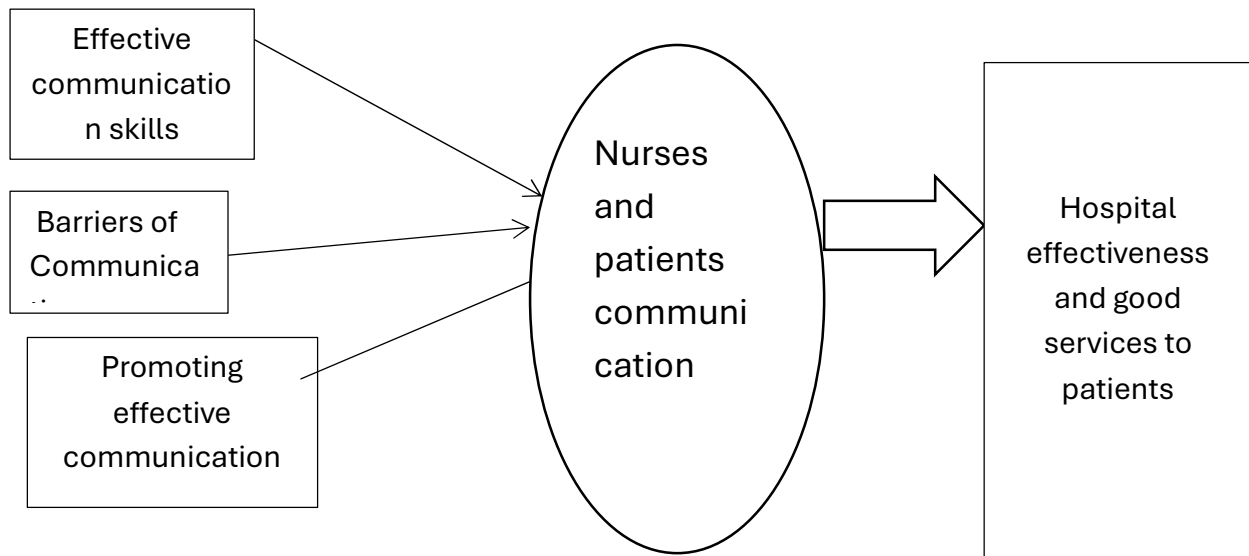
Figure: Research Conceptual Framework; (*Source: Developed by the researcher (2022)*

Thus, the conceptual framework represents the relationship of characteristics that were needed to be studied. In social perspective, the interpersonal skills, including the ability to share leadership and responsibility needed to display communication skills well. Working cooperatively and geting along with co-workers was vital. It is recommendable to make employers seek graduates who could work on task forces and self-managed task teams, but were also capable of initiating ideas and pursuing a responsible task independently.

3. Data Analyses, Interpretations and Presentations

This section is concerned with the analyses and interpretations of the data that were gathered through questionnaire and interview. A total of 50 questionnaires were administered to 50 clients/ patient

caretakers, of which 43 were properly filled out and returned the questionnaires by giving a response rate of 86%. It is, therefore, based on the returned 43 questionnaires that the data were analyzed and interpreted. The findings of the analyses are presented in the form of tables, figures and text explanations in this chapter.

3.1 General Characteristics of the Respondents

For the sake of understanding the general characteristics of the respondents, an attempt was made to gather information about their general background. 11(26%) of the respondents were male and the majority 32(74%) were female. This shows that there is small percentage of male as care taker in the hospital than their female counterparts. It is evident that in our country, Ethiopia, females have better care takers and compassionate than males as in the case in many hospitals where there are females towards such caring and treatments appealing in social, cultural attitudes.

Secondly, 3(7%) of the respondents were found being below the age of 25. Similarly, the number of care takers between the age of 26- 35 was 13(30%) and those with the range of 36-45 make up 24(56%) of the respondents. Only 3 (7%) of the respondents were found being above the age of 46. Based on the above information, it is possible to say that the majority of the care takers in the hospital are middle age and take their responsibility effectively. They really exerted their energy to help patients. But those who are found in the age group 25 and below are largely dominated by their personal emotion and lack patience. The older group above 46 is cool in their living condition and not fast to help the patient. Therefore, the care takers in the hospital are dominated by middle person who may communicate well and help the patient.

Relating to their stay in the hospital, 12 (28 %) were below three days in the hospital, so they have few experience of communicating with nurses. 18 (42 %) had 4-7 days of staying experience in the hospital, another 3 (7 %) of the respondents reported that they stay ranging between 11 and 15 days. Thus, care takers had enough time to experience communication and saw the nurses' interpersonal skills where they were supporting patients in the ward.

Educational status of the care takers was important as there had to be understanding and successfully achieving the goal to help the patients. As it is indicated in the above table, 2(5%) were illiterate and 8(17%) of the care takers are from primary school. These groups can help the patient in some way related with other aspects instead of communicating with the nurses regarding the treatment. Others 14 (33%) are secondary school. This group usually indicates youngsters who are improving knowledge and experience. The rest 17(40%) and 2(5%) had first and second degree respectively. It is possible to say that they could help the patients using their education and experience. . Based on the data, the majorities of care takers had good educational statuses, to accept and solve challenges. As a result, the patients could get proper treatment and relief.

Marriage is another element of demographic variables. As it is indicated on the above table, 27(63%) and 15(35%) of the care takers were married and single/unmarried, respectively. From this we can conclude that most of them in the hospital were married. This indicates that the care takers were more

responsible and had affiliation with the patients. They had good socio-cultural relationship so that nurses in the hospital got more advantageous to achieve the goals.

To sum up, the bio data of the care takers indicate the level of communications between the nurse-client relationships in the ward was positive and this, in turn, helped the patients to be treated appropriately.

3.1. Communication Skill Practices of the Hospital

Table 3. 1 Responses on effective communication skills in the Hospital

Item	Response	Number of Respondents	Percentage (%)
There are effective communication skills in the ward	Yes	33	77
	No	10	23
Total		**43**	**100**
If you said 'Yes' to the above question, which types of communication displayed?	Verbal	14	45
	Non-verbal	17	55
Total		**43**	**100**

Source: Administered questionnaire (2022)

This part tried to assess whether or not there were effective communication skills in the ward and what their type   was if there was. Accordingly, the respondents were asked about the presence and types of communication skills in the hospital. It was, then, learnt from their responses that 33 (77%) of the respondents said that there was effective practice of communication in the nurse-patient interaction. Contrary to this, 10 (23%) of the respondents said that there were no effective practices in the ward. This indicates that there were communication skills in the ward in effective way. It was a good practice as three-fourth of them replied. In addition, 17(55%) of them said there were non-verbal communication practices in the ward and the rest 14(45%) said there were verbal communications in their relationship with nurses. Consequently, the patients were beneficial to be better treated. This is, in fact, found to be similar with the responses of the interviewed nurses of the hospital. For the question that the nurses were asked about the presence of effectiveness regarding communication skills, they replied that there were practices that the hospital applied to help its clients and mentioned that they were well aware in a way that patients understood them.

3.2. Staying in Hospital

Table 3.2: Responses on staying at the hospital

Item	Response	Number of Respondents	Percentage (%)
Do you think you would be happy on your stay in the hospital?	Yes	23	54
	No	20	46
Total		**43**	**100**
If you said 'Yes' for the above question, what is your reason?	I get help from nurses	14	61
	I like nurses' approach	9	39

Total		23	100
If you said 'No' for the above question, what is your reason?	The ward is not good	10	50
	Hospital environment is not comfortable	10	50
Total		20	100

Source: Administered questionnaire (2022)

Another issue that was addressed in this research was whether or not the respondents w happy during their stay at the hospital. In this regard, out of the total participants, 23(54%) said "Yes" that they were happy during their stay at the hospital. This indicates that most of the care takers believed they had good communications to nurses as 61% of the patients said the nurses were helpful and the patients got treatment effectively. . On the other hand, 20 (46%) of the respondents said that they were unhappy being in hospital because the hospital, the ward and its environment were not good and comfortable. Hence, the hospital is expected to try to fix the problems by making the nurses get awareness about the maintenance of the patients. **3.3.**

Interpersonal Skills

Table 3. 3: Responses about the nurses' interpersonal skills

Item	Response	Number of Respondents	Percentage (%)
Nurses interpersonal skills are good	Strongly agree	10	23
	Agree	19	44
	Neutral	8	17
	Disagree	6	14
	Strongly disagree	-	-
Total		43	100

Source: Administered questionnaire (2022)

Another attempt that was made in this study was to assess whether or not the nurses interpersonal skills were good. In this regard, the participants were asked to indicate their level of agreement for the question and it was, thus, found out that 29 (67%) of the respondents showed their strongly agreement and agreement to the nature of the interpersonal skills nurses acquired in the ward. This means nurse-patient relationship was very good in the hospital. This could indicate the communication facilitates used for treatment were in smooth and good manner. The other respondents, 8 (17%) of them replied that they undecided whether or not there was good interpersonal skills from the nurses side. It seemed they were in doubt about such skills. The rest, however, 6 (14%) said there was no good skills from the nurse side. From this, we can conclude that most of the care takers were satisfied with the nurses interpersonal skills so that the patients were beneficial from this in treatment.

3.4. Body Language

Table 3. 4: Responses about the nurses' body language

Item	Response	Number of Respondents	Percentage (%)
Nurses display positive body language	Strongly agree	4	9
	Agree	19	44
	Neutral	16	38
	Disagree	4	9
	Strongly disagree	-	-
Total		43	100
If you strongly/agree with the above statement, what are they?	Smile	9	39
	Patting	3	13
	Nodding	11	48
Total		23	100

Source: Administered questionnaire (2022)

With the intention of identifying whether or not the nurses displayed positive body languages in the ward, the participants were asked there level of agreement. Accordingly, it was learnt that the majority of the respondents strongly agree/ agree with the statement as reported by 23 (53%) of care takers. Contrary to this, 4 (9%) of them showed their disagreement with the point. Many of the respondents, i.e. 16 (38%) preferred to remain neutral on the issue. From this, we can deduce that there was positive body language with nurses in the ward in spite of the fact that some kept silent, probably fearing to reflect on it. From this we can conclude that there is good body language like smile displayed in the nurse-patient communication.

3.5. Written Communication

Table 3.5: Response on the rapport written by the nurses

Item	Response	Number of Respondents	Percentage (%)
The rapport written by nurses is readable	Strongly agree	-	-
	Agree	14	33
	Neutral	8	19
	Disagree	17	39
	Strongly disagree	4	9
Total		43	100

Source: Administered questionnaire (2022)

Regarding the written information from nurses as a rapport to client, the respondents were asked to show their level of agreement for a question. Thus, it was found from the responses that 14 (33%) of the respondents read the information. Thus, it was legible to comprehend and act accordingly. This

was in conformity with the responses of the interviewees who reported that they wrote clearly the message to ensure that care takers had the highest possible understanding regarding the treatment. Contrary to this, 21(48%) of the respondents showed that their strongly disagreement/ disagreement to the question. From this, it is possible to conclude that almost half of the respondents were not confident enough to rapport written to them. Hence, it could be challenging to deliver proper service to the patient. In this regard, the hospital should consider addressing the issue so as to make care takers confident about written communication while staying at the hospital.

3.6. Physical Barriers

Table 3.6: Responses about the physical barriers in the ward

Item	Response	No of Respond	(%)
There are physical barriers in the ward	Strongly agree	1	2
	Agree	19	44
	Neutral	9	21
	Disagree	12	28
	Strongly disagree	2	5
Total		43	100
If you strongly/agree of agree with the above item, what is/are the barrier/s?	There is sound from outside of the ward.	3	15
	Patients' relatives loudly talks.	7	35
	Patients' agony because of the pain.	4	20
	Smell like medicine, tablet.	6	30
Total		20	100

Source: Administered questionnaire (2022)

The participants of the study were asked to indicate their level of agreement to a question regarding the communication barriers whether or not they were existed in the ward. It was, thus, learnt from the above table that among the total respondents, 20(46%) of them indicated their strongly agreement/ agreement to the statement and said that they were not comfortable with impediment in the ward. Contrary to this, while 9(21%) of them preferred being neutral, 14 (33%) of the respondents showed their strongly disagreement/ disagreement to the question. This indicates that 33% of the respondents were satisfied with the presence of quiet situation in the ward, which was, in fact, a promise to the ward so that patients became beneficial from clear environment with no obstacles in the room. This was found to be in line with what the interviewed nurses said. They said that, although there were few obstacles that affected communication, many of the time, the wards were free from barriers for the sake of patients' treatment. When asked, it was responded that the sound came from outside and patients' family and this accounted 10 (50%) of the causes as a barrier. The rest 50% of the problems were related to the patients' pain and r treatments like odors from medicine. This also shared by nurses as they mentioned not significant. This became a great challenge to the ward as it could adversely affect the endeavors of the nurses towards providing effective treatment.

3.7. Compassionate to Patients

Table 3.7: Responses about the nurses' compassionate to the patients

Item	Response	Number of Respondents	Percentage (%)
Nurses show compassionate/ kindhearted to patients.	Strongly agree	6	14
	Agree	19	44
	Neutral	12	28
	Disagree	6	14
	Strongly disagree	-	-
Total		43	100

Source: Administered questionnaire (2022)

Another area that was assessed in this study was the impact of the nurses' affection to clients during their stay in the environment. In this regard, the participants of the study were asked to indicate their level of agreement for a statement that asked the nurses being compassionate to their clients.. From the table presented above, it was discovered that 25 (59%) care takers strongly agreed/ agreed that the nurses showed positive compassion that impacted to their clients. 12(28%) of the respondents were neutral. Contrary to this, 6 (14%) of the respondents showed their disagreement to the statement. They considered the nurses as if they did not have affections to their patients. From this, it is possible to conclude that many of the participants believed that the nurses' feelings to the patients were at the desired level to communicate and treat the patients. However, it is advised that the hospital has to consider the case seriously since some numbers of the respondents were not comfortable with.

3.8. Nurses' Workload

Table 3.8: Responses on the nurses' workload in hospital

Item	Response	Number of Respondents	Percentage (%)
Clients/ caretakers understand the burden nurses have in the hospital	Strongly agree	2	5
	Agree	10	23
	Neutral	13	30
	Disagree	14	33
	Strongly disagree	4	9
Total		43	100

Source: Administered questionnaire (2022)

The respondents were asked to indicate their level of agreement on whether or not care takers understood the burden that the nurses had. In this regard, 12(28%) of care takers indicated about their strongly agreement/ agreement for the statement, i.e. the caretakers understood the burden that the nurses had in the hospital. On the other hand, 13(30%) of the respondents were neutral to the statement. Thus, it's likely that they were not aware of the nurses' duties and responsibilities. Based on the above

data, it is possible to conclude that the majority of the respondents 18 (42%) did not believe the nurses were busy in the hospital. It indicates these nurses did not have workload so that they had to be by the side of the ward; otherwise, their duties to deliver services to the hospital might be affected at their best level of performance. So, the hospital had to improve the procedures regarding the workload of the nurses.

3.9. Language and Cultural Differences

Table 3.9: Responses of the nurses' language usage and awareness of cultural differences

Item	Response	Number of Respondents	Percentage (%)
Nurses use proper language/ familiar dialect in the ward	Strongly agree	6	14
	Agree	25	58
	Neutral	8	18
	Disagree	4	10
	Strongly disagree	-	-
Total		43	100
Nurses understand cultural differences	Strongly agree	4	9
	Agree	19	44
	Neutral	12	28
	Disagree	8	19
	Strongly disagree	-	-
Total		43	100

Source: Administered questionnaire (2022)

The presence of proper language or dialects in speech by the nurses was asked to the care takers' understanding to support the patient. The participants of this study were asked to indicate their level of agreement to a statement that states as "proper language and dialects usage in the ward by nurses". As it can be clearly seen from the above table, the majority of the respondents, 31(72%) of them showed their strongly agreement/ agreement and 4 (10%) showed disagreement to the statement. Contrary to this, 8 (18%) remained neutral. Hence, it's possible to say that the nurses were aware of their language during communication with the care takers as it's important to the patients' effective treatment. In a situation where there was cultural differences in the ward, again many respondents 23 (53%) strongly agreed/agreed that the nurses understood the cultural difference in the ward. However, 12 (28%) were neutral and 8 (19%) disagreed and said that there was cultural differences, so it seemed there was a challenge regarding communication. Though many agreed, the hospital was expected to work towards this to reduce the cultural difference in the nurse- client relationship as it had a great impact on the patients' treatment.

3.10. Communicating Health Status

Table 3. 10: Responses about informing the health status of the patients

Item	Response	Number of Respondents	Percentage (%)
Nurses inform the patient his/ her health status regularly	Strongly agree	6	14
	Agree	21	49
	Neutral	6	14
	Disagree	10	23
	Strongly disagree	-	-
Total		43	100

Source: Administered questionnaire (2022)

Informing the care takers regarding the health status of the patients is one of the factors that affected the nurse-patient communications. In this regard, the participants were asked whether or not the nurses regularly informed the patients' status. It was, thus, learnt from the responses of the participants that 27 (63%) of them strongly agreed/agreed to it. This was in conformity with what those who were interviewed. They replied that although some care takers did not understand the health status explanation, many of them comprehended and took care of the patients accordingly. 6 (14%) of the respondents were neutral contrary to the point. 10 (23%) of the respondents reflected their disagreement on the issue. Thus, it is possible to say that the nurses knew the importance of having regular information to the benefits of the patient.

3.11. Calling for Emergency

Table 3. 11: Responses about the nurses when they were called from their office

Item	Response	Number of Respondents	Percentage (%)
Nurses respond well when they are called from their office.	Strongly agree	4	9
	Agree	12	28
	Neutral	13	30
	Disagree	12	28
	Strongly disagree	2	5
Total		43	100

Source: Administered questionnaire (2022)

Regarding whether or not the nurses responded to the care takers when they were called from their office, the above table showed that 16 (37%) of the respondents strongly agreed/agreed on the fact that the nurses gave immediate responses to the patients. While 13 (30%) of them were neutral, the rest 14 (33%) strongly disagreed/disagreed to the point the nurses responded to the call. This is somehow contradicted with the interviewees who entirely said that they provided immediate responses. This

indicates that the hospital had to revisit the way the responses were provided to the needy as the immediate responses had too much value to the patients' treatment.

3.12. Explaining the Patients' Problems to the Nurses

Table 3. 12: Responses about the explanation

Item	Response	Number of Respondents	Percentage (%)
You explain well the patients' problem	Yes	39	91
	No	4	9
Total		43	100

Source: Administered questionnaire (2022)

Cognizant to the fact that explaining well the patients' problem to the nurses had impact on the communication; the above table indicated the respondents' level of agreement towards the issue. In this regard, 39 (91%) responded they explained well the challenges to the nurses. It indicates the care takers knew why they were in the ward in which they addressed the patients' problem to the nurses. Only 4 (9%) said that they did not explain the problem to the nurses. This might be due to the care takers' level of understanding or due to the patients who were unable to explain his/ her problem well.

4. SUMMARY, CONCLUSION AND RECOMMENDATIONs

4.1 Summary

This study attempted to examine the effects of communication between the nurse-patient interactions during service delivery in the hospital. Hence, the major findings of this study were summarized and presented as follows. This study tried to identify the social background of the respondents. Accordingly, the majority (74%) of the caretakers' respondents were female. When we saw the age composition of the respondents, the majority (56%) of them was between 36-45 years, i.e. they were at their energetic and calm age to shoulder responsibility. Regarding their stay at the hospital, 42% of the respondents were there from 4 to 7 days and their educational level of the sample respondents (40%) had first degree. When we evaluated the employees marital status, (63%) of the care takers were married so that they were responsible to the task given to them.

Regarding communication matter, the majority of the respondents (77%) said that there was effective communication in the nurse-patient interaction. In addition, 17(55%) of them said their non-verbal communication practice in the ward was more effective. As they believed that they got help from nurses, and the majority of the respondents (54%) said they were happy at their stay in the hospital since (67%) showed their agreement to the nature of the interpersonal skills that the nurses acquired in the ward.

The positive body languages like smile on the nurses' faces while treating the patients took 53% of the respondents. Contrary to this, many (48%) of the respondents showed their disagreement whereas

46%) of the respondents indicated the existence of physical barriers in the ward. Almost half of the respondents were not confident enough to rapport written to them by the nurses.

Majority of the respondents (68%) of them said that they agreed that the nurses created awareness regarding the values of taking treatment. In addition, 72%of them showed their agreement on the nurses using proper language/ familiar dialects in the ward. Many respondents (53%) believed that nurses understood the cultural differences in the ward.

The majority of the respondents (77%) said that the nurses listen to the patients' problem during their stay at the ward. (63%) of the respondents said the nurses informed the patients' status regularly. This is in conformity with the responses of those who were interviewed.

16 (37%) of the respondents said the nurses gave immediate responses to the patients; on the other hand, (33%) disagreed with the points. This in somehow contradicted with the interviewees who had entirely said they provided immediate response.

Finally, it was noted that the nurses' explanation to the patients was positive. The majority of respondents (84%) gave attention to the explanation given by the nurses, and 91% of the respondents answered l the challenges that the nurses confronted at the ward.

4.2. Conclusion

The researcher finally came up with the following conclusions based on the findings regarding the nurse-patient interaction and nurses' performance to treat patients at Minilik II Hospital.

> Effective communication had positive impact in the services given in the hospital. In light of this, the hospital was expected to display positive communication skills to bring the patient at ease.

- Relating to the aforementioned point, there were basic communication principles like clarity, completeness, courtesy and consideration which were vital in the health sectors, i.e. Nurses-patient relations to bring treatment to its objectives. Moreover, the nurses displayed effective communication in the hospital. The majority of the nurses for example listened to their clients and showed compassionate in which they displayed their communication skills. Any communication, however, was susceptible to some problems of communication barriers. Some care takers were not comfortable with the immediate responses of the nurses when they were called from the office. In addition, they showed their frowning face when communicated. Their written rapport was a challenge to understand. Furthermore, sounds in the ward did not give comfort to stay at the hospital. Eventually, the nurses' work load, though it was not recognized by some caretakers, was the challenge in their communications as it affected their time to patients and led them to be tiered and emotional.

To sum up, as the care givers bio data varied, their interest in the ward differed. Communication was vital in the hospital as it was a means to send the intended message and received feedback to the benefit of the patients. The nurses in the hospital displayed good skills to treat the patients in spite of the fact that there were some challenges.

4.3. Recommendations

Based on the problems identified from the sample respondents in the hospital ward, the following recommendations are suggested for improving the hospital's performance by using effective communication.

- The hospital should increase the nurses' commitment through motivating them to level up their interpersonal skills.

- Nurses should be motivated through training and educational development to improve their communication skills in the ward.

- The hospital should assign more nurses in order to reduce the burden they had more time to visit wards when they are needed by the care takers.

- Hospital should give awareness to the care takers regarding how to address with the nurses to get their help.

- Since dissatisfaction of care takers may emerge from cultural differences, the hospital should give due attention to this element in order to give proper treatment.

- As much as possible, Wards should be free from physical barriers; thus, the hospital should give due attention to reduce it.

- The hospital environment should be friendly in a way that patients could be happy during their stay there so that it should be favorable to the interest of the patient.

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An Assessment of Management Information System Practices: The Case of St. Mary's University

Kidist Shimels

Abstract

This study was aimed to assess the management information system practice at the main campus of St. Mary's University. The statement of the problem was a research gap regarding the interplay between network interruptions and Management Information System utilization. The significance of the Management Information System was to enhance the efficient and effective collection and storage of data concerning an organization's financial activities, including getting the transaction data from the source documents, recording the transactions in journals, and posting data from journals to ledgers. And supply information that was useful for making decisions. The researcher used primary and secondary data as an input in this research paper. Primary data were collected through close-ended questionnaire whereas the secondary-data were collected by reviewing documents and web sites. Both descriptive and stratified sampling techniques had been applied. The collected data were processed, analyzed, and interpreted through tables and percentages. The specific objective of this study was to: identify the cause of network interruptions, know how the outright purchase of Management Information System made them dependent, assess in what way the Management Information System provided additional value to the University. Based on the findings of the study, the researcher concluded that the Management Information System was very important to the University as it helped to the attainment of the University's objectives in terms of decision making. The employees' awareness about Management Information System at St. Mary's University was less known, so the University should provide them with training. In addition, the University should back up and recurrently improve the system capacity and need to deploy up-to-date the University's Management Information System.

Key Words: Management Information System, Network Interruption, Information System, St. Mary's University

CHAPTER ONE: INTRODUCTION

1.1. Background of the Study

In contemporary business environments, the adoption and effective utilization of Management Information Systems (MIS) have become imperative for organizational success and competitiveness (Laudon & Laudon, 2020). MIS encompasses the use of technology, people, and processes to support decision-making, coordination, control, analysis, and visualization in an organization (O'Brien & Marakas, 2019). As organizations increasingly rely on data-driven insights to drive strategic initiatives and operational efficiency, the importance of understanding the practice of MIS implementation and management cannot be overstated.

Recent research highlights the multifaceted nature of MIS practices, emphasizing the integration of diverse technologies such as cloud computing, big data analytics, artificial intelligence, and blockchain into organizational processes (Chen, et al., 2022; Gupta et al., 2023). Additionally, the advent of digital transformation initiatives and the proliferation of mobile technologies have reshaped the landscape of MIS implementation strategies, prompting organizations to revisit their approaches to information management (Alshamaila, et al., 2024).

Management Information Systems (MIS) play a pivotal role in higher education institutions like St. Mary University in Addis Ababa, Ethiopia, facilitating administrative processes, academic activities, and decision-making (Desta, et al., 2024). As universities worldwide strive to enhance operational efficiency, student services, and academic quality, the effective implementation and management of MIS become paramount (Alghamdi, et al., 2022).

Recent research underscores the significance of MIS in the context of higher education, emphasizing its impact on student learning outcomes, faculty productivity, and institutional performance (Alzahrani, et al., 2023; Mekonnen, et al., 2022). With the increasing digitization of educational resources and the adoption of online learning platforms, the role of MIS in supporting remote teaching, learning, and assessment has gained prominence (Tegegne, et al., 2020).

Despite the potential benefits, the implementation of MIS in higher education institutions presents challenges related to infrastructure, resource constraints, and organizational culture (Fekadu, et al., 2023). Moreover, the unique socio-economic context of Ethiopia may influence the adoption and utilization of MIS in St. Mary University, necessitating a nuanced understanding of local factors and stakeholders' perspectives.

This study aimed to address these gaps by conducting an empirical assessment of MIS practices at St. Mary's University, exploring the challenges and opportunities associated with MIS implementation. By examining the experiences of faculty, administrative staff, and students, this research sought for providing actionable insights that can inform strategic decision-making and policy formulation to enhance the effectiveness of MIS in supporting the university's mission and vision.

1.1.1. Background of the Organization

St. Mary's University (SMU) evolved from St. Mary's Language School, which started operation in 1991. Then, as a college, it was established in 1998 with campuses in Addis Ababa and Hawassa. The College had its head office in Hawassa, which moved to Addis Ababa in 1999. Showing noticeable progress through time and after the rigorous evaluation by the Ethiopian Relevance and Quality Agency, it was awarded a university status in 2013— an exclusive club of only 5 private universities among over 300 private higher learning institutions in the country. (Online source: http://official.smuc.edu.et/history-of-smu/)

Fully accredited by the national quality assurance organization, SMU has offered undergraduate and graduate programs in diverse fields of studies in the conventional and distance modes of learning. At present, it offers programs in Accounting, Computing Science, Management, Marketing Management, Tourism and Hospitality Management and Economics in the regular and extension classes at undergraduate level. In the the regular graduate programs, the School of Graduate Studies offered MBA programs in General Management, Human Resource Management, Management, Impact Entrepreneurship, Project Management, and Masters in Marketing Management, Development Economics, Computer Science, Agri-Economics, Development Management, Social Work and Quality and Productivity Management(Online Source: http://official.smuc.edu.et/history-of-smu/).

In the distance mode of learning, it offers Accounting, Management, Marketing Management, Agricultural Extension, Agricultural Economics, Cooperatives, Educational Management and Planning, Economics, and Sociology in the undergraduate program. In partnership with Indira Gandhi National Open University of India (IGNOU), it runs graduate programs in eight areas of studies in distance learning. Partnering with the Open University of Tanzania, SMU offers Masters programs in four areas. SMU has two campuses: one for undergraduate and the other for graduate programs; both of them are a walking distance from the main campuses of the African Union. Both campuses are located at the heart of the city right at the popular Mexico Square (Online Source: http://official.smuc.edu.et/history-of-smu/).

1.2. Statement of the Problem

The integration of Management Information Systems (MIS) into organizational processes faces challenges such as inadequate integration, resistance from employees, and insufficient user training and adoption (Al-Fuqaha, et al., 2015; Alhawari, et al., 2024). Additionally, data security concerns, legacy systems, and poor data quality and management pose significant obstacles to the effective utilization of MIS (Gupta, et al., 2023; Desta, et al., 2024; O'Brien & Marakas, 2019).

Network interruptions due to technical, environmental, and human factors disrupt network connectivity, communication channels, and collaborative work processes (Al-Fuqaha, et al., 2015; López, et al., 2016). These interruptions have far-reaching consequences, including financial losses, reputational damage, and hindered decision-making processes (López et al., 2016).

Organizational dependency on specific MIS vendors and software platforms limits flexibility, innovation, and interoperability with other systems (Ali, et al., 2018). Evaluating the effectiveness of

MIS in providing additional value beyond basic functionalities is crucial for optimizing organizational performance (Chen, et al., 2020).

Variations in awareness and understanding of MIS among employees and management staff hinder optimal utilization and effectiveness (Alhawari, et al., 2024). Enhancing awareness through training programs, workshops, and communication initiatives is essential to ensure that employees and management staff leverage MIS effectively to support organizational goals and objectives.

There is a research gap regarding the interplay between network interruptions and MIS utilization. Understanding how network disruptions affect the availability, reliability, and performance of MIS is crucial for evaluating their overall contribution to organizational efficiency and decision-making processes. Additionally, the study fails to investigate how organizations mitigate the dependency on MIS systems in the face of network interruptions. Bridging this research gap requires a comprehensive examination of the relationship between network interruptions and MIS utilization. This research could explore how organizations mitigate the impact of network disruptions on MIS functionality, identify strategies for enhancing the resilience of MIS systems in the face of network interruptions, and evaluate the effectiveness of contingency plans and business continuity measures in maintaining MIS operations during network downtime (Al-Fuqaha, et al., 2015; López, et al., 2016).

By addressing this research gap, organizations like St. Mary's University can gain valuable insights into optimizing MIS utilization, enhancing organizational resilience, and mitigating the impact of network interruptions on academic and administrative operations. Additionally, this research contributes to the broader understanding of the intersection between network management and information systems in organizational contexts, informing future research directions and practical strategies for addressing network-related challenges in the digital age.

1.3. Research Questions

1. How did the Management Information System (MIS) at St. Mary University practice?

2. What were the contributing factors to network interruptions at St. Mary University?

3. What were the factors affecting MIS at SMU?

1.4. Objectives of the Study

1.4.1. General Objectives

The general objective of this study was to assess the management information system practices in the case of St. Mary University.

1.4.2. Specific Objective

The specific objectives of the study were to:

➢ assess the Management Information System (MIS) practices at St. Mary University,

➢ examine the contributing factors to network interruptions at St. Mary University and

➤ Identify the factors that affect MIS on SMU.

1.5. Research Design and Methodology

1.5.1. Research Design

To provide an accurate and effective representation, the factors or variables relevant to the research question was summarized. Descriptive research design was adopted for the analysis of the data. Descriptive research design describes the characteristics of the population or phenomenon studied. This design focuses more on the "what" of the research rather than the "why" of the research (Nachmias, 2003).

To achieve the objective of this study, an effective descriptive research design was conducted to observe the management information system in St. Mary's University. Both quantitative and qualitative data were used to conduct the research.

1.5.2. Population and Sampling Technique

In this research, the researcher considered employees that were permanently working at St. Mary's University in the selected three areas. These three areas were academic staff, supportive staff and administrative staff. These areas were selected because the researcher believed that it was possible to get all needed information for the study because of continence in location for the researcher. Based on the data obtained from St Mary's University human resource office, the total population was 120, because it was impossible to include the total population in the study. The researcher selected some representative samples of the population. The sample size of the study was determined based on the following simplified formula proposed by Yamane (1997) as cited in Fisseha (2011) by considering the above size of target population:

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

Where, n is sample size, N is the population size and, e is the level of precision. A 90% confidence level and e =0.1, is measured for the purpose of determining sample size for this study. Accordingly, the sample size for the study is calculated as follow. So: N= 120

$$n = 120/1 + 120(0.1)^2$$

$$= 54.54 \approx 55$$

So, the sample size of this study was 55 staffs that were directly related to the title.

Respondents were diversified in terms of their job variety. Thus, stratified sampling technique was applied to avoid such heterogeneity of the population.

Stratified sampling technique was applied to obtain a representative sample of the population. Using this type of random sampling, the population was divided into subpopulation that was individually more homogeneous than the total population. Then, it was possible to select from each stratum to constitute a sample.

1.5.3. Data types and Sources

This study was utilized a combination of primary and secondary data to comprehensively investigate the Management Information System (MIS) practices at St. Mary's University. The incorporation of both primary and secondary data sources enabled a holistic examination of MIS practices and their impacts on organizational operations. By leveraging multiple sources of data, the study aimed to provide valuable insights and drew conclusions that contributed to the existing understanding of MIS in academic institutions. Subsequent sections detailed the contributions of both primary and secondary data sources to the research.

The research utilized primary data, which referred to the data collected directly from main sources by researchers through interviews, surveys, experiments, and other methods. In this study, the primary data were collected through questionnaires with sample respondents working in the organization. The questionnaires were designed to gather quantitative data.

1.5.4. Methods of Data Collection

To gather relevant information for analyzing the roles of MIS at St. Mary University, the researcher utilized questionnaires as data collection instruments. These methods enabled the researcher to gather comprehensive insights from the employees and stakeholders regarding their perceptions, experiences, and opinions in connection with the implementation and impacts on administrative processes within the university.

Questionnaire: The questionnaire was carefully designed to elicit specific information relevant to the research objectives. It included structured questions aimed at measuring the respondents' perceptions, opinions, and experiences related to the MIS at St. Mary's University. The questionnaire covered various aspects, such as system effectiveness, users' satisfactions, and perceived benefits.

Selection and Analyses of Secondary Data: The secondary data used in the study were selected based on their relevance and reliability. Only credible sources with reliable data were included in the analyses. It was analyzed to complement and contextualize the findings from the primary data collection. By integrating primary and secondary data, the research aimed to provide a comprehensive understanding of the management information system at St. Mary's University.

1.5.5. Data analysis Methods

The data collected through the questionnaire were analyzed using descriptive analysis techniques. This analysis involved presenting the data in tabulations and percentages. The results were described in detail to provide a comprehensive understanding of the findings from the data presentation and analysis processes. This approach allowed tor a clear and concise interpretation of the data; facilitate the identification of key patterns, trends, and insights related to the management information system at St. Mary's University.

1.6. Organization of the Study

The study is organized into four chapters, Chapter one about the introduction of the research report background of the study, statement of the problem, research questions, objectives of the study, significance of the study, the scope of the study, research methodology, limitation of the study, and organization of the study. Chapter two covers a review of the literature. Chapter three deals with data analysis and interpretation; Chapter four presents a summary of findings, conclusion, and recommendations.

CHAPTER TWO: DATA ANALYSES AND INTERPRETATIONS

2.1. Introduction

This chapter deals with the brief description of the analysis of management information system practice at St. Mary University. Data analysis and interpretation is also included in this chapter. The analysis based on data collected form documents on St. Mary University and form primary data collected by questionnaires with staff at various management and with finance department whose day-to-day activities mainly concerned with management information system and uses it directly in the management activity so that conclusion could be drawn based on the findings. Questionnaires were distributed to 55of employee's St. Mary University and all respondents have completed and submitted the questionnaires. Thus, the methods used to collect the data have enabled to get reliable information about the study area.

Table9. Demographic Characteristics of the Respondents

No.	Item	Option	No. of respondent	Percentage
1	Gender	Male	45	82 %
		Female	10	18%
		Total	**55**	**100 %**
2	Age	20-30	8	14.5%
		31-40	39	70.9%
		41-50	6	10.9
		Above 51	2	3.6%
		Total	**55**	**99.9%**
3	Educational background	Diploma	1	1.8%
		BA degree	7	12.7%
		MA degree	46	83.6%
		PHD degree	1	1.8%
		Total	**55**	**99.9%**
4	work experiences	1-3 year	11	20%
		4-7 year	38	69.1%
		8-11 year	3	5.5%
		12-15 year	2	3.6%
		Above 15	1	1.8%
		Total	**55**	**100%**

(Source: primary data, 2024)

The above table shows that from the total number of the respondents, 45 (82%) were male and the rest 10 (18%) were female respondents.

This table also shows the age of the respondents, so 8 (14.5%) of the respondents were between 20-30year, 39 (70.9%) were between 31-40 year. So, the highest percentage of the respondents was 20-30 year. This shows that most of the users of MIS in the institute were energetic employees and at the productive age group. This also indicates the adaptability and knowing of the system easily.

The educational background distributions of the respondents show that most of them had educational qualification, i.e. 46 (83.6%) were MA degree and the rest 7 (12.7%) of the respondents were BA degree. Therefore, the majority of the employees had at least the first degree and we can say that the human resource profile of the institute in terms of educational background was in a good status. These shows the respondents had high understanding about the system and could handle the questionnaire on the topic of MIS practice. As the information was reliable, it showed the quality of information.

As it can be seen, the researcher tried to cover all sections of experiences that were available in MIS practice, 11 (20%) had experiences of 1-3 years, 38(69.1%) had experiences 4-7 years, 3(5.5%) had experiences of 8-11 years, 2 (3.6%) had experiences of 12-15 years and 1(1.8%) had experience of above 15 years. Most of the respondents were above 4 year and observed to have the past trend experience of the university. This implies that the level of responsibility indicated that the questionnaires were filled out with proper answer.

Table 10. Work Positions

Position	No. of respondent	Percentage
IT Staff	1	2%
Department heads	6	12%
University administrators	1	2%
Associated register	1	2%
Financial office	1	2%
Academic staff	40	80%
Total	50	100%

(Source: primary data, 2024)

As can be seen above, the questionnaires were distributed to individual who were in different position of IT staff 1 (2%), academic staff who utilized MIS 40 (80%), department head6 (12%), university administer 1(2%), associated register 1 (2%), financial office 1 (2%). As the data were collected from different sections of the department, the reliability increased. This had an advantage to study in that it is mainly those who involved in the use of management information system in the routine activity of St. Mary University. The researcher observed different perspectives about the system.

Table 11.There is a MIS at St. Mary University

Respondent's attitude towards the existence of problem in SMU

Opinion	Respondent No	MIS
Strongly disagree	3	5.5%
Disagree	2	3.6%
Neutral	0	0
Agree	46	83.6%
Strongly agree	1	1.8%
Total	52	94.5%

The above table implies that 52 respondents were respond for the question and the majority of employee (about 83.6%) at St. Mary's University were believe that there was management information system within the university.

2.1.1. What is the main cause for network interruptions in St. Mary University?

In this section the researcher tries to analysis the current problem for SMU in accordance with the objective stated in the research.   .

Table 12' Factors for the Cause of SIS Problems Existed at St. Mary's University

Problems	Respondents no.	Percentage
Delay in process	23	42.6%
Data redundancy	4	7.4%
Delay on communication	16	29.6%
In consistency	7	13%
Lack of awareness	4	7.4%
Total	54	100%

(Source: primary data ,2024)

Based up on the above table, there were some problems existed in the organization which was related to SIS. Most of the respondents, 29.6 % of them indicated the presence of delay in communication between each department or from a manager to employees and 42.6 % of them also says that there is also delay in processing of the information. There were also 13% of the respondents who believed in data inconsistency and the remaining 7.4 % of the respondents agreed that there was problem related to MIS in the University because of lack of awareness. It shows delay in process caused by not updating the system and delay in communication determined the incapacity to handle the system.

Table 13. The Mechanism that were Used to Solve the MIS Problems

Options	No. Respondents	Percentage
By closing Monitoring University's performance	23	41.81%
Enforcing the rule and regulation	1	2%
Acting quickly when problem arise	19	34.5%
Train the employee	6	10.9%
Maintain a good relationship with vendor	5	9.1%
Total	54	91.31%

(Source: primary data ,2024)

According to the majority of respondents (41.81%), when the problem arose, the university closely monitored its performance to solve the problem. In this regard, 34.5 % respondents acted quickly when the problems arose and 10.9 % of the organizations trained the employees. This implies that the university used several techniques to solve the exited problems on MIS like delay in communication and inconsistency. Before such problem has arisen, the performance of the university were monitored closely and acted quickly when the problem arose . Additionally, the university organized trainings to the employees before the problem exited like lack of awareness about the system. They created good communication with the vendor to solve the problem like delay in process.

Table 14. Does the University Face a Network Interruption?

Opinion	No. Respondents	Percentage
Yes	52	94.5%
No	2	3.6%
I don't know	1	1.8%

(Source: primary data, 2024)

From the respondents in the above table, the researcher tried to determine if the university faced network interruption. 52 (94.5%) said yes.

Table 15. Factor for the Causes of Network Interruption

Factors	No. of respondent	Percentage
Tele networking interruption	15	27.3%
Internal networking	17	30.9%
Core uninvesting	1	1.8%
Purposive downtime	1	1.8%
Planned downtime	2	3.6%
Power interruption	18	32.7%
Total	54	98.1%

(Source: primary data, 2024)

As can be observed, 27.3% of the respondents said the network interruption was caused by Tele network interruption as a nationwide. There was only one telecommunication service maintained a

monopoly throughout Ethiopia. 30.9% of the respondents said that the problem arose from internal networking and 32.7% respondents answered that the power interruption caused the network interruption.

So, this implies that the contractual agreement with telecommunication was not implemented as stated. As well, if power interruptions occurred, the university backup power did not last longer because of this the network interruption happened.

From investigation, the network interruption resulted from two main reasons: the internal and external. The internal problem happened when there was a purposive downtime; student information system that assisted the district and maintained its network system at a time of several construction works, for example, road building.

2.1.2. What are the consequences that are related to network failure?

Table 16. Respondent's Attitudes towards the Network Interruption Bring about Negative Consequences to SMU

Opinion	No. of respondent	Percentage
Strongly agree	41	74.5%
Agree	14	25.5%
Disagree	0	0
Total	55	100%

(Source: primary data, 2024)

As can be seen from the table above, 74.5 % of the respondents strongly agreed on the network failure that brought a negative consequence to the university and 25.5 % of them agreed. So, this shows the network interruption had a negative consequence to the university.

Table 17 the consequence that are related to network interruption

Consequences	No. respondent	Percentage
Customer dissatisfaction	37	67.3%
Lost productive	4	7.3%
Lost opportunities	3	5.5%
Brand damage	2	3.6%
Data loss	9	16.4
Total	55	100%

(Source: primary data, 2024)

Based on the data, 67.3 % the population replied that the customers were dissatisfied with this situation. 7.3 % of the respondents said that the university lost its productivity due to network interruption and 5.5 % the university lost opportunities in several ways. The rest 3.6 % of the respondents replied that the university faced brand damage because of network interruption. Therefore, due to network interruption, the university exposed for losing their clients if the customers were not satisfied with the university loss revenue and several opportunities. Furthermore, the university

damaged its image which means the customers were discouraged to be a member of the university by default as it may decrease the main product performance.

2.1.3. In What Way St. Mary University Is Dependent on MIS Vendor?

Table 18. Respondent Attitudes toward SMU is Dependent on their Vendor

Opinion	No. of respondent	Percentage
Yes	40	74.1%
No	8	14.8%
I don't know	6	11.1%
Total	54	88.9 %

(Source: primary data, 2024)

74.1 % of the respondent agreed to the university which was mostly dependent on their vendor. The researcher noticed that the university was limited because of dependence. The other 14.8 % supported its independence. The researcher recognized most of the university MIS was dependent on their vendor.

Table 19 Respond in What Way SMU is Dependent on MIS Vendor

Ways that depend on	No. of respondent	Percentage
Plan override	1	1.9 %
Timeline	4	7.7 %
Maintenance	47	90.4 %
Total	52	100 %

(Source: primary data, 2024)

90.4 % of the response indicates that the university's maintenance was highly depends on MIS vendor. The university's time schedule was dependent on the MIS vendor which the statically data show that 7.7 % and the remaining 1.9 % respondents agreed with plan override of several problems that were dependent on the vendor. Therefore, St. Mary's University was highly dependent of MIS vendor in the case of maintenance to implement their plans according to the schedule that highly affected the MIS vendor. Thus, the maintenance, updating the system, added new technologies and to be competitor, the University was limited to the MIS vendor

Table 20. The University Benefits if they were not Vendor Dependent

The benefits	No. of respondent	Percentage
Foreign currency	1	1.9 %
Minimize time	16	30.2 %
Minimize cost and energy	27	50.9 %

Encourage local developer	4	7.5 %
Develop easily understandable MIS	4	7.5 %
Total	52	98 %

(Source: primary data, 2024)

50.9% of the respondents cost and energy were minimized. The researcher believed that independency was preferable for profitability and 30.2 % of the respondents recognized that being timely was also influenced by the vendor. The other main issue the researcher wanted to express was that the local developers could be encouraged if the university were not vendor dependent. This idea was supported with 7.5 % the respondents. In this case, the greater proportion indicates that easily minimize cost and energy of the university based MIS. The second most important indication minimized time. The rest implies the need for domestically produced or developed MIS.

2.1.4. In What Way does the MIS of St. Mary's University Add Value to the Organization?

Table 21 Respondents' Attitude towards the Use of MIS for Decisions Making

	No. of respondent	Percentage
Very much helpful	42	76.4 %
Helpful	11	20 %
No helpful	0	0
No opinion	2	3.6%
Total	55	100 %

(Source: primary data, 2024)

The above table shows 76.4 % of the respondents agreed to MIS which was very helpful for decision making. MIS was used to record, summarize, and report financial transaction. In the university this system was very helpful for decision making. This shows that the respondents were able to understand the applicability of the MIS fully. The remaining 20 % also agreed to the MIS which was helpful for decision makers. This indicates the applicants were in the process of understanding the MIS.

Table 22. Respondents Attitude towards the Roles of MIS in St. Mary's University for Relevant Decision

Opinion	No. of respondent	Percentage
Help them to identify the problem	17	32.1 %
To get to know their customer	2	3.8 %
Help them to arrange decision	21	39.6 %
Help them to reputation	5	9.4 %
Help them to manage time	8	15.1%
Total	53	100%

(Source: primary data, 2024)

From the above table, the researcher understood that greater than half of the respondents agreed to MIS which helped them arrange the decision On the other hand, 32.1 % the respondents helped them identify the problems that were classified into three categories: long term, short term, and immediate problem. 3.8 % the respondents stressed that MIS helped them know about their customers and 15.1 % the respondents helped them manage their time and 9.4 % of the respondents indicate that the MIS helped them to be at the level of reputation.

This implies that the applicant used the MIS as problem assessing tools, which could not be traced manually. This helped the manger classify the trending or required management decision, which means the problem that needed quick solutions. And also, it supported the officials to know their customers and manage their time effectively. This indicates there was quick accessibility of required information and making decision, improve the overall time management in the university.

Table 23. Respondents Answer for Question Regarding the Contribution of MIS for the Attainment of Their Organization Objectives

Opinion	No. of respondent	Percentage
Yes	53	98.1 %
No	1	1.9 %

(Source: primary data, 2024)

Almost all of the respondents confirmed that the contribution of MIS for attainment of organization objectives. Therefore, it is possible to say that MIS is one of essential components of organizations in order to achieve organizational objectives. This indicates the implementation of the university goal toward its action plan.

Table 24. Respondents' Attitudes towards the Roles of MIS Administration at SMU'

Opinion	No. of respondent	Percentage
It improves quality and reducing the cost of product or service	23	42.6 %
It improves efficiency	7	13 %
It improves decision making	**17**	31.5 %
It improves the chain of communication	2	3.7 %
Competitive advantage	3	5.6 %
Improved transactions processing	0	0
Total	52	96.4 %

(Source: primary data, 2024)

As to the table given above, all the respondents said that the role of MIS in the administration at St. Mary's University was significant in all aspects, such as decision making, management reporting, sharing of knowledge, efficiency, and transition processing. So, this implied that MIS had a decisive role in administration at the university. MIS had also significant role in increasing the quality of

decisions. But it differed in its performance of MIS; if there were good MIS, there would be good quality of decision and vice versa.

2.1.5. How Is the Awareness of St. Mary University Management about the Use and Implementation of management information System?

Table 25. Respondent's Attitude towards the Awareness of SMU Management about the Use and Implementation of MIS

Opinion	No. of respondent	Percentage
High aware	4	37.3 %
Aware	46	83.6 %
Less aware	3	5.5 %

(Source: primary data, 2024)

Most of the respondents, 83.6 %, had knowledge about the awareness of MIS in usage and implementation and 37.3 % of them had a high knowledge and the rest 5.5 % of them doubted or less knowledge on the awareness of it.

CHAPTER THREE: SUMMARY, CONCLUSIONS AND RECOMMENDATION

3.1. Summary of the study

The main aim of this study was to assess the practices of MIS at SMU on the various dimensions, including the purpose of each MIS, the cause of the network interruption, and the level of training given to staff, to know how the outright purchase of MIS made them dependent.

➢ The finding of the study indicate that 42.6 % of the respondents agreed on the MIS problem existed because of delay in process,;29.6 % of them responded that there was also delay in processing information and 7.4 % of the respondents agreed to the problem observed at the university because of lack of awareness. Most of the respondents replied that the cause of network interruption was power interruption, 30.9 % of the applicants said that the cause of network interruption was by internal networking problem and 27.3 % informants replied to the cause of network interruption was tele networking interruption.

➢ Based on the analyses, most of the respondents said that the customers were dissatisfied because of the network interruption; 16.4 % of the informants indicate the consequence of the network interruption was data loss and 7.3 % show lost productivity, i.e inability to generate revenue as they planned. So, the network interruption had a major impact on the university

➢ 74.1 % of the respondents agree with MIS vendor who made them dependent, and the applicants answered in how they became dependent; 90.4 % were dependent if they wanted to solve an immediate problem in the system, the other 7.7 % was their timeline and 1.9 % was by plan over ride. If the University did not depend on the MIS vendor as there were some

benefits as a nation and University. 62% of the applicants said that the benefit for university was minimizing the time, cost and energy, and developing easily understandable MIS.

➢ MIS was very helpful for making decision in particular. 39.6 % of the respondents helped them to arrange decision, and 32.1 % the respondents helped them to identify the problems that mean the problems were classified into three categories as long term, short term, and immediate problem. 15.1 % the respondents, the MIS helped them to manage time and 9.4 % the respondents claimed that the MIS helped them to reputation. And a well-designed MIS can add value to the university by improving decision making and improving quality and reducing the cost of the product and services.

➢ Finally, the result of the study revealed that most of the respondents, 83.6 %, had knowledge about the awareness of MIS in usage and implementation and 7.3 % of them were highly knowledgeable and the rest 9.1 % of them doubted or had less knowledge on the awareness of it.

3.2. Conclusions

➢ MIS is essential to enhance the university's work process related to accounting. According to the research, we found that at St. Mary's University, the MIS is highly affected by network interruption. There are different factors for the network interruption, such as tele network interruption, internal networking, and power interruption. The tele network interruption takes the major portion. These issues have been impacted the university's accounting process.

➢ The network interruption has a negative impact on the University image. This condition exposed the university to the customers' dissatisfactions. The customers may lose their superior value for the university; as a result, the university may loss opportunity of having big customers (students), brand image, and productivity.

➢ According to the researcher's finding, the SIS brought from oversea. The license is purchased partially; because of this, the university is highly vendor dependent. To implement their plan, for the maintenance purpose and to be punctual which means to finish any task which is related to the MIS with the forecast time schedule, to do this task they needed involvement of vendor. Additionally, due to the dependability of MIS vendor, the University cost high amount of energy, and time.

➢ Nowadays, in order to be competitive to the market, the marketers need to add enhancing values. Likewise, St. Mary University is using MIS to take superior value for the university, such as achievement of the objectives of the organization, identification of problem, familiarization of customers, improvement of efficiency, improvement of decision making, enhancement of the chain of communication, enhancement of competitive advantage and improvement of transaction processing.

➤ From the investigation, most of the university's employees have enough knowledge about the MIS, yet some of the employees have no adequate knowledge about the system. The university organized trainings about the system for the new employees as well as the existing employees.

3.3. Recommendations

Based on the findings and conclusions, the following recommendations are forwarded.

➤ Increase the employees' awareness about MIS implementation, St. Mary's University should provide trainings and technical support. This enables the staff to enhance services provisions and rendering reliable and effective services to its esteemed customers.

➤ To avoid the interruption of MIS; the university should have back up and improve the system capacity continually and need to deploy up-to-date university's MIS.

➤ To meet the customers' expectations and improve the customers' satisfaction, St. Mary's University should deliver fast service and reduce the customers' queue time. The implementation brings high customers' satisfaction as well as enabling the university to generate high revenue.

➤ To have secured and reliable MIS; there should be service level agreement with stakeholders, such as Ethio Telecom, Ethiopian Electric Utility, etc.

➤ To minimize vendor dependence, the university should provide adequate training to those staff that operate the system and purchase a full license.

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An Assessment of the Impact of E-Marketing on Consumer Purchase Decisions: The Case of "JIJI Ethiopia"

Hildana Adane

ABSTRACT

This study evaluated the impact of e-marketing on the consumer purchase decisions in 'Jiji Ethiopia'. By employing quantitative and qualitative research methods, the study explored various digital marketing channels, including email marketing, online advertising, social media marketing, and mobile marketing. The analyses reveals a positive correlation between marketing strategies and the consumer purchase decisions, with online advertising showing the strongest influence. The findings suggest that enhancing e-marketing efforts can significantly improve consumer engagement and sales performance.

Key Terms: E-marketing, Consumer, Online Advertising, JIJI Ethiopia

CHAPTER ONE: INTRODUCTION

1. BACKGROUND OF THE STUDY

The advent of the internet has revolutionized marketing practices, giving rise to e-marketing as a vital tool for businesses. E-marketing encompasses a wide range of strategies, including email marketing, social media marketing, search engine optimization (SEO), and more. As defined by Strauss and Frost (2012), e-marketing involves the use of digital technologies to facilitate the marketing process and reach consumers more efficiently.

Historically, traditional marketing methods dominated the landscape, focusing on print media, television, and radio. However, the digital age has shifted consumer behaviour significantly. Studies by Kotler and Armstrong in the year 2018, highlight that consumers now rely heavily on online platforms for product information and purchase decisions. The Theory of Planned Behaviour (Ajzen, 1991) and the Technology Acceptance Model (TAM) (Davis, 1989) provide theoretical foundations for understanding how consumers' attitudes towards technology influence their purchasing decisions.

In Ethiopia, the penetration of the internet and mobile technology has opened new avenues for businesses to engage with consumers. According to recent data from the Ethiopian Communications Authority (2022), internet penetration has reached 25%, with a significant proportion of users engaging in online shopping. Despite this growth, there is limited research on how e-marketing influences consumer purchase decisions in the Ethiopian context, particularly for platforms like Jiji Ethiopia, a leading online marketplace.

This study aimed to fill this gap by examining the impact of e-marketing strategies employed by Jiji Ethiopia on the consumer purchase decisions. By analysing the consumer behaviour through the lens of established marketing theories, this research provided insights into the effectiveness of e-marketing in the Ethiopian market.

Jiji Ethiopia is a major player in Ethiopia's e-commerce market. Founded on innovation and customer needs principles, Jiji Ethiopia became a leading force in the digital world. The company offered a wide variety of products and services that are carefully selected to meet the demands of modern Ethiopian consumers. Their strong focus on the customer satisfaction helped them discover a unique place in the competitive e-commerce industry.

Jiji Ethiopia has used digital platforms to enhance its market presence and effectively respond to its customer's changing needs and preferences. By examining the details of Jiji Ethiopia's business operations, its history, and its current market position, this study aimed to shed light on the complex relationship between the e-marketing strategies used and the consumer purchase decisions that resulted. Looking at these aspects provides valuable context for understanding how Jiji Ethiopia has used e-marketing to influence the consumer behaviour in the Ethiopian e-commerce market.

2. STATEMENT OF THE PROBLEM

Despite the growing importance of e-marketing, there is a lack of empirical evidence on its impact on consumer purchase decisions within the Ethiopian context. The Theory of Planned Behaviour (Ajzen, 1991) suggests that consumer' attitudes, subjective norms, and perceived behavioural control influence their purchasing intentions and actions. However, how these factors interact with e-marketing strategies in Ethiopia remains underexplored.

Additionally, anecdotal evidence from sellers on Jiji Ethiopia's platform indicates that buyers often exhibit undermined attitudes towards the platform, leading to lower engagement and sales. This issue is compounded by personal experiences of browsing the platform, which reveal challenges such as trust issues, navigation difficulties, and perceived lack of reliability in the products and services offered (Morris, 2023; Njugunah, 2022) (productmint) (Tuko.co.ke - Kenya news.).

Recent studies indicate that e-marketing can significantly affect consumer behaviour by providing personalized experiences and real-time interactions (Chaffey & Ellis-Chadwick, 2019). Yet, in Ethiopia, the adoption of e-marketing strategies and their effectiveness in driving purchase decisions are not well-documented. This is particularly pertinent for online marketplaces like Jiji Ethiopia, which rely heavily on digital marketing to attract and retain customers (Jiji Africa, 2022) (productmint) (Tuko.co.ke - Kenya news.).

This research seeks to address these gaps by assessing the impact of e-marketing on consumer purchase decisions in the context of Jiji Ethiopia. It aims to determine which e-marketing strategies are most effective and how they influence various stages of the consumer decision-making process. By applying the Theory of Planned Behaviour and the Technology Acceptance Model, this study will provide a theoretical and practical understanding of e-marketing's role in shaping consumer behaviour in Ethiopia, informed by feedback from both sellers and buyers on the platform (Jiji Africa, 2022) (productmint).

Businesses like Jiji Ethiopia faced a crucial challenge: ensuring their e-marketing strategies effectively translated into consumer purchases. Despite significant investments in various digital marketing tactics, such as social media advertising, email campaigns, and website optimization over the past four years (since 2020), a concerning gap existed between Jiji Ethiopia's marketing efforts and actual customer buying behaviour. This anomaly raised important questions about the alignment between Jiji Ethiopia's current e-marketing approach and its impact on consumer behaviour (Jiji Africa, 2022) (productmint).

While established e-marketing theories suggested a strong influence on purchase decisions, Jiji Ethiopia's experience indicated a possible disconnect in its current strategy. This ineffectiveness could have been due to several factors, such as a lack of brand trust among potential customers, operating in a highly competitive market with similar marketing messages, and a possible technological knowledge gap between Jiji Ethiopia's target audience and the e-marketing strategies used. Understanding the root cause of this disparity was crucial for Jiji Ethiopia to optimize its eMarketing strategies and bridge the gap between marketing efforts and consumer purchases. Effectively addressing this challenge would

not only improve customer acquisition but also contribute to Jiji Ethiopia's overall revenue generation and market competitiveness (Njugunah, 2022) (Tuko.co.ke - Kenya news.).

3. RESEARCH QUESTIONS

In an alignment with the study's focus on exploring the impact of e-marketing on consumer purchase decisions within the context of "Jiji Ethiopia", the following research questions were formulated for the identified problems:

- RQ1: What was the effect of Email Marketing on the students' purchasing decisions in the Addis market?

- RQ2: How effective was Online Advertising in influencing the students' purchasing decisions in the Addis market?

- RQ3: What was the contribution of Social Media Marketing to the students' purchasing decisions in the Addis market?

- RQ4: How did Mobile Marketing facilitate the students' purchasing decisions in the Addis market?

4. OBJECTIVE OF THE STUDY
4.1. GENERAL OBJECTIVE

The general objective of this research was to assess the impacts of e-marketing on consumer purchase decisions within the context of "Jiji Ethiopia."

4.2. SPECIFIC OBJECTIVES
- To determine the level of effect of Email Marketing on the students' purchasing decisions in the Addis market.
- To evaluate the effectiveness of Online Advertising in influencing the students' purchasing decisions in the Addis market.
- To identify what the contribution of Social Media Marketing to the students' purchasing decisions in the Addis market.
- To assess how Mobile Marketing facilitated the students' purchasing decisions in the Addis market?

5. RESEARCH DESIGN AND METHODOLOGY
5.1. RESEARCH DESIGN

We chose an explanatory research design to understand how e-marketing by "Jiji Ethiopia" affected what people bought. This design helped us figure out if things likeed ads, website design, or special offers made people more likely to buy things online. Unlike exploratory research design that looked

for new trends, explanatory research helped us see why things happened. It's like trying to connect the dots between how e-marketing tricks made shoppers decide what to purchase.

We picked this design because we wanted to find out exactly how e-marketing changed shopping habits in "Jiji Ethiopia." It let us test ideas we got from other studies and theories about why people bought things online. Using this design helped us use fancy math to analyse our data and see if there's a strong link between e-marketing tactics and what people bought. This way, we hoped our study could help "Jiji Ethiopia" and other online shops understood how to market better and attract more customers.

Quantitative Research Method: Surveys were employed to collect numerical data on how consumers responded to e-marketing efforts by Jiji Ethiopia. Descriptive statistics was used to summarize the survey responses, provide an overview of the consumers' attitudes and behaviours related to the marketing initiatives. Additionally, inferential statistics, such as correlation analysis or regression analysis were employed to explore the relationships between different variables, such as consumer demographics and their responses to specific e-marketing strategies.

Qualitative Method: Semi-structured interviews were conducted to explore in-depth consumer perceptions and motivations regarding the e-marketing strategies implemented by Jiji Ethiopia. These interviews allowed for a nuanced understanding of how consumers interpreted and interacted with various e-marketing campaigns. Qualitative data analysis techniques, such as thematic analysis or content analysis were used to identify common themes and patterns in the interview data. This qualitative approach aimed to uncover insights into consumers' preferences, experiences, and the impact of e-marketing on their purchasing decisions.

POPULATION, SAMPLE SIZE, AND SAMPLING TECHNIQUE

Description of the Target Population

The target population for this study comprised active users of "Jiji Ethiopia", a prominent online shopping platform in Ethiopia. During the research period, "Jiji Ethiopia" had approximately 120,000 users who engaged in the site as buyers and sellers of various products, including phones, clothes, and other items. These users represented a diverse demographic, encompassing a range of ages, occupations, and geographic locations across Ethiopia. The focus was specifically on buyers as the study aimed to assess purchase-related behaviours. Understanding this group was crucial for evaluating how different types of users responded to advertisements and other marketing strategies employed by "Jiji Ethiopia" to encourage increased shopping activity.

Sampling Technique and Sample Size

There are two primary types of sampling techniques: probability and non-probability sampling. Probability sampling encompasses various methods for the random selection of individuals from the entire population. Given the researcher's access to the entire population, the probability of selecting each member is known (Sekaran & Bougie, 2013). To achieve the study's objectives, a probability sampling method was employed, specifically random sampling. This approach was justified as it

allowed the researcher to focus on specific characteristics of the population and adequately address the research questions.

The sample was drawn from three universities: Addis Ababa University, Unity University, and Saint Mary's University. Hair, et. al (2017) recommended a ratio of 10 cases per questionnaire item for variable analysis. Consequently, the expected sample size was at least 200 to meet these criteria. For this study, a sample size of 300 was selected, which exceeded the recommended minimum and met the proposal criteria.

DATA TYPE AND COLLECTION METHODS

Type of Data

Quantitative Data: This study collected numerical data through surveys, focusing on various aspects such as awareness of e-marketing campaigns, frequency of interaction with e-marketing channels, and purchase behaviour influenced by e-marketing efforts.

Qualitative Data: Textual and visual data were gathered through interviews and document analysis. This qualitative data provided in-depth insights into consumer perceptions and motivations regarding e-marketing.

1. Primary Data Collection

For this study, primary data were collected directly from active users of "Jiji Ethiopia" through two main methods: surveys and interviews. A structured survey was designed to capture users' thoughts, actions, and preferences concerning e-marketing on the platform. The survey included questions about the impact of advertisements, special promotions, and website design on their shopping decisions. These surveys were disseminated online using "Jiji Ethiopia's messaging tools and via email to ensure a high response rate.

In addition to surveys, interviews were conducted with selected survey participants. These interviews provided a deeper understanding of the users' attitudes and motivations regarding e-marketing strategies.

2. Secondary Data Collection

Alongside primary data collection, secondary data were reviewed to contextualize the findings. A comprehensive review of academic articles, industry reports, and other credible sources was conducted to understand the existing knowledge on the impact of e-marketing on consumer behaviour. This background information helped frame the study's hypotheses and discuss the results within the broader context of online shopping and consumer behaviour.

Moreover, public company data from "Jiji Ethiopia" were examined to analyse user behaviour, sales data, and the effectiveness of past e-marketing strategies. This additional data helped validate and elaborate on the findings from the surveys and interviews.

INSTRUMENTATION

Survey Design

The survey was meticulously designed to examine the impact of e-marketing on consumer purchase decisions on "Jiji Ethiopia." Initially, the survey included introductory questions to assess users' familiarity with the platform and their frequency of usage. Subsequently, it delved into more specific areas, such as the effectiveness of advertisements, the user-friendliness of the website, perceptions of product recommendations, and the influence of reviews on purchasing decisions. A variety of question formats, including rating scales and multiple-choice options, were employed to gather both quantitative and qualitative data from respondents. Prior to distribution, a pilot test was conducted with a small sample to ensure clarity and effectiveness of the survey questions.

Interview Guide

In addition to the survey, in-depth interviews were conducted to gain detailed insights into user experiences with e-marketing on "Jiji Ethiopia." An interview guide was developed, containing questions aimed at understanding the reasons behind platform usage, interactions with advertisements and other marketing features, and the considerations influencing online purchase decisions. Follow-up questions were posed to elicit specific examples and detailed responses from participants. All interviews were recorded with the participants' consent and transcribed verbatim for subsequent analysis.

DATA ANALYSIS TECHNIQUES

A comprehensive approach was employed to analyse the collected data and understand the influence of e-marketing on consumer behaviour in "Jiji Ethiopia." The initial analysis involved examining the quantitative survey data to determine user engagement with the platform and their perceptions of its various features. Statistical methods were used to summarize the data and identify patterns or correlations between users' responses to advertisements and their purchasing behaviour. Subsequently, a qualitative analysis of the interview transcripts was conducted to explore the underlying reasons for users' online shopping choices. Common themes and narratives were identified to provide deeper insights into the impact of e-marketing on consumer decisions.

CHAPTER THREE: DATA INTERPRETATION AND PRESENTATION

Response Rate

The target population comprised 300 students from various universities in Addis Ababa. As presented in Table 1, of the 300 distributed questionnaires, 220 were completed and returned, resulting in a response rate of 73%. According to Hair, et.al (2010), a response rate of at least 50% is considered statistically significant for analysis.

Table 1: Response Rate

Response Rate	Sample Size	Percentage %
Returned questionnaires	220	73.5
Unreturned questionnaires	80	36.5
Total	300	100

Source: Field Data, 2024

Table 2: Means and Standard Deviations

Component	Mean	Std. Deviation
Email marketing	4.01	0.685
Online advertising	4.13	0.620
Social media marketing	3.74	0.915
Mobile marketing	4.06	0.424
Purchase decisions	4.14	0.598

Source: Field Data, 2021

Descriptive Statistics

Descriptive statistics was employed to examine the participants' responses as a study variable, provide an overview and explanation of their evaluations. The descriptive statistics included calculating average scores to determine the criteria used by participants. Additionally, interval evaluation measured the range of scores, minimum to maximum, as shown in Table 2. Table 2 also presents the mean and standard deviations of 220 valid responses for each variable. The highest mean score was observed in the variable of Purchase Decisions based on the Participants' responses. Particularly noteworthy was the significant impact of Mobile Marketing, which consistently received high mean scores, indicating strong agreement among participants regarding its influence on Purchase Decisions. These findings underscored a robust relationship between these variables and Purchase Decisions among university students in Addis Ababa.

Scale Reliabilities

Cronbach's alpha is a statistical measure used to assess the reliability or internal consistency, of a set of scale or test items. Scale reliabilities were assessed using Cronbach's alpha to ensure internal consistency of the instrument. This method evaluated the correlations among study factors, confirming the instrument's reliability in measuring the variables. SPSS software facilitated these calculations and analyses.

Table 3: Reliability Analysis

Variables	Number of Items	Alpha
Email marketing	5	0.84
Online advertising	5	0.75
Social media marketing	5	0.78
Mobile marketing	5	0.81
Purchase decisions	5	0.83

Source: Field Data, 2021

The reliability of the current and selected conditions was assessed using Cronbach's alpha, a measure that should exceed the accepted threshold of 0.70 (Hair, et. al, 2006). In this study, Cronbach's alpha was employed to evaluate item reliability. The calculated Cronbach's alpha ranged between 0.750 and 0.840, indicating excellent reliability (see Table 3).

Correlation Analysis

Correlation analysis examines the strength and direction of the linear relationship between two variables (Cohen, 2013). It assesses the magnitude and significance of associations. Bivariate associations were examined using Pearson's correlation coefficient, where values of 1 or -1 indicate perfect positive or negative correlations, respectively, and 0 indicates no correlation. The results are presented in Table 4.

The analysis reveals that email marketing showed a positive and significant relationship with purchase decisions ($r = 0.374$). Similarly, online advertising exhibits a strong, positive, and significant correlation ($r = 0.525$), as does social media marketing ($r = 0.233$), and mobile marketing ($r = 0.314$). These results indicate that online advertising had the strongest relationship with purchase decisions, followed by email marketing, mobile marketing, and social media marketing.

Multiple Regression Analysis

Multiple regression analysis is a statistical technique used to assess the relationship between a dependent variable and multiple independent variables (Saunders et al., 2012). It provides insights into the overall model fit and the relative influence of each independent variable. In this study, multiple regression analysis was conducted to determine the significance level at $p < 0.01$.

Table 4: Pearson Correlation for Independent Variables and Dependent Variable

	Purchase Decisions	Email Marketing	Online Advertising	Social Media Marketing	Mobile Marketing
Purchase decisions	1				
Email marketing	0.374	1			
Online advertising	0.525	0.501	1		
Social media marketing	0.233	0.290	0.240	1	
Mobile marketing	0.314	0.250	0.343	0.233	1

Table 5: Result of Multiple Regressions between Email Marketing, Online Advertising, Social Media Marketing, Mobile Marketing, and Purchase Decisions the dimensions of digital marketing channels can predict the purchasing decision (see Table 5).

Model		Dependent Variable: Purchase Decisions	
Independent variable	*B*	Beta	Sig
Email marketing	0.273	0.313	0.000
Online advertising	0.436	0.451	0.000
Social media marketing	0.131	0.200	0.000
Mobile marketing	0.297	0.210	0.000

R Square = 0.466.

CONCLUSIONS AND RECOMMENDATIONS

SUMMARY OF MAJOR FINDINGS

The study conducted on the impact of e-marketing on consumer purchase decisions for "Jiji Ethiopia". The study revealed several insights derived from various data collection methods, including surveys and interviews. The findings are summarized as follows:

Influence of Digital Marketing Channels:

- **Finding**: Online advertising emerged as the most influential digital marketing channel affecting consumer purchase decisions.

- **Data**: The Pearson correlation coefficient for online advertising was the highest at r=0.525r = 0.525r=0.525, indicating a strong positive and significant relationship with purchase decisions. This was further supported by multiple regression analysis, where online advertising showed a significant beta value of β=0.451.

  Effectiveness of Email Marketing:

- **Finding**: Email marketing, while showing a positive impact, was found to be the least influential compared to other digital marketing channels.

- **Data**: The Pearson correlation coefficient for email marketing was r=0.374r = 0.374r=0.374, and the multiple regression analysis indicated a beta value of β=0.313.

Role of Social Media and Mobile Marketing:

- **Finding**: Both social media marketing and mobile marketing significantly influence consumer purchase decisions, with mobile marketing having a slightly higher impact.

- **Data**: Social media marketing had a Pearson correlation coefficient of r=0.233r = 0.233r=0.233 and a beta value of β=0.200. Mobile marketing showed a Pearson correlation coefficient of r=0.314 and a beta value of β=0.210.

Targeting as a Critical Factor:

- **Finding**: Targeting in digital marketing channels plays a crucial role in influencing consumer decisions, particularly during the assessment stage of the purchasing process.

- **Data**: The study confirmed that targeted digital marketing channels effectively reach users actively searching for products, thereby impacting their evaluation of various products and alternatives before making a purchase.

Consumer Trust and Confidence:

- **Finding**: Consumer trust and confidence in e-marketing communications from "Jiji Ethiopia" significantly affected purchase decisions.

- **Data**: Interviews and surveys indicated that transparent and reliable e-marketing communications enhanced consumer trust, which in turn positively influenced their purchasing behaviour.

Customer Experience and Satisfaction:

- **Finding**: E-marketing strategies contributed to the overall customer experience and satisfaction with "Jiji Ethiopia" products and services.

- **Data**: Feedback from respondents highlighted those positive experiences with e-marketing efforts, such as personalized offers and engaging content, lead to higher customer satisfaction and loyalty.

CONCLUSION

This study evaluated the impact of digital marketing channels—Email Marketing, Online Advertising, Social Media Marketing, and Mobile Marketing—on student purchasing decisions within the Addis market. The research was conducted using online questionnaires, which were distributed through random sampling techniques to students in Ethiopia. Out of 300 distributed questionnaires, 220 were completed and usable, resulting in a response rate of 73%.

The study confirmed four hypotheses regarding the positive influence of these digital marketing channels on student purchasing decisions in Addis. Among the four channels examined, targeting emerged as the most significant factor influencing student decisions. The findings indicate that the assessment stage of the purchasing decision process was digital marketing channels which had the most substantial impact. This was due to targeted channels reaching users who had actively searched for the product and were seeking more information to evaluate various products and alternatives before making a purchase.

Conversely, email marketing was found to be the least influential factor in student purchasing decisions. The study was limited to university students in Addis, suggesting that future research should expand to include a broader demographic of young people or individuals of different age groups for more comprehensive results.

Universities can leverage the findings by targeting their students through the digital marketing channels identified in this study. Further research on different samples will contribute to the marketing field, and future studies should consider additional factors and different digital marketing channels. This could reveal variations in findings and provide a deeper understanding of the factors influencing consumer behaviour.

RECOMMENDATIONS

Based on the findings and conclusions of this study, the following recommendations are proposed by 'Jiji Ethiopia':

☐ **Enhance Online Advertising:** Recognizing the substantial positive influence of online advertising on consumer purchase decisions, 'Jiji Ethiopia' should allocate increased resources towards developing innovative and targeted online advertising campaigns.

☐ **Leverage social media:** It is imperative to utilize social media platforms more effectively to engage consumers and strengthen brand loyalty. Implementing regular updates, interactive posts, and strategically placed social media advertisements can significantly increase traffic and sales.

☐ Optimize **Email Marketing:** Although email marketing demonstrated the least impact, its effectiveness can be enhanced through content optimization and personalization. Utilizing A/B testing and segmentation strategies can improve email open rates and click-through rates.

☐ Focus **on Mobile Marketing:** Given the rising prevalence of mobile device usage, 'Jiji Ethiopia' must ensure that their marketing efforts are optimized for mobile platforms. The development of a mobile application could also facilitate a seamless shopping experience for consumers.

☐ Improve **Website Usability:** Enhancing the website's user-friendliness, speed, and security is crucial for improving the overall customer experience and reducing bounce rates.

☐ Implement **a Customer Feedback Mechanism:** Establishing a robust feedback mechanism is essential for continually gathering insights from consumers regarding their preferences and areas needing improvement.

☐ Continuous **Monitoring and Adjustment:** Regularly analysing marketing performance data and adjusting strategies accordingly is necessary to ensure alignment with consumer needs and prevailing market trends.

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Assessment of Employees' Turnover: The Case of Addis Ketema Sub-City Administration

Habte Nida

ABSTRACT

The employees' turnover was one of the indicators of low morals of the employee. In the sub-city of Addis Ketema, turnover of the employees seemed to rising steadily; experienced employees frequently left the organization and joined other organizations. The purpose of this study was to assess the employees' turnover rate. Some selected unit leaders and supervisors were in focus. Many researchers found that in a service rendering company like government sector, there were strong relations among the employees' satisfaction, customers' satisfaction and service quality. However, in this area of human resource, the employees' turnover was a major factor that hindered business to retain the customers and provided high-quality customer service. The specific objectives of this research were to identify the major factors causing the staffs' turnover in Addis Ketema Sub-city, assess the employees' turnover and identify and suggest possible solutions to mitigate the turnover. In addition, the researcher assessed both primary and secondary data. The primary data were collected using self-administered questionnaires with both open- and close- ended questions. The data were put in appropriate tables and presented in tables and graphs since it was a good way to look at the data and see what happened and made interpretation. That led to loss of the most competitive and experienced staff and this influenced the organization to incur huge expenditure in recruitment and training of the new employees. The new employees exhibited low level of effectiveness and efficiency in the execution of the organization job task functions and this lowered the performance of the individual employee that in turn lowered the level of organization. 132 employees and simple random sampling techniques were used for the study.

Key words: Human Resource, **Employees, Turnover, Addis Ketema Sub-City**

CHAPTER ONE: INTRODUCTION

1.1. BACKGROUND OF THE STUDY

Human Resource is a key ingredient affecting organizational competitiveness and ability to fulfill its mission. The effectiveness of an organization in providing a product or service that fits customer's needs is critical for its survival. Employees are important components of every organization, since they do the work and create the idea that allows the organization to achieve its goals or objectives to survive in its environment in the long run. So, handling of this vital element should get due consideration from the management side of an organization. Because, when it happens in substantial Number of time it will cause a problem of high turnover, which results in disruption of activities, wastage of money, time and poor performance. Turnover is the net result of the exit of some employees and entrance of others to the work organization. Turnover can be quite costly to an employer. The cost of turnover include: increased costs for severance pay, underutilized facilities until the replacement is hired, employment costs such as recruiting, interview time test costs, computer records costs Administration costs of notifications and payroll changes. Obviously, there is also a loss of productivity until the new employee reach the performance level of the one who left the job. Ivancevich & Glueck (1989). Most employees leave their jobs when their needs are not being satisfied at their present place of work and an alternative job becomes available elsewhere which the employees believe that it will satisfy more of their needs. Overall organizations try to reduce turnover by using different methods. Such as by better employee selection, communication, supervisor training and incentive awards

Public administration is a segment of the larger field of administration. It is simply regarded as bureaucracy, heedless to the fact that bureaucracy as a particular organizational form is not only found in the government Administration is a discipline which is concerned with the organization and the formulation and implementation of public policies for the welfare of the people. It functions in a political setting in order to accomplish the goals and objectives, which are formulated by the political decision-makers. The focus of public administration, thus, is on public bureaucracy.

Thus, public administration as a course of government action in relation to public policy as an outline of what government wants to do play an important role in our society. It can be understood as the course of action or inaction by the government with regard to a particular issue or set of issues. It can be associated with formally approved policy goals and means, as well as the regulations and practices of agencies that implement the programs. The relationship between what the government (public administration) wants to accomplish and what actually occurs is carried by public policy. Therefore, the ultimate goal of all public policies is to achieve particular objectives that the government has in mind. The nation's citizens' welfare is a major consideration in the formulation and implementation of these programs. Because of this, the public's opinion, for one, exerts considerable pressure on the course of government (public administration) policies.

In all organizations, managers' effectiveness and efficiency are influenced to the extent they manage their human resources. If this is the case, then managing people within an organization continues to be one of the most important functions of the total management process.

1.2 Statement of the Problem

The employees' turnover is one of the indicators of low morals of the employees. In Addis Ketema, turnover of the employees seemed to rising steadily; experienced employees frequently left the organization and joined other organizations. To replace the experienced staffs required a significant period of time which resulted in a lot of turnover costs. Such costs as the following were usually involved. Hiring cost involving resources, such as time, finance and facilities for recruitment interviewing and examining candidates for replacement, training cost involving all the necessary resources including the time of the supervisors, the human resources department and the trainees, Loss of production in the interval between separation of the old employee and the replacement by the new, loss of productivity until the new employee reaches, the performance level of the one who left the job. The technical way to prevent the factors which tend to force is to address it's through coherence of human resources management. The study shows the number of employee turnover increased yearly, so the organization should consider the reason why employee turnover happened.

1.3 Research Question

To investigate the problem in detail, the study tried to answer the following basic research questions.

- What were the basic reasons of the employees' turnover in Addis Ketema?

- What were the consequences of the employees' turnover in Addis Ketema?

- What were the basic cost components (i.e. Direct turnover costs, including the cost of leaving, replacement costs, and transition costs, while indirect turnover costs, including the loss of production and reduced performance) of the employees' turnover in Addis Ketema?

- What measures should be taken to overcome the existing problem of the employees' turnover?

1.4 Objective of the Study

The general objective of this research was to assess the employees' turnover for the last three years (2021, 2022 and 2023) in Addis Ketema, and come up with possible solutions

1.4.1. Specific objectives

- To identify the reason of employee's turnover,
- To assess the effects of the employees' turnover,
- To show and analyze the significance effect of turnover cost and
- To suggest some possible measures to be taken by the organization to overcome the problem.

1.5 Significance of the Study

The information obtained from the study was helpful for the management committee in Addis Ketema . It highlighted understanding about the turnover and its consequences to the organization. It would remind the organizations responsible personnel that turnover was a serious issue and it had to be reduced

1.6 Scope of the Study

It was true that a research was more reliable if it covered the total population. However, the researcher could not include all the sub-cities except Addis Ketema in Addis Ababa due to time and resource constraints to collect and process data from the entire department.

1.7. RESERCH DESIGN AND METHODOLOGY

1.7.1. Research Design

Descriptive research method was used to describe phenomena associated with a subject population or to estimate proportions of the population or discovery of associations among different variables.

1.7.2. Target Population

The target population of the study was the employees in Addis Ketema Sub-City, including those who were working at the management level to get specific and accurate information. Out of the total population of **197** employees, **132** employees were selected using simple random sampling technique. Questionnaires were distributed to the management body.

1.7.3 Sample Size determination

Sample size determination is the process of choosing the right number of observations or people from a larger group to use in a sample. The goal of figuring out the sample size is to ensure that the sample is big enough to give statistically valid results and accurate estimates of population parameters but small enough to be manageable and cost-effective.

In addition to deciding how to select the samples for the qualitative and quantitative components of a study, researcher should also determine appropriate sample sizes for each phase. Thus, sub city of Addis Ketema located in Addis Ababa is target as study population for the reason that is the place where substantially high employees, according to Addis Ababa city sub city of Addis Ketema.

The population is well known, we can use the following formula as an additional input.

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

$$n = 197/(1 + 197 * 0.05^2)$$
$$= 132$$

N= is the total population

e=level of precision (0.05) this error by default sample error.

1.7.4. Data Collection Methods

For this study, primary and secondary data were collected to answer the research questions. The primary data were gathered through observations, questionnaires and interviews. And secondary data were collected through books, periodicals, government documents, journals, magazines, research papers and etc.

1.7.5. Questionnaire

The questionnaire described the scales of measurement for the employee's turnover and explains the pretesting process. The study had variables, namely, the employees' turnover (the dependent variable) and the employees' separation (the independent variables). A Five-point Likert scale was used to answer the questions.

1.7.6. Methods of Data Analysis

Descriptive statistics, mean, and percentage, were used in analyzing the quantitative data. Further, a regression model was applied to analyze the quantitative data, check the association of variables and predict the dependent variable.

The data collected from questionnaire was analyzed using data analysis tools (focus group discussions, observation, photography, video, surveys, and questionnaires) Verification was conducted and completed questionnaires identified.

1.7.6.1. Descriptive Statistical Analysis

The final reports of the relevant characteristics of the respondents were produced through central tendency measurements (frequency and percentage). In addition, tabular and graphical analyses were used to present the results.

1.7.6.2. Independent Variable (X)

- Factors affecting the employees' turnover were:
  - ✓ Job satisfaction,
  - ✓ Salary and benefits,
  - ✓ Workplace environment,
  - ✓ Career development opportunities, and
  - ✓ Management effectiveness.

1.8. Data Collection Instruments

A structured close-ended questionnaire was used to collect the primary data. The questionnaire was carefully developed in a way that could measure the impact of the proposed independent variables on the dependent variable. The questions were translated into Amharic to help the research participants

comprehend the questions and give appropriate responses. The questionnaire were measured by five-point Likert scale anchored by 1=Strongly Disagree, 2= Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree. The Likert scale is an ordered scale from which respondents choose one option that best aligns with their view. It is often used to measure respondents' attitudes by asking the extent to which they agree or disagree with a particular question or statement. The Linker scale has scales that assist in converting the qualitative response in to quantitative values (Mugenda & Mugenda, 2003). The study this instrument was employed because it was easier to analyze since they were in an immediate usable form. This was also economical to use in terms of cost and time.

1.9. Limitation of the study

➢ There were constraints of time, finance and material resource (computer).

➢ The respondent was not punctual.

1.10. Organization of the Study

The study comprised chapter that contains background of the study, statement of the problem, research objective, research questions, scope and limitation of the study and also significance of the study; chapter two consisted of review of related literature. Chapter three was about methodology of the research followed by chapter four which focused on conclusion, summary and recommendations.

CHAPTER THREE: DATA PRESENTATIONS, ANALYSES AND INTERPRETATIONS

This chapter deals with presentations, analyses and interpretations of data that were gathered using questionnaire and interview from different employees holding different positions. The respondents were mostly clerical staffs with some non-clerical and managerial staff. Questionnaires were distributed to 197 selected employees. Out of this, 132 were completed

The chapter comprises three sections. Section one presents analyses of the respondent's profile. Section two of the study focus on presents' analyses and interpretations of the data collected through questionnaire and interviews. The last section also presents the summary of findings.

The following empirical data show the three years employee turnover from 2020/21 up to 2023/24G.C

Table 1. Employees' turnover data with fiscal year

Fiscal Year	2020/21	2021/22	2022/23
No. of Employee	1761	1622	1587
No. of Employee Turnover	55	139	335
% of Employee Turnover	3.12%	8.57%	21.11%

SOURCE: annual report of the organization.

Data Pertaining to the Study

Table 2. Employees' Attitude to benefit package

Item		Frequency of Responses	
I	Do you agree the administer gives adequate transport allowance	No	%
	Strongly agree	0	0
	Agree	10	7
	Neutral	25	19
	Disagree	98	74
	Strongly Disagree	0	0
	Total	**132**	**100**
II	How do you rate the attractiveness of the provident fund?	No	%
	Good	12	9
	Average	10	8
	Poor	110	83
	Total	**132**	**100**

 Source: survey 2024.

As item I of table 3 shows that 74% of the respondents disagreed to the benefit package that was offered by the sub- city of Addis Ketema., on the other hand 19% of the respondents were simply neutral and 7% of the respondents agreed on the benefit package; 0% strongly agreed and the rest 0% of the respondents strongly disagreed on the benefit package. Almost in this organization, the administrator did not give adequate transport allowance/transport service

As in item II of table 3, 8% of the respondents agreed to the attractiveness of the provident fund, where as 83% of the respondents said that the provident fund had little attractiveness and 9% of the respondents confirmed the attractiveness of the provident fund. This implied that most of the benefit package was not adequate to retain the employees.

Table 3. Employees' Remuneration

Item			Frequency of Responses	
I	Are you satisfied with the salary scale in relation to workload and responsibility of administer, in comparison with other administer?		No	**%**
	Satisfied		37	**28%**
	Neutral		36	**27%**
	Dissatisfied		59	**45%**
	Total		132	**100**
II	How well does the administer offer annual salary increment, bonus and incentive to motivate the employees?		No	**%**
	Very high		0	**0**
	High		0	**0**
	Moderate		48	**36**
	Low		62	**46**
	Very low		22	**18**
	Total		**132**	**100**

Source: survey, 2024.

From the table 4 of item I, 28% of the respondents replied that the salary scale of administrators was satisfied, 27% of the respondents believed were neutral about the salary scale of the administrators and the rest 45% of the respondents believed that the scale of the administrators was dissatisfied. This implied that the majority of the respondents were dissatisfied with the salary scale of administrators.

Responses obtained from the interview in relation to the benefit package and comparative with market, such as annual salary increment, bonus and educational coverage was very good and competitive.

Item II of table 4, indicates that the annual salary increment, bonus and incentive of the administrators offer. About **0%** of the respondents said that the administers had high annual salary increment, bonus and incentives; **0%** of the respondents said that the administrators had very high annual salary increment, bonus and incentives; **36%** of the respondents answered that the administrators had moderate annual salary increment, bonus and incentives On the other hand, **18%** of the respondents agreed that there were very low annual salary increment, bonus and incentive and the rest **46%** claimed that the administrators had low annual salary increment, bonus and incentive . This indicates the annual salary increment, bonus and incentives played significant role to keep the administrators on their work.

Table4. The Employees related to Decision Making and Job Satisfaction

	Items	Frequency of Responses	
I	At what extent you have professional freedom to make a decision in order to build your professional confidence?	No	%
	To a very great extent	22	**16.7**
	To great extent	98	**74.3**
	To some extent	12	9
	To less extent	0	**0**
	Not at all	**0**	**0**
	Total	**132**	**100**
II	At what extent you satisfied by your job assignment?	No	%
	Very High	16	**12**
	High	81	**61.5**
	Average	35	**26.5**
	Low	0	**0**
	Very Low	0	**0**
	Total	**132**	**100**

Source: survey2024.

Table 5 Item I shows that 0% of the respondents said that they had to less extent freedom to make decisions; 9% of the respondents assured that they had to some extent freedom to make decisions,; 74.3% of the respondents had to a great extent freedom to make decisions and the rest 16.7% of respondents had to a great extent freedom to build their professions. The researcher believed that the extent of freedom that the employees had caused the employees to have confidence on the administrators   this by itself had impact to minimize the employees' turnover.

As in item II of table 5, 12% of the respondents showed very high job assignment;61.5% of respondents showed high satisfied job assignment; 26.5% of the respondents had average job assignment, 0% of the respondents had very low job assignment; 0% of the respondent had low job assignment, . In view of this, the researcher believed that the proper assignment of duty was a cause to the employee's satisfaction and made them stay at their work, in other words, there was no turnover

**Graph 1: The Respondents' Motivation and Work Environment**
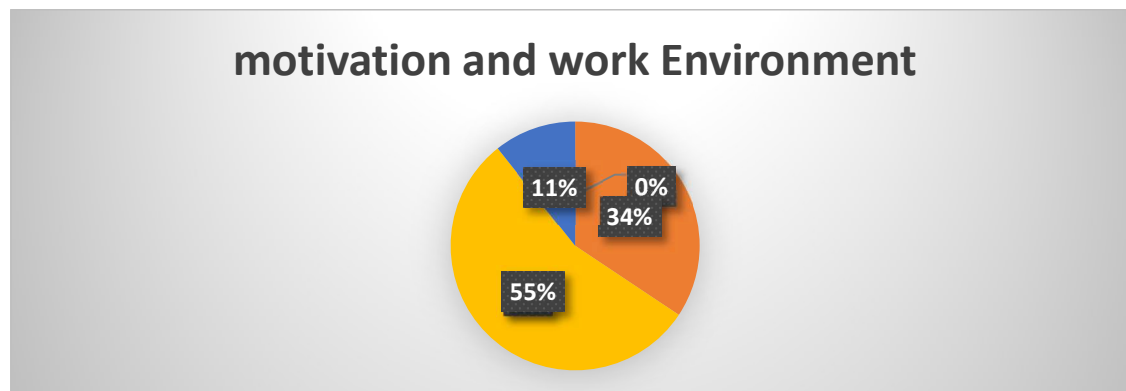
The diagram shows that the respondents had 0% promotion, 0% salary increment, 11% incentive and 55% recognition. Motivation or reward system plays a significant role in determining the level of job satisfaction and reducing turnover. Hence, managements should provide some motivational tools in order to encourage the workers, but there is no salary increment to the employees, so there was high turnover of the employees.

Responses obtained from the interview in relation to the remedial measures taken by the administrators to minimize the employees turnover problem was that the administrators had to make a salary adjustment and promotion for the staff, try to keep the employees' moral and reclassification of work was needed to be done at least every two years.

Item II of table 6, 0% of the respondents stated that the administrators had very poor skills in using latest technology; 0% of the respondents had poor skills in using the latest technology;28% of the respondents had good usage of technology and the rest 72% of replied that they rarely used new technology. The majority of the employees said that they were far from information systems in using the latest technology.

GRAPH 2. Performance of the administer
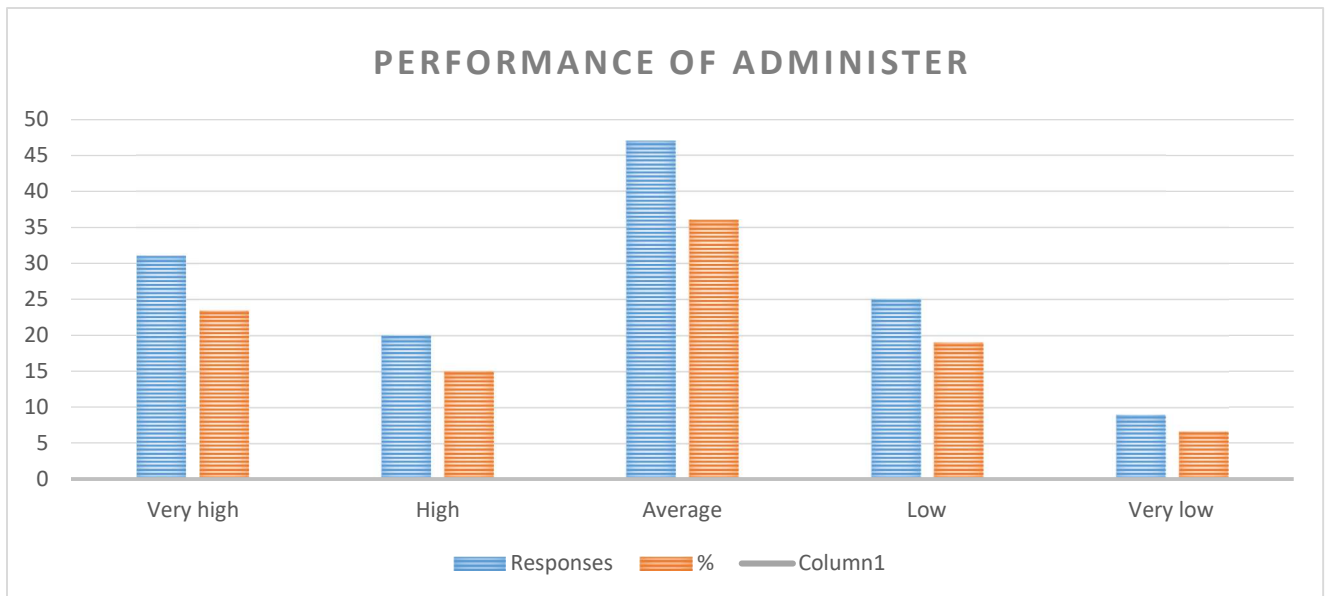
Source: survey2024.

As shown on the above table, 23.4% of the respondents rated the financial performance showed strength as its status was very high; 15% of the respondents said it was high. 36% of the respondents said it was average and 19% of the respondents said it was low, On the other hand, 6.6% of the respondents said it was very low. This implies that the administrators' financial strength was average. It led the employees to seek for other alternative.

Responses obtained from the interview in relation about the consequence of employee turnover they are explain that there is no quality of work activity, as accost such as interview, training and time gap to replace the new employee are cost component of employee turnover.

Table 5 Respondent main reasons for leaving

Item		Frequency of Responses	
I	What are the main reasons for staffs'' resignation from administer?	No	%
	Low salary	109	82.6
	Promotion problem	0	0
	Poor working environment	23	17.4
	Total	**132**	**100**
II	If there is other reason for turnover, please specify?	-Discrimination and Corruption. -Emergency of new administer and their need of well experienced managers. -The management specially the human resource unable to recruit and not to give on time promotion to the staff.	

Source: survey2024.

As shown on the above table 9, item I revealed that 82.6% of the respondents averred that low salary problem was the cause for the employees' turnover; 17.4% of the respondents indicate that poor working environment and the rest 0% of the respondents indicate that promotion problems were the causes for turnover. For the majority respondents, low salary problem was the cause of the employees' turnover in contributing the highest percentage as compared to the other factors. Moreover, the interviewees responded that the reason of employees' turnover was the presence of high labor market opportunity and delay in reclassification.

4. SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

4.1. Summary of the Findings

This chapter deals with the summary of findings, conclusions and recommendation. Based on the findings, the study was designed to assess the employees' turnover in the sub-city of Addis Ketema

located in Addis Ababa. Relevant information was collected from 132 respondents from some selected organization. Accordingly, the summaries of the findings were stated as follows.

- Almost all the respondents were degree holders the qualifications had a great impact for unit leaders and leaders in the sub- city of Addis Ketema. 76% are first degree holders. Most of the respondents replied that they were not given adequate transport allowance/transport service

- The majority of the respondents rated average provident fund the rate of attractiveness of the as average. Most of the benefit package is not adequate to retain the employees who have acquired skills in administration and this was one of the leading reasons for the employees' turnover.

- Most of the respondents replied that they were not satisfied with the salary scale of the government sector as compared to other government sectors. 45% of the respondents believed that their salary scale made them dissatisfied

- 74.3% of the respondents were able to share their decisions. The researcher believed that these factors the affected the employees to a great extent with their job and lacked confidence in administration. 96.3% of the respondents did not think that the labor union did not stand for the employees' rights. The majority of the respondents believed that they were over loaded to fill the gap for vacant position and responsible for more than the compensation they earned.

- The majority respondents who had low salary problems were the cause of the employees' and this was considered as the highest percentage for the cause of turnover as compared to other factors.

- Most of respondents stated the financial sector had very low performance strength.

- The majority of respondents replied that administrators did not give proper attention to take care of the human resources of the offices.

- A few number of respondents replied that supervisors/managers were sometimes supporting when there was a problem related to a job.

- A few number of respondents replied that the management did not respond to the employees' issues.

4.2. CONCLUSIONS

Based on the basic questions of the study and findings obtained, the following conclusions are rendered.

- The employees do have freedom to make decision making.

- Administrators use insufficient motivational tools to retain their employees who are not satisfied because they do not get annual salary increment, bonus and incentives.

- The employees are not satisfied with their job assignments.

- The labor union is not committed to standing for the employees' rights.

- According to the study, financial and performance strengths are very to meet the set objectives.
- It has also found out from this research that the causes for high employee turnover are inadequate salary and promotion problems.

4.3. RECOMMENDATIONS

To solve the stated problems regarding the employees' turnover, the following possible solutions are recommended.

- The administrators should use the latest technologies that are applicable to the existing services.
- The administrators should conduct reclassification to retain the employees, promotions and benefit packages in order to strengthen the financial performance.
- It has to take measure to make employee satisfy with their job assignment.
- The administrators should give right to the employees to share decision making.
- The administrators should collect data from the employees to identify whether they are satisfied and this would, in turn, help them to adjust and take proper actions in advance.
- As one of the causes for high employees' turnover is inadequate salary and promotion problems, the concerned body should allow salary increment and promotion.

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Challenges and Benefits of Introducing Credit Cards in Ethiopia

Etsubdink Habtamu & Henok Mamo

Abstract

This research delved into the challenges and benefits of the introduction of credits card in Ethiopia. It investigated the readiness of banks in Ethiopia to facilitate credit card services, and identify the essential prerequisites for successful implementation. It also assessed the level of awareness and the individual users' needs regarding credit cards in the Ethiopian context. The study investigated the challenges and benefits associated with introducing credit cards in Ethiopia, utilizing a quantitative approach with surveys as the primary data collection method. Close-ended questionnaires were distributed to the customers and employees of selected banks, supplemented by interviews to gather in-depth insights. The study employed a descriptive research design to analyze the data collected, examine the perceptions and experiences of stakeholders regarding the introduction of credit cards in the Ethiopian financial landscape. The findings indicate that the introduction of credit cards can greatly benefit the country. While there might be potential disadvantages associated with credit card usages, the study emphasized that the advantages outweigh these drawbacks. Furthermore, the absence of regulations concerning credit cards highlights the need for regulatory frameworks to govern their usage effectively. Despite low awareness levels, the study reveals a promising trend as customers expressed a willingness to embrace credit card usages once introduced. This research strongly recommends the introduction of credit cards to leverage these benefits effectively. It also underscores the importance of creating awareness regarding credit card usages to foster acceptance and understanding. Regarding potential risks, the study suggests the implementation of a robust fraud control system for credit card issuers to mitigate security concerns. Furthermore, the study emphasizes the necessity of establishing clear rules and regulations to govern the usage of credit cards in Ethiopia effectively. Ultimately, the study concludes that the advantages of introducing credit cards outweigh the disadvantages, leading to a comprehensive recommendation for the introduction of credit cards in Ethiopia as a transformative financial tool that can enhance the country's economic landscape and financial inclusion effort.

CHAPTER ONE: INTRODUCTION

1.1.   BACKGROUND OF THE STUDY

The exchange of goods and services has always been a central part of society. Coins and bills support this exchange and go back as far as 3000 B.C. in Mesopotamia. Traditionally payment systems include cash and other instruments like check, letter of credit. However, it is not always convenient to carry money around to pay for what you need, especially for larger value purchases or when travelling (Helldorff, 2014).

The growing competitiveness in the global business landscape necessitates companies to continually explore innovative business approaches and integrate emerging technologies (Earnst & Young, 2011). One of the pivotal transformations in recent years has been the rising reliance on information technology, the Internet, and performance management systems (Blocher, 2010).

Now days with the digitalized world created different type of payment mechanism. Modern payment system are using cash substitute payment system like debit card ,credit card , electronic fund transfer, internet banking , e-commerce and so on. Electronic payments technologies are magnetic stripe card, smartcard, contactless card and mobile handset. Mobile handset based payments are called mobile payments (Lyon, 2008)

The shifts in the business landscape in recent times have led to alterations in the way organizations conduct their operations. Factors such as heightened global competition, advancements in information technologies and the Internet, evolving customer expectations, the advent of e-commerce, and shifts in the social, political, and cultural business environment collectively contribute to these changes (Blocher, 2010)

For different transaction payments my made either on the spot or they may be on credit as a deferred payment. If you can't pay immediately though, how do you get a potential merchant to trust you and hand over the items or services, you want and in return for a promise to be paid later? It was this need, the ability to have access to your funds at a distance, which drove the development of the payment systems that we have today (Helldorff, 2014). Credit sales refer to transactions in which goods or services are sold on credit, allowing the buyer to make a deferred payment at a later date. Both sellers and buyers can benefit from credit sales in various ways. The sellers will increase their sales; get competitive advantage, customer loyalty and better cash flow management. While the buyers get immediate access to goods and services, opportunity to invest, better cash flow management and emergency buffer.

A credit card is a plastic card issued by a financial institution, such as a bank or credit union that allows the cardholder to borrow funds to make purchases. The cardholder can use the credit card to make transactions at merchants that accept credit cards. Credit cards offer consumers the flexibility of deferring payment to the future date, and thus can allow consumers to smooth spending over temporary

liquidity shortfalls .credit cards offer the convenience of cashless transaction and also allow for purchases over the telephone and through internet.(carol C.Bertaut and Micheal Haliassos, 2005).

Due to the historical reliance of Ethiopia's financial sector on cash-based transactions, company growth and efficiency have been constrained. The lack of credit card facilities has made it more difficult for people and companies to get credit, shop online, and engage in global trade. Ethiopia can increase financial inclusion, boost economic growth, and draw in foreign investment by adopting credit cards. But it's critical to recognize and deal with any challenges that could appear during the implementation phase (Fyery, 2008).

For many different stakeholders, the introduction of credit cards in Ethiopia is extremely significant. First of all, credit cards can give people access to credit, allowing them to make investments and purchases that exceed their immediate means. This stimulates entrepreneurship, increases consumer spending, and advances economic growth. Credit cards also make safe online transactions possible. Additionally, the use of credit cards can draw in foreign investors since it represents the development and modernization of Ethiopia's banking industry (Fyery, 2008).

Despite the potential benefits, introducing credit cards in Ethiopia poses several challenges. First and foremost, a strong technological foundation—including dependable network connectivity and safe payment gateways—must be established in order to facilitate credit card transactions. It is also essential to guarantee appropriate financial practices by educating the public about credit card usage, benefits, and potential concerns. In addition, policies and regulatory frameworks must be established to protect consumer rights and stop fraud.

This research shed light on the significance and difficulties associated with the introduction of credit cards in Ethiopia. Policymakers, financial institutions, and stakeholders can make well-informed decisions to enable the successful adoption of credit cards in Ethiopia by comprehending the possible advantages and tackling the related obstacles. In the end, this will promote economic advancement and strengthen financial inclusion.

1.2. Statement of the problem

Credit sales have a great advantage both for seller and buyer. The sellers will increase their sales; get competitive advantage, customer loyalty and better cash flow management. While the buyers get immediate access to goods and services, opportunity to invest, better cash flow management and emergency buffer (Garman and Forgue, 2006).

The processing of payments and selection of payment methods is no longer a commodity issue, it is strategic. Tactical decisions do not stand the test of time and decisions with respect to payment processing need to be long term. Companies therefore, need a strategy for their payment processing (Lyon, 2008).

One of the digital, easy and flexible ways of facilitating credit transaction is through the introduction of credit card. Credit cards continued to play a vital role as both a payment method and source of credit. Consumers still used their cards to facilitate transactions, smooth consumption, and earn

rewards. As physical stores closed and a greater share of commerce was transacted digitally, cardholders benefited from the consumer protections afforded to credit cards such as limitations on liability and enhanced security (bureau of consumer financial protection, 2021).

Credit cards are widely used in many countries around the world. Most developed and many developing countries have established credit card systems as part of their financial infrastructure. The exact number of countries that use credit cards may change over time due to economic developments, changes in financial regulations, and advancements in payment technologies. It's important to note that the acceptance and usage of credit cards can vary widely from country to country. Some countries may have a highly developed and widely adopted credit card system, while others may rely more on alternative payment methods.

Ethiopia is one of the few countries that doesn't use credit card as a payment system even though a few banks are trying to introduce it. There are some key aspects that Ethiopia may lack due to not practicing the use of credit cards.

Limited Access to Formal Financial Services is the first thing to be mentioned. Without credit cards, individuals in Ethiopia may have limited access to formal banking services. Credit cards are not only a convenient payment tool but also serve as a gateway to other financial products and services (FSD Ethiopia, 2021).

Reduced Financial Inclusion is the other thing to mention. Credit cards can play a crucial role in promoting financial inclusion by providing a means for individuals who may not have access to traditional banking to participate in the formal financial system (FSD Ethiopia, 2021).

Convenience in Electronic Transactions is also problem due to absence of credit cards. Credit cards offer a convenient and secure means of making electronic transactions. Without them, individuals and businesses may rely more heavily on cash transactions, which can be less efficient and pose security risks (International trade administration, 2023).

The reason for not adopting credit card system may be different. But it's better to understand the advantages of using credit card, to understand the advantage outweighs the disadvantage with proper management.

Aside from the disadvantages of not using credit card in Ethiopia there is little researches have been made that shows the importance of introducing credit card in Ethiopia. There is also little awareness amongst the individual users about credit card.

In fact introducing credit card for the first time may have come with some challenges. The infrastructure, capital to introduce, penetrating to the market and creating awareness, dealing with business owners to adopt the system and many more to be figured out may serve as a challenge.

The lack of local research and studies in this area makes it difficult analyze whether the importance of introducing credit card outweighs its challenges, Whether the banks have the capacity to introduce credit card, identify the prerequisite factors of introducing credit card, specify the difficulties of introducing credit card, assess the individual users need and awareness of credit card must be clear.

The importance and challenges of using credit card specifically in Ethiopia is not clearly understood and researches are not done regarding this title. The requirement and infrastructure needed for introducing credit cards is not specifically known, its not clear if it can be done by available infrastructures.

1.3. Research Questions

1. What were the Benefits of introduction of credit cards in Ethiopia for Ethiopia's economy and society?

2. For what purposes technological infrastructures were needed in Ethiopia?

3. What were the main drawbacks and challenges of using credit cards in Ethiopia?

4. Why were laws and guidelines in relation to credit cards created in Ethiopia?

5. How did consumers and business owners comprehend credit cards?

1.4. Objective of the study

1.4.1. General objective of the study

The general objective of this study was to analyze the importance and challenges of introducing credit cards in Ethiopia.

1.4.2. Specific objectives of the study

The specific objectives of the research were to:

➢ analyze whether the importance of introducing credit cards outweighs their challenges

➢ investigate whether the technological infrastructures required for the introduction of credit cards availability

➢ identify the drawbacks and challenges of introducing credit cards

➢ determine the needs for adequate rules and regulations for the introduction of credit cards

➢ assess the individual users' needs and awareness of credit cards

CHAPTER TWO: RESEARCH METHODOLOGY

2.1. RESEARCH DESIGN

A research design is the logic that links the data to be collected (and conclusions to be drawn) to the initial questions of a study (or a strategy or plan of action that links methods to outcomes) (Creswell, 2003). The aim of this study was to examine the importance and challenges to introduce credit cards in Ethiopia. In order to achieve this objective, survey research design mainly quantitative research were used.

Survey research design provides a quantitative or numeric description of trends, attitudes, or opinions of a population by studying a sample of that population. Its purpose is to generalize from a sample to a population so that inferences can be made and it is also economical and rapid turnaround in data collection (Creswell,2003), and this method is important for collecting large amounts of raw data using question and answer formats (Hair, 2002). Survey is conducted via self-administered questionnaire as it is a common instrument for observing data beyond the physical reach of the observer (Leedy, 2012). Quantitative and qualitative research methods were used for the study.

The questioner contained questions and the respondents indicated their level of agreement on a five point likert scale with the following ratings: Strongly agree (5), agree (4), neutral or don't know (3), disagree (2), and strongly disagree (1).

In this study, descriptive research design was also employed to explore the challenges and benefits of introduction of credit cards in Ethiopia. The interview questions focused on the potential benefits, requirement of technological infrastructures, drawbacks and dangers, creation of ethical guidelines, and the awareness of credit cards among consumers and business owners. Simple random sample of 6 employees who are working at managerial position of banks were used to select the interviews. Thematic analysis was employed to identify the patterns and themes in the qualitative data. The findings were presented, key themes and patterns were highlighted, and their implications were discussed in relation to the existing literature. The study was concluded with a summary of the main findings and their significance along with suggestions for future research in this area.

2.2. Population and sampling techniques

2.2.1 Target population

According to Sekaran (2001), population is the entire group of people, events or things of interest that the researcher wishes to investigate. While the target population is the total collection of elements about which the researcher wishes to make some inferences.

Customers: Individuals with existing accounts at any of the selected banks (Awash Bank, Tsehay Bank, Abyssinia Bank, Commercial Bank of Ethiopia, Dashin Bank, etc).

Employees: Full-time staff currently employed in the Foreign Exchange, Credit Division, Business Development, and digitalization departments of the five selected commercial banks (Awash Bank, Tseha

2.2.2. Sample Size

Customers:

Stratum size: Due to time and financial constraints, an equal allocation of 6 customers per bank was applied, resulting in a total customer sample size of 36

nc = 6 banks * 6 customers/bank = 36.

Employee of the bank

Stratum size: Similar to the customer sample, an equal allocation of 12 employees per bank was used for some selected departments (Foreign Exchange, Credit Division, Business Development, and IT), resulting in a total employee sample size of

ne = 6 banks * 12 employees = 72.

Combined Sample Size:

The total sample size for the study was n = nc + ne = 36 customers + 72 employees = 108

2.2.3. Sampling technique

By employing a stratified random sampling technique for the employees and random sampling for customers, this study aimed to achieve a representative and statistically robust sample that facilitated valuable insights into the importance and challenges of introducing credit cards in Ethiopia within the specific context of the chosen six banks.

Customers: Within each bank, a simple random sampling technique was used to select the six customer participants. This ensures equal probability of selection for all eligible customers.

Employees: Stratified random sampling was employed within each bank. First, the four target departments were selected purposefully due to their direct relevance to the research topic (credit card introduction). Then, within each department, a simple random sampling technique was used to select the nine employees' participants. This approach balanced representativeness across departments while maintaining randomness within each stratum.

2.3. Data type and source

In this study, the research used mainly primary data. The primary data were collected from self-instructed questionnaire for selected banks, head office and the customers of the bank.

2.4 Methods of data collection

The primary data were collected by self-instructed close-ended questions from the customers and employees of the selected banks. The questioner contained questions and the respondents indicated their level of agreement on a five point scale with the following ratings: Strongly agree (5), agree (4), neutral or don't know (3), disagree (2), and strongly disagree (1).

2.5. Data analysis method

Data analyses consisted of examining, categorizing, tabulating, or recombining the evidence to address the initial proposition of a study (Yin, 2011). The researcher analyzed the data collected through survey concerning the importance and challenges of introducing credit cards in Ethiopia. The data collected via questionnaires were analyzed with descriptive statistics. In this study, the primary data were analyzed using descriptive statistics which was the average value of the response. The average or the

mean value of answer >=3 was considered as above average. The above average was seen as agreeing with the question asked.

CHAPTER THREE: SUMMARIES OF THE FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

The primary purpose of this research was to understand the importance and challenges of introducing credit cards in Ethiopia. The discussions held throughout this paper helped to achieve the research's main purpose. This section of the thesis presented the summary of findings, conclusions and finally recommendations related to the importance and challenges of credit cards.

3.1. Summaries of the findings

The responses collected from the questioner show the following results:

- Introduction of credit cards in Ethiopia has importance for the bank industry as credit card increases sales; The average responses support the ideas about the credit cards in relation to GDP; credit cards are additional product that makes the bank more digitalized; This implies that credit cards increase sales volume for merchants as cardholders prefer merchants who can accept their card for payment. The result obtained regarding the question of benefits of credit card introduction in Ethiopia shows the mean value of above average. This shows the introduction of credit cards helps the country in a great deal. The results obtained regarding infrastructures show there were available infrastructures in the country that could make the introduction of credit card easier. There were available technologies to issue credit cards, the system for tracking credit limit on each credit card can be established easily. Ethiopian merchants can easily access the required infrastructure to handle credit card payments. Banks in Ethiopia have enough economic capacity to give credit card services (loan) to the customers. The average responses regarding the disadvantage questions show there might be disadvantage of credit card usage. Yet it also suggests the advantage outweighs the disadvantage. The questioner results show there is no regulation regarding credit card, yet it suggests there should be a regulations set as to how credit cards should be allowed, and regulations should also be set regarding fraudulent acts. The questioners distributed to the customers of the banks show the customers awareness about credit cards is low and some customers could not show willingness to use credit cards.

3.2. Conclusions

As indicated in the previous chapters the aim of this research was to analyze the importance and challenges of introducing credit cards.

The introduction of credit card comes with great advantages for the country. One of the advantages is introducing credit cards helps the bank to be more digitalized and to be more financially inclusive. Financial inclusion means that individuals and businesses have access to useful and affordable financial products and services that meet their needs – transactions, payments, savings, credit and

insurance – delivered in a responsible and sustainable way introducing credit cards also helps the banks to gain more customers, and this could, in turn, create a competitive advantage.

The other advantage of credit card is that it increases sells for merchants as it gives consumers the advantages of deferring payment and increase consumption. This could be particularly beneficial for tackling unexpected expenses or financing larger investments, easing the burden of relying solely on cash reserves. Increased reliance on credit cards could lead to a rise in merchant sales and business activity, fostering a more dynamic and vibrant marketplace. This, in turn, could translate into increased production to meet higher demand.

Introduction of credit cards also come with its own disadvantage. The potential for individual debt accumulation and uncontrolled spending raise is concerned with the financial risk for the card users. And banks may face with uncollectable and fraudulent actions.

The awareness about the credit cards among the people is very low. This makes it difficult to introduce credit cards as they need more work and expense for advertising to the customers and merchants to accept credit card payments.

There is also a challenge determining credit limit. Credit limit should be set by determining not only income but also credit movement of an individual account. But once the system is made, it paves the way for making it easier.

Credit card can be used to access the current infrastructure and to this end, credit card tracking system is required.

3.3. Recommendations

Credit card has a great advantage as it increases sales, digitalization and financial inclusion of banks, and consumption by differed payments. Looking at the conclusions made, even though credit card comes with some challenges and difficulties, it's better to introduce the credit card. To get customers use credit card, goods and service provider should accept credit card payments. To facilitate this, awareness creation, advertisement and incentives should be used.

Introduction of credit card might come with some disadvantage like credit card fraud. The introduction of credit card should be planed ahead how to control fraud using systems.

Credit cards are allowed to customers by credit movement, so there should be a well-established system to track the credit movement of each customer. In addition national bank should regulate and establish regulation in relation to credit cards.

The advantages of introducing credit cards outweigh the disadvantages. So, overall introduction of credit cards had better been taken in serious issues.

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Evaluation of Financial Performance of Awash Bank

Adamu Degefa, Eyob Shimelis & Kibret Getachew

ABSTRACT

Financial analysis is an aspect of the overall business finance function that involves examining historical data to gain information about the current and future financial health of a company. This research aimed to assess the financial performance analysis in the case of Awash Bank S.C by applying the most power full analysis tools, ratio analysis. This study used quantitative data like graph, tables, and numerical terms. The secondary method of data collection was by reviewing internal documents of the company's profile as well as the audited annual financial statements of the company. This study used descriptive research method that described the characteristics of the variables under study. The objective of this study was to evaluate the financial performance of Awash Bank and to measure the efficiency of Awash Bank's management in using its various assets for generating revenue. The profitability of Awash Bank S.C in the five years period showed increase in its performance.

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Financial performance analysis is a critical aspect of evaluating the health and sustainability of businesses in today's competitive landscape. It provides insights into the efficiency, profitability, and overall management effectiveness of companies across various sectors (Smith & Johnson, 2023). With increasing globalization and technological advancements, the complexity of financial markets has grown, necessitating robust analytical tools and methodologies to assess organizational performance (Brown & White, 2022).

The importance of financial performance analysis is underscored by its role in guiding strategic decision-making and enhancing investor confidence. For instance, research by Lee and Lee (2021); Johnson, et. al. (2020). highlighted how accurate financial analysis can mitigate risks and optimize resource allocation, thereby improving corporate governance and transparency. This analytical process involves examining key financial ratios, such as liquidity, profitability, and solvency, to gauge a firm's ability to meet its financial obligations and achieve sustainable growth.

Recent studies have also emphasized the evolving nature of financial analysis techniques in response to economic uncertainties and market volatility. For example, in their study, Garcia and Martinez (2023); Jones & Brown (2021) demonstrated how advanced analytics and machine learning algorithms are reshaping traditional financial analysis practices, enabling quicker and more accurate decision-making processes. These advancements are crucial in adapting to dynamic market conditions and regulatory changes.

Furthermore, the COVID-19 pandemic has significantly impacted global financial markets, underscoring the need for adaptive financial performance assessment frameworks.

According to recent reports by the International Monetary Fund (IMF, 2023), businesses that adopted agile financial analysis tools and strategies were better equipped to navigate the crisis, highlighting the relevance of proactive financial management practices in times of unprecedented disruption.

The importance of bank in economic development is clearly presented by Haylu (2007) in his book "bank in Ethiopia". He listed seven ways in which bank aids development as follows: bank promotes general stability and reduce anxiety, it can also be substitutes for government security and programs and it facilitates trade and commerce. Bank pays a great role in mobilizing national saving as well as enabling risk to be managed more effectively. Insurers and reinsurers have economic incentives to help insured reduce losses is another important of followed by the last benefit of bank to economic development that insurers foster a more efficient allocation of capital.

Robert (1992) claimed that the management of business enterprises is interested to know their performance in order to plan for short-term and long-term operations. So, to evaluate a firm's financial condition and performance the financial analyst needs to perform checkups on various aspects of a firm's financial health. A tool frequently used during these checkups is a financial ratio. Financial

ratios are designed to help one evaluate a financial statement and useful tool for understanding the financial and operating activates of the business. Financial statements for the purpose of evaluating performance and understanding the levels of management control. We begin by studying the ties between a company's operating decisions, such as how many units to make this month and how to price them, and its financial performance. These operating decisions are the inverts by which management controls financial performance.

1.2 Statement of the problem

This research delved into the financial performance of Awash Bank S.C. over the period of 2019-2023, aiming to provide a comprehensive analysis of its financial health. This study held a particular significance as it was the first to utilize data from consecutive years within this time frame and employs the International Financial Reporting Standards (IFRS) accounting system, offering a unique perspective compared to previous research that utilized GAAP.

Banks operate by pooling resources from individuals and businesses to provide financial services, including loans, deposit accounts, and insurance against financial loss due to unforeseen events. As risk bearers, banks collect premiums in return for assuming the risk of potential claims. This collaborative mechanism spreads the risk across a wider pool of individuals, mitigating the impact of individual losses (Kasturi, 2006).

However, evaluating the financial performance of banks presents several challenges. The banking industry is complex, influenced by a multitude of factors including regulatory requirements, macroeconomic conditions, competition, and customer preferences (Mishkin, 2019; Saunders & Cornett, 2018; Brigham & Houston, 2019). Furthermore, while banks are required to disclose financial information, the quality and comparability of this data can vary across jurisdictions and reporting standards (Ross et al., 2019; Gitman & Zutter, 2015), making it challenging to conduct a comprehensive and accurate analysis of bank performance. Additionally, interpreting financial ratios and performance metrics in the banking industry can be complex, often differing from those used in other industries (Mishkin, 2019; Saunders & Cornett, 2018). Banks possess unique characteristics like high leverage, interest rate sensitivity, and the importance of asset quality, demanding specialized expertise for effective analysis.

This research aims to assess the overall financial performance of Awash Bank S.C. using profitability ratios, liquidity ratios, solvency (leverage) ratios, and asset management ratios. This study contributes to the existing literature by examining financial performance over a consecutive five-year period (2019-2023) and employing the IFRS accounting system, offering a distinct perspective on bank performance compared to previous research

1.3 Basic research questions
   ✓ What did the liquidity of Awash Bank S.C look like?
   ✓ How did solvency of Awash Bank S.C look like?
   ✓ How did profitability of Awash Bank S.C look like?
   ✓ How did the company's asset management strategy to generate revenue?

1.4 Objective of the study

The study contained general and specific objectives of the research as follows:

1.4.1. General Objective

The main purpose of this research was to investigate and assess the financial performance of Awash Bank S.C

1.4.2 Specific objectives

- To analyze the liquidity performance of the bank

- To analyze the leverage or solvency of Awash Bank during the study period. To assess the profitability performance of Awash Bank with the help of profit and loss statements. To assess the efficiency of Awash Bank in using its various asset for generating revenue

1.5. Research Methodology

This section details the methodological approach employed in this study to analyze the financial performance of Awash Bank S.C. over the past five years (2019-2023).

1.5.1. Research Design

This study used a descriptive research design, aiming to accurately portray the characteristics and trends of the variables under investigation. Specifically, the study focused on describing and analyzing the financial performance of Awash Bank S.C. by examining its audited annual reports as outlined by Sekaran and Bougie (2016).

1.5.2. Data Collection

1.5.2.1. Sources of Data

The secondary source of data for this study was the audited annual reports of Awash Bank S.C. for the years 2019-2023. These reports served as a comprehensive source of financial information, including financial statements, key ratios, and management commentary, essential for understanding the bank's performance.

1.5.2.2. Types of Data

The study used quantitative data. Quantitative data, such as financial ratios presented in tables and graphs, were used to provide an objective analysis of the bank's financial performance. These numerical values helped to analyze trends and patterns in the bank's financial well-being.

1.5.3. Data Analysis and Presentation

This research used descriptive statistics to analyze the collected data. This includes calculating various financial ratios that are commonly accepted as indicators of financial performance, as outlined by

Ross, Westerfield, & Jordan (2015). The findings are presented using tables and graphs to provide a clear and concise visualization of the bank's financial performance over the five years.

CHAPTER TWO: DATA ANALYSES, PRESENTATIONS AND INTERPRETATIONS

In this chapter Awash Bank S.C's financial statement analysis and interpenetration supported by financial are discussed. These financial ratios are classified into liquidity, debt management, profitability, and asset management ratios to analysis and interpret the company's financial data. For this purpose financial position and statement of profit and loss and other comprehensive income from the year 2019 up to 2023 have been used.

2.1 Financial statements analysis and interpretation

The audited financial statements of the last five years were examined. The data used for this analysis were collected from the audited annual reports of Awash Bank S.C. These statements were used to make an in-depth evaluation of the performance of Awash Bank S.C based on financial ratios. So, using these data the following financial ratios are computed and presented.

2.1.1 Liquidity ratio

2.1.1.1 Current ratio

Current ratio is the relationship of current assets to current liability. It measures the extent to which the claims of short term creditors and covered assets can quickly be covered in to cash. The current ratio is a financial ratio that measures whether or not a firm has enough resources to pay its debts over the next 12 months.

It compares a firm's current assets to its current liabilities. It is expressed as follows:

Current ratio = Current assets

Current liability

Table-1 Current ratio

	2019	2020	2021	2022	2023
Current asset '000	223,192	246,376	1,156,591	1,306,211	1,481,494
Current liability '000	155,146	201,113	910,637	972487	1,004,659
Current ratio	1.43	1.22	1.27	1.34	1.47

Source: Audited financial statement (2019-2023)
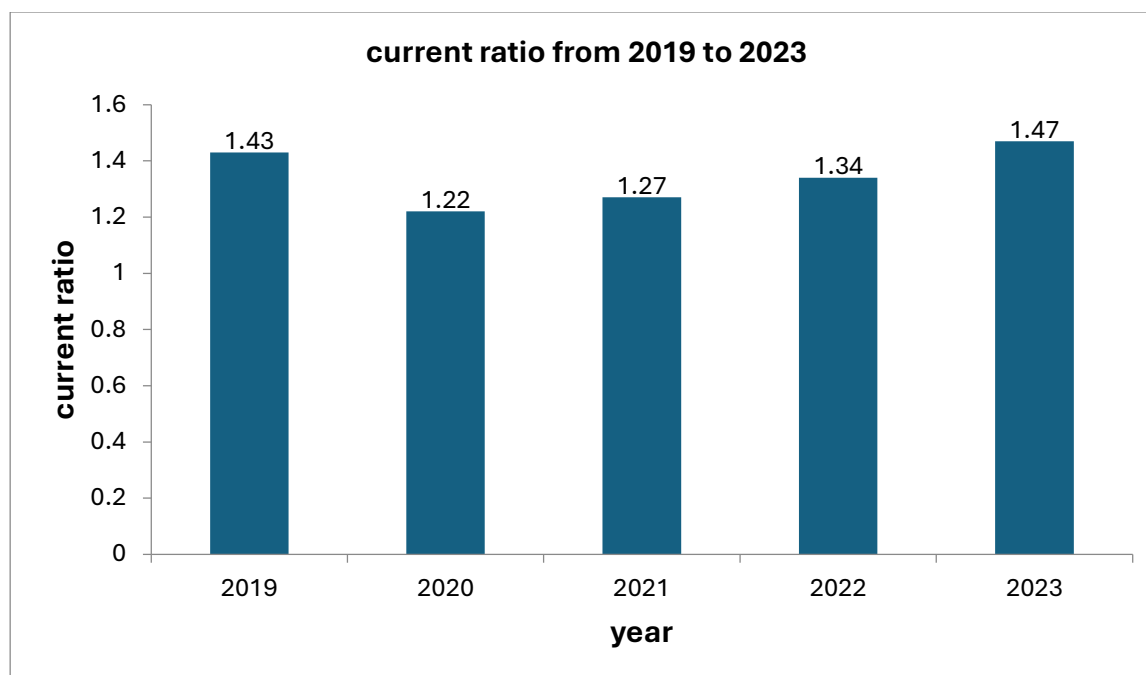
(Graph-1) current ratio

Source: Audited financial statement (2019-2023)

As we can see from the liquidity ratio analysis, table-1 and graph-1 Awash Bank S.C's current ratio was in the range of 1.22 to 1.47. The maximum ratio 1.47 was achieved in the year of 2023 and the minimum 1.22 in the year of 2020.

When we compare the ratio of 2022 and 2023, it shows improvement. Such an important is due to the raise current asset and the reason for the raise, there current asset depends on other receivables and the creation of these improvement increases prepayment.

2.1.1.2 Net working capital

Net working capital measures the company's ability to meet immediate obligations.

Net working capital = current asset – current liabilities

This calculation assess by which current asset exceeds or falls the current liability.

Table-2 Networking capital

	2019	2020	2021	2022	2023
Current asset '000	223,192	246,376	1,156,591	1,306,211	1,481,494
Current liability '000	155,146	201,113	910,637	972,487	1,004,659
Net working capital	68,046	45,263	245,954	333,724	476,835

Source: Audited financial statement (2019-2023)

Net working capital from 2019 to 2023
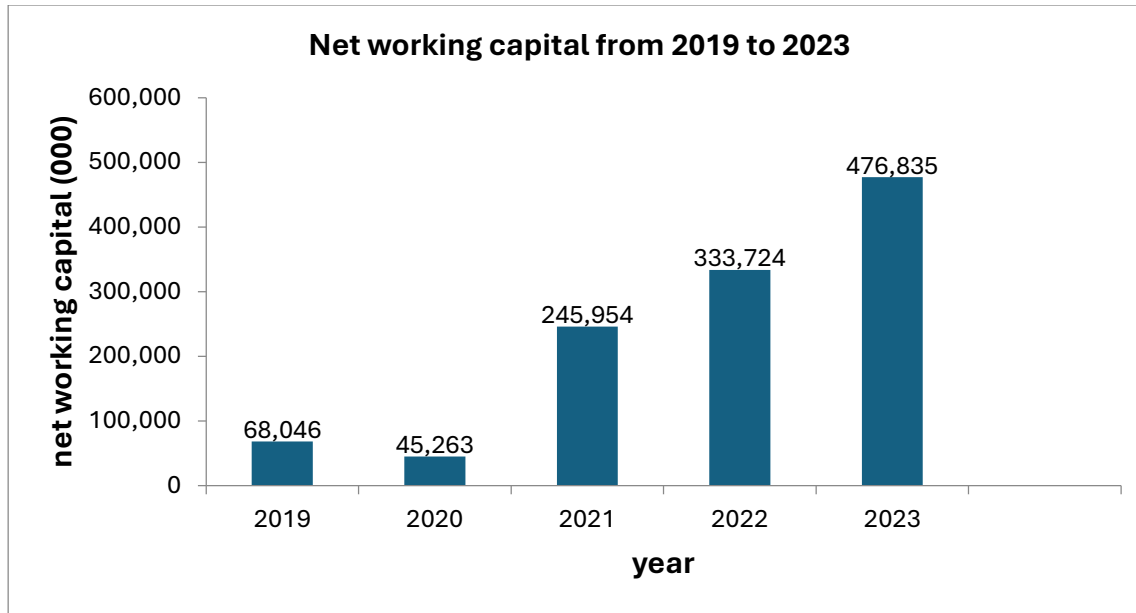
(Graph-2) Net working capital

Source: Audited financial statement (2019-2023*)*

As shown on the graph, the net working capital of Awash Bank S.C increased from year to year. This growth might be an indication of some improvement in liquidity and when liquidity ratio was improved, the ability of bank companies to meet its current obligation was improved.
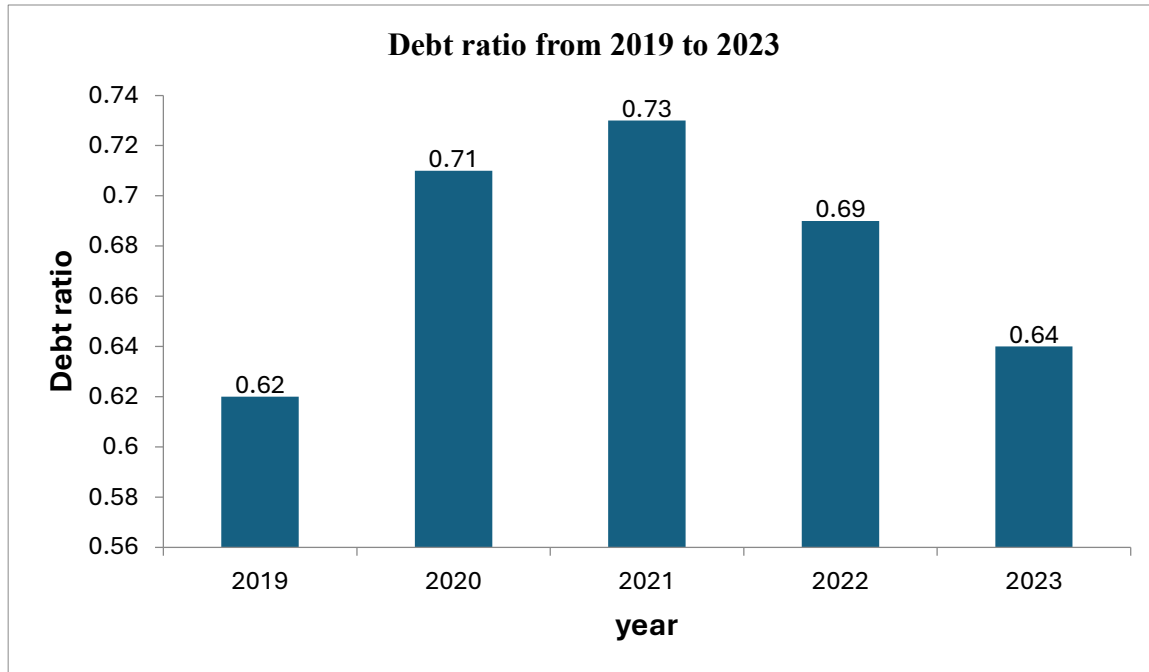
2.1.2 Debt management ratio

2.1.2.1 Debt ratio

 This ratio computed as:

$$\text{Debt ratio} = \frac{\text{Total debt}}{\text{Total asset}}$$

Table-3 Debt ratio

	2019	2020	2021	2022	2023
total debt '000	542,722	849,537	1,001,380	1,065,376	1,122,159
total asset '000	874,538	1,195,837	1,358,779	1,534,257	1,733,861
debt to asset ratio	0.62	0.71	0.73	0.69	0.64

Source: Audited financial statement (2019-2023)

Debt ratio from 2019 to 2023

(Graph-3) Debt Ratio

Source: Audited financial statement (2019-2023)

As shown in the above graph, the debt management ratio analysis table-3 and graph-3. Awash Bank S.C. debt ratios were in the range of 0.62 to 0.73. The maximum ratio, i.e. 0.73 was incurred in the year 2021 and the minimum ratio 0.62 in the year 2022. The total asset of the company grew from year to year
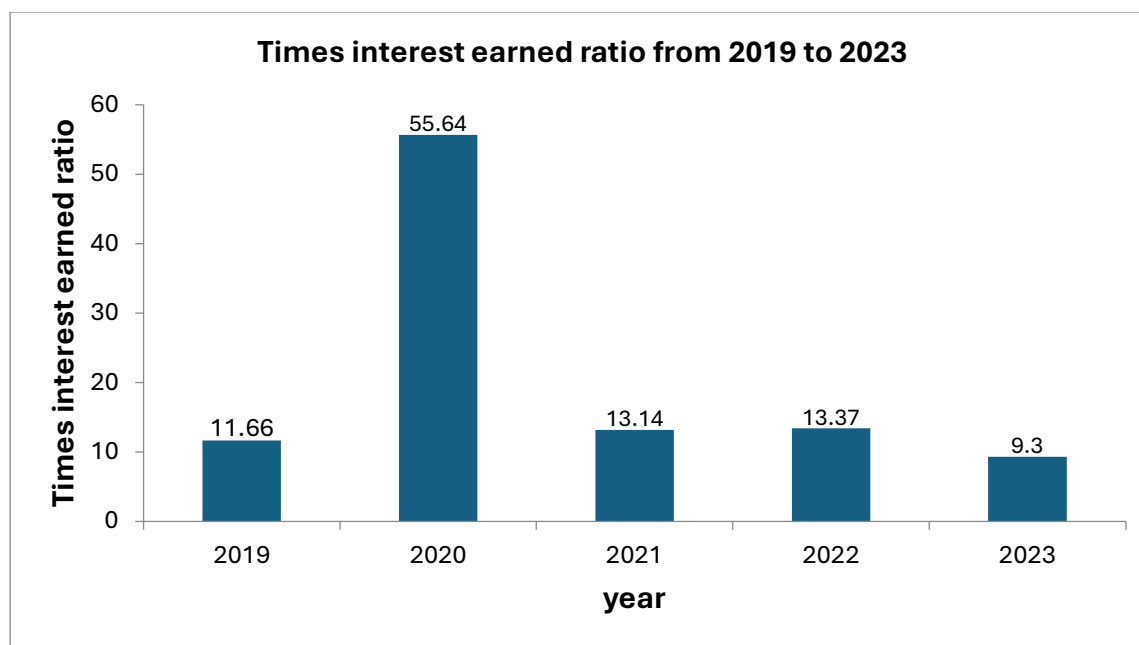
2.1.2.2 Time interest earned ratio

$$Times\ interest\ earned\ ratio = \frac{Earned\ before\ interest}{Interest\ expense}$$

The ratio is directly related to the ability as the company to pay its ongoing interest Obligation

Table-4 Time interest earned ratio

Source: Audited financial statement (2019-2023)

(Graph-4) Time interest earned ratio

	2019	2020	2021	2022	2023
profit before interest and tax '000	45,929	51,139	67,348	113,253	162,973
Interest expense '000	3,939	919	5,122	8,513	17,520
Time interest earned ratio	11.66	55.64	13.14	13.37	9.30

Source: Financial statement (2019-2023)

As illustrated in the above table-4 and graph-4, the time interest earned ratio showed improvement in the year of 2023 ratio as compared to the remaining years. In 2023, the company incurred high gain. This was because of highly decrement of the total expense. When we compared the expense of 2023 with the previous year, we saw decrease in some expense, such as ordinary general meeting expense and provision for impairment of receivable.
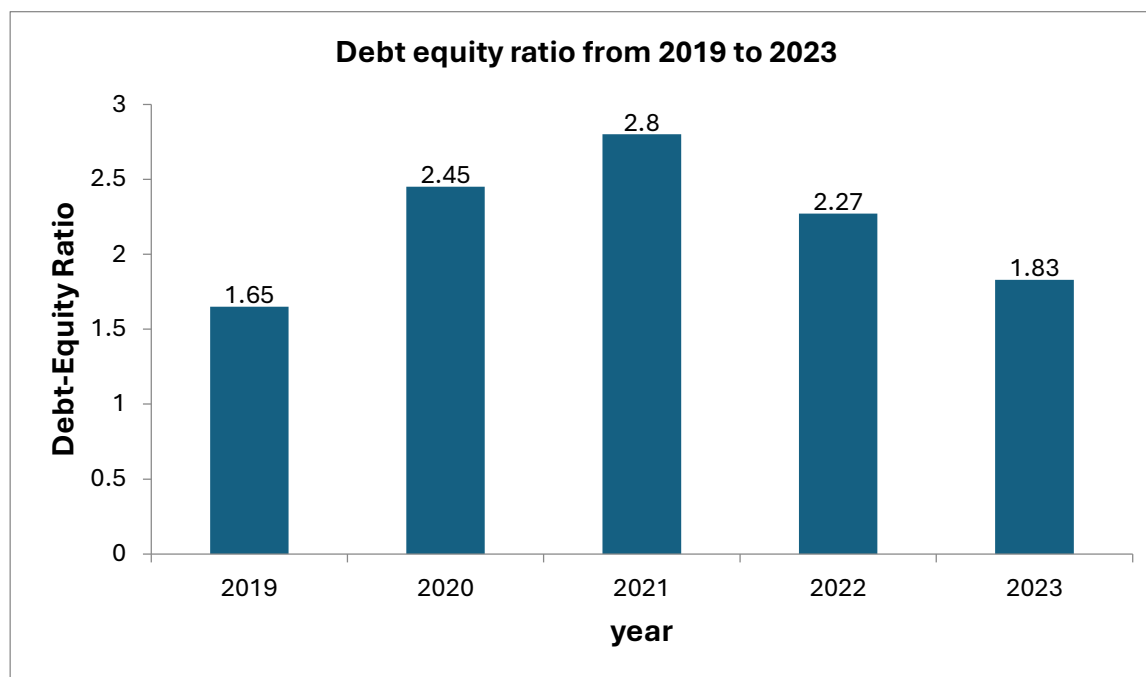
2.1.2.3. Debt-equity

The ratio is computed as

Debt equity ratio = Total debt

               Total equity

Table-5 Debt-equity

	2019	2020	2021	2022	2023
total debt '000	542,722	849,537	1,001,380	1,065,376	1,122,159
total equity '000	328,816	346,299	357,399	468,881	611,702
debt equity ratio	1.65	2.45	2.80	2.27	1.83

Debt equity ratio from 2019 to 2023

(Graph-5) Debt-Equity Ratio

As illustrated in the debt management ratio analysis in table-5 and graph 5, the company's debt equity ratio was in the range of 1.65 to 2.8. The maximum ratio, i.e. 2.8 was incurred in the year 2021 and the minimum ratio 1.65 in the year 2022. The increment in the year 2021 was because of the bond business continued to be a threat for the company as claims happened to polices issued year back.

2.1.3 Profitability ratio

The method used to calculate profitability ratios include profit margin, return on asset and return on equity ratios.

2.1.3.1. Net profit margin

. This ratio calculated as:

Net profit margin ratio = Net income

Sales (gross premium)

Table-6 Net profit margin

	2019	2020	2021	2022	2023
Net Income '000	304,591	439,717	500,814	511,807	540,895
sales(GP) '000	317395	401799	474,874	464,233	465,316
Net profit margin	0.95	1.09	1.05	1.10	1.16

The Awash bank S.C growth of net profit margin shows ups and downs. The highest net profit margin was in the year 2023 and the lowest was in the 2019. When we saw the first three years ratios, there had been less performance as compared to the ratio of 2023.

In 2023 the highest performance was achieved in its years of operation. This was achieved as a result of concerted efforts made on claims recovery, increase efficiency and strict clam management system, flexibility and relaxation in under writing on some selected business cautions fixed time deposit management and proper management of controllable expenses and utilization of resource as much as possible in efficient and optimal manner.

2.1.3.2. Return on total asset

One common measure of managerial performance is the ratio of income to average total asset. The higher the ratio indicates the more ability in utilizing available asset to generate profit. It is computed as:

Return on total asset =   Net income

                         Total asset

Table-7 Return on total asset

	2019	2020	2021	2022	2023
Net income '000	304,591	439,717	500,814	511,807	540,895
Total asset '000	874,538	1,195,837	1,358,779	1,534,257	1,733,861
Return on asset	0.34	0.36	0.36	0.33	0.31

Source: Audited financial statement (2019-2023)

As shown in the profitability analysis of table-7 and graph-6, the return on asset ratio was high in 2020 and 2021 as compared to the first year. This reflects the effectiveness of the company's management in efficient utilization of available asset to generate profit. The reason for such increase in 2020 and 2021 was the high decrement of expense that improves the net income of the year.

2.1.3.3 Return on equity

Return on equity is net earnings per birr amount of equity capital. It measures how the stock holders finance during the year or it measures the efficiency of the company. The highest of this ratio is an indicator of higher managerial performance. It is calculated as:

Return on equity =   Net income

   Equity

Table-8 Return on equity ratio

	2019	2020	2021	2022	2023
Net income	304,591	439,717	500,814	511,807	540,895
Equity	328816	346299	357399	468881	611702
Return on equity	0.92	1.26	1.40	1.09	0.88

Table-9 Profitability ratio

	2019	2020	2021	2022	2023	Average
Net profit margin	0.95	1.09	1.05	1.10	1.16	1.07
Return on asset	0.34	0.36	0.36	0.33	0.31	0.34
Return on equity	0.92	1.26	1.40	1.09	0.88	1.11

Source: Audited financial statement (2019-2023)

The return on equity was increased in the year 2021 and the reason for this increment under net profit margin was due to the decrement of general administrative expense.
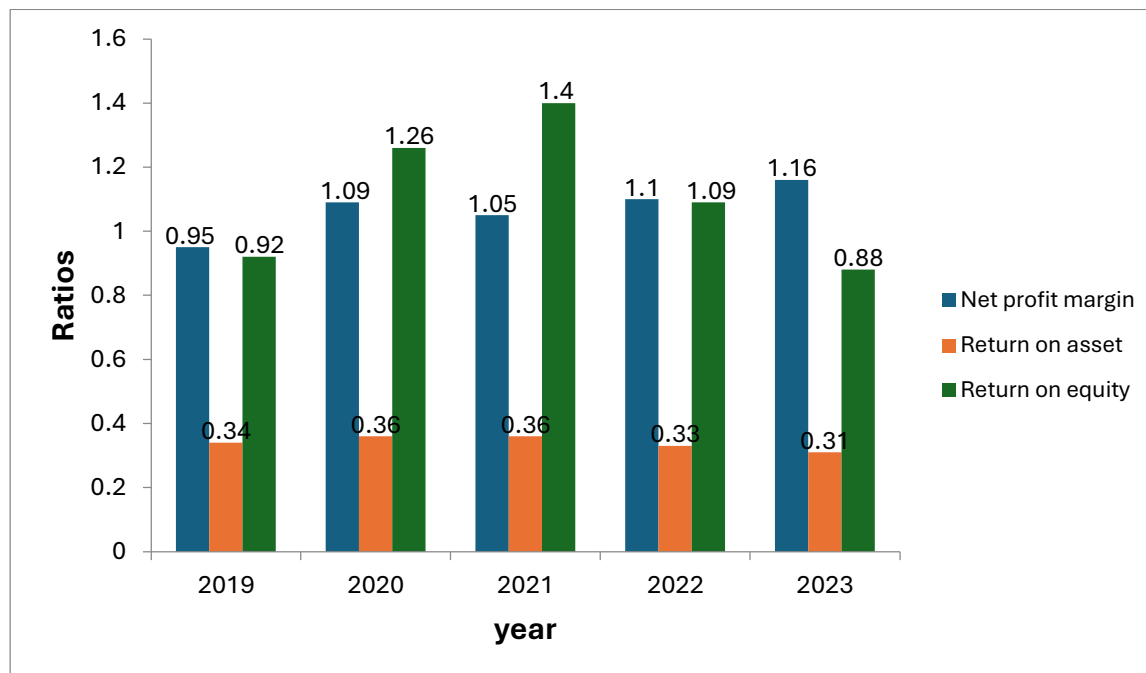
(Graph-6) Profitability Ratios

Source: Audited financial statement (2019-2023)

2.1.4 Asset management ratio

It is also called "turnover ratio" because it indicates the speed with which assets are being converted into sales.

It measures the efficiency of the firm in managing and utilizing its assets. The better management of asset, the larger the amount of sales will be ratios that analyze different types of assets like fixed asset turnover ratio and total asset turnover ratio.

2.1.4.1. Fixed asset turnover

Fixed-asset turnover is the ratio of sales to value of fixed assets, indicating how well the business uses fixed assets to generate sales. It measures the firms efficiently in utilizing its fixed assets. The higher the ratio, the better, because a high ratio indicates the business has less money tied up in fixed assets for each unit of currency of sales revenue. A declining ratio may indicate that the business is over-invested in plant, equipment, or other fixed assets.

Fixed asset turnover = Total sales

Fixed assets

Table-10. fixed asset turnover

	2019	2020	2021	2022	2023
Total sale '000	317,395	401,799	474,874	464,233	465,316
Fixed asset '000	121,745	148,671	202,188	228,046	252,367
Fixed asset turnover	2.60	2.70	2.34	2.03	1.84

Source: Audited financial statement (2019-2023)

As shown in the asset management ratio of table-10 and graph-7, the fixed asset turnover ratio was in the range of 1.84 up to 2.70. The highest ratio of fixed asset was recorded in 2020. It implied effective management. The lowest was in 2023 which indicates less effective management when we compared it to other years.

2.1.4.2 Total asset turnover ratio

Total asset turnover is a financial ratio that measures the efficiency of a company's use of its assets in generating sales revenue. Companies with low profit margins tend to have high asset turnover, while those with high profit margins have low asset turnover. This ratio measures the over performance and efficiency of the business enterprise. It points out the extent of efficiency in the use of assets by the firm computed as follows:

Total assets turn over = sales

Total asset

Table-11. Total asset turnover

	2019	2020	2021	2022	2023
Total sale '000	317,395	401,799	474,874	464,233	465,316
Total asset '000	874,538	1,195,837	1,358,779	1,534,257	1,733,861
Total asset turnover	0.36	0.33	0.34	0.30	0.26

Source: Audited financial statement (2019-2023)
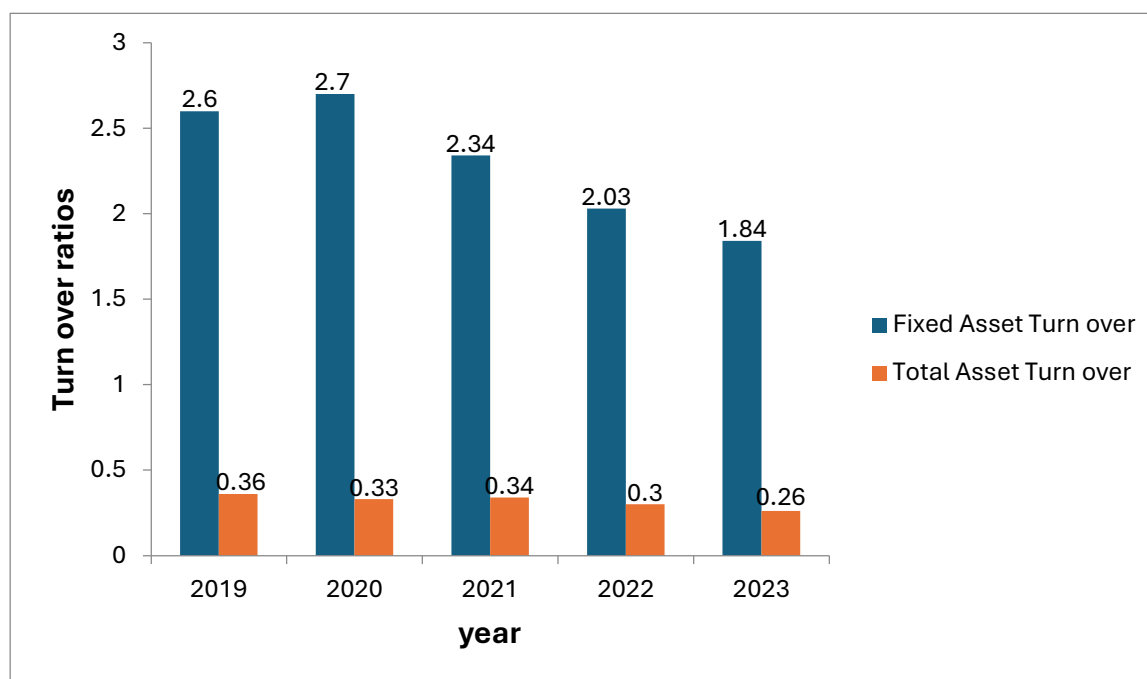
(Graph-7) Turn over Ratios

Source: Audited financial statement (2019-2023)

As can be seen from table 11 and graph-7, the company in the year 2019, its TATOR was 0.36 which was the highest ratio as compared to the rest ratio in the year 2020, 2021, 2022 and in 2023; it was 0.26, which was the smallest ratio as compared to the rest ratios. This indicates that the company performed its overall activities using the efficient asset to improve the business activities in the long run.

CHAPTER THREE: CONCLUSIONS AND RECOMMENDATIONS

3.1. Conclusions

The study examined the financial and operating performance of Awash Bank S.C. The financial statement analysis at Awash Bank S.C. used to indicate the performance of its financial position for management, creditors and other interested parties.

The short run liability of Awash Bank S.C to meet its obligation as it becomes due for the period covered in study was satisfactory; this shows that the presence of strength in Awash Bank S.C in meeting its current obligations.

The debt management ratio of Awash Bank S.C to meet its obligation in the long run was unsatisfactory. The reason for this was more reliance of the company on debt which in turn increased the proportion of debts in relation to assets. Therefore, Awash Bank S.C was expected to improve its debt management position to maintain its ability to meet the obligations in the long run.

The profitability ratio of Awash Bank S.C in the five years period showed increase in its profitability except in 2021 which was 1.05.

Asset management ratios show the speed with which assets were converted into sales. These also include total asset turnover and fixed asset turnover ratios. From the above analyses, Awash Bank was not good at asset management and it needed an improvement on its long term asset management policy and followed its performance.

3.2. Recommendations

To make the Awash Bank S.C competitive in its business throughout the next coming year, it should make some adjustments in its uses of financial matters based on the findings. The following recommendations are essential for the company to develop and to be profitable from the bank market.

- To increase the capital of the company, it should conduct a lot of investment in different kinds of business.
- The company should give considerable attention for the debt financing to decrease the pressure of creditors.
- The company ought to exert its maximum efforts to improve its profitability by further enhancing its services, adopting appropriate under writing measures and reducing the balance of debtors to the lowest level possible.
- The company should strictly follow the operation on its asset to generate revenue.

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Prospects and Challenges of Government Debt Securities on the Upcoming Ethiopian Capital Market

Abenezer Kidane, Nuhamin Abera, Feven Talu

Abstract

Ethiopia's capital market journey has been long and winding. Early signs of participation date back to Emperor Menelik II, but major progress began in the 1950s with the first public share offering. However, the military coup in 1974 stalled this development. Now, after nearly 50 years, the government is reviving the capital market in its new reform as a key pillar for private sector growth and attracting foreign investment. This study investigates the potential and obstacles facing government debt securities in the upcoming capital market. The aim is to examine how these securities can assist in creating a pipeline that can help to mobilize domestic savings by offering attractive investment options and attract foreign investment by the inclusion of debt securities in the securities exchange which can help the country increase its development and assist in the path of market-oriented economy. However, Ethiopia faces several challenges in establishing successful capital markets and incorporating government debt securities into the securities exchange due to weak institutional capacity, low levels of financial literacy, and a lack of investor confidence.

To untangle these challenges, the study will employ both primary and secondary data, qualitative data analysis, drawing insights from key stakeholders by interviewing the major respondents from the Ethiopian Capital Market Authority, Ethiopian Securities Exchanges, National Bank, Ministry of Finance, and financial experts from private institutions which provide firsthand perspectives. Additionally, rigorous secondary data collected from government annual reports, research papers, various publications, and official documents will offer deeper context and historical understanding. Ultimately, these research findings will provide an insights of a comprehensive understanding of the prospects and challenges associated with government debt securities within the larger context of the upcoming Ethiopian capital market. It will also offer recommendations for policymakers and investors looking to support the growth of these markets. The study aims to contribute to the development of a well-organized and inclusive financial sector in Ethiopia, which can help promote sustainable economic growth and development.

Background of the Study

The financial system, complex in structure and function worldwide, consists of financial institutions (banks, insurance companies, mutual funds) and financial markets (stock and bond markets) regulated by the government (Mishkin, 2007). It enables households, companies, and governments to access capital (Rogers, 2018) by channeling money from savers to investment opportunities through bank borrowing, stock sales, and bond issuance. This "three-legged" approach is crucial for risk sharing and stability, which many developing countries lack (Friedman, 2000).

Financial markets transfer funds from those with excess to those with shortages, promoting economic efficiency and growth (Mishkin & Serletis, 2011). Well-functioning markets are vital for high economic growth, while poorly performing markets contribute to poverty. They also affect personal wealth, business and consumer behavior, and economic cycles.

Capital markets, comprising primary and secondary markets, facilitate long-term fund raising through debt or equity securities. Primary markets handle new issues via underwriting, while secondary markets involve trading existing securities (Ruecker, 2011). Capital markets also support sustainable economic development by promoting responsible corporate behavior, long-term investment, and enhanced risk management, particularly in developing countries.

Stock exchanges exist in 19 African countries, evolving through stages of regulation, trading methods, and market participation. Initially informal, formal markets emerged to diversify investment sources or allow governments to float debt. Modern stock exchanges aim to support long-term equity finance, economic development, and regional savings growth (Victor, 2006). A robust financial sector pools domestic savings and mobilizes foreign capital for productive investments, essential for sustained economic growth (Bekaert et al., 2005).

In Ethiopia, capital market development is seen as crucial for economic growth, promoting the private sector, improving liquidity, enhancing competition, and supporting corporate governance (Ruecker, 2011). Historically, Ethiopia's stock market began in the imperial period with the Addis Ababa Share Dealing Group but ended with the Derg regime's command economy in 1974 (Geda, 2017). Efforts to establish a securities exchange resurfaced in 1995 and 1997/98, highlighting the need for capital markets to address capital shortages and support economic development (Reuker, 2011).

A 2000 seminar at Mekelle University emphasized the benefits and necessity of a capital market in Ethiopia. Despite strong advocacy, concerns about high costs and risks led to calls for further study. That year, the Ethiopian Share Dealing Group, modeled after the former group, developed comprehensive rules and regulations with Ernst & Young. However, these efforts stalled due to a lack of government support (Ruecker, 2011).

There have been a promising progress in the establishment of capital market in recent times with the New administration decided to re-establish the capital market as part of its new economic reform agenda and Establishment of Capital Market project office under the supervision of NBE in April 2019, The government passed the capital market proclamation 12/48 and paves the way for the establishment of Ethiopian capital market authority in June 2021, The authority officially commences its operation with the appointment of board of directors & director general for the Ethiopian Capital Market Authority (ECMA) in December 2022, and Ethiopian Security Exchange expected to be launched in mid of 2024.

Government debt securities in the emerging capital market plays a crucial role in the fiscal policies of nations, serving as a means to mobilize domestic saving, bridge budgetary gaps, and stimulate economic growth. While relatively safe, there are some potential downsides to consider macro economic and inflation risk.

Government debt securities are debt instruments issued by the government to meet its financing needs and for the purpose of monetary policy. A government bond is a bond issued by a national government, generally with a promise to pay periodic interest payments and to repay the face value on the maturity date. The National Bank is responsible for the administration of the primary market for government debt securities which includes Treasury Bills, Treasury Notes and Treasury Bonds.

1) T-bills - issued with short-term maturities (in Ethiopia we have 1-month, three month, six month and twelve month maturity periods). They offer investors the lowest yield of all government debt securities issues.

2) T-notes - issued with longer maturities than T-bills and shorter maturities than T-bonds, typically offered to investors with 2-10 year terms. It is a medium-term bond.

3) T-bonds - have the longest maturities of all government-issued securities exceeding ten years and are often referred to as long bonds.

The study ultimately plans is to address the prospects and challenges of this government debt securities in the upcoming capital market.

Statement of the problem

As Ethiopia strive to strengthen the establishment of capital market, a critical challenge lies in the realm of government debt securities. The effective development and management of government debt securities are pivotal for the overall growth and stability of the capital market. However, navigating the prospects and challenges associated with government debt securities in Ethiopia requires a better understanding of the capital market and the government debt securities. In this context, the forthcoming capital market in Ethiopia faces the formidable task of addressing issues such as market depth, investor confidence, and regulatory frameworks to ensure the successful integration and sustainable growth of government debt securities in capital market the financial landscape.

An expanding economy like Ethiopia requires ongoing investment for new projects as well as for the enlargement and modernization of current production capacity. The finance-growth debate has evolved over the years with a change of various circumstances. Therefore, the nation requires fresh investments that is, it needs money to invest and a functioning financial market in order to maintain the yearly GDP increase. The intricate dynamics of macroeconomic factors influencing the attractiveness and stability of government debt securities in Ethiopia's emerging capital market, aiming to mitigate potential risks.

Different studies conducted by different researchers like Paul, (2004) on capital market and financial sector development in Sub Saharan Africa, John & Benjamin, (2006) capital markets in developing countries towards strong and stable capital markets in emerging economies, Suarez and Popov, (2017), evidence on finance and economic growth noted a few key points as a crucial enabler for economic growth. These represent the growth of the capital and financial markets, respectively. By doing this, one can benefit from economic growth, macroeconomic stability, the development of the private sector, the mobilization of local savings and resources, improved corporate governance, increased bank competition, a sufficient regulatory and supervisory framework, high institutional standards, managed financial risks, and a sound banking system. We may infer from the facts above that Ethiopia's economy is expanding significantly and that the private sector is required as its fuel to quickly satiate this significant capital appetite. To raise, control, and facilitate the movement of money, it is essential to have a flexible and evolving segment of financial market and system.

Government debt securities play vital roles in the capital market, serving as foundational instruments for both governments and investors. Within the capital market, these securities act as low-risk assets, providing investors with a safe haven and contributing to overall market stability. The yields on government debt securities often serve as benchmarks, influencing interest rates and guiding investment decisions across various asset classes. Moreover, their widespread use enhances market liquidity, facilitating smooth trading and ensuring the efficient functioning of financial markets. For governments, issuing these securities in the capital market serves as a primary avenue for raising funds to finance public initiatives. The inclusion of government debt securities in investment portfolios allows for risk diversification, making them integral components in the broader landscape of the capital market. In essence, these securities fulfill crucial functions, bridging the financing needs of governments and the investment objectives of market participants, while contributing significantly to the overall health and efficiency of the capital market.

In light of the aforementioned advantages and despite their pivotal role in financial markets and economic development, there is an obvious dearth of researches concerning the prospects of government debt securities that have gone relatively unnoticed in scholarly inquiries. Furthermore, an equally pressing concern revolves around the limited public awareness regarding government

debt securities. The lack of knowledge among the general populace poses a significant barrier to broader market participation and informed decision-making.

Research questions

1) What are the basic prospects of Government Debt Securities in the upcoming Capital Market?
2) What are the basic challenges of Government Debt Securities in the upcoming Capital Market?

Objectives of the study

General objective

The study examine the key prospects and challenges associated with government debt securities in the upcoming Capital Market. It also incorporate and tries to identify the complexities of issuing and managing government debt security in the upcoming Capital Market.

Specific objectives

This listed Specific Objectives below will help us achieve the addressed research questions

- Identify the prospect of Government Debt Securities in the upcoming Capital Market.

- Analyze the challenges of Government Debt Securities in the upcoming Capital Market.

Methods of the study

This section presents data collected through primary and secondary sources. Primary data sources were collected from interviews with major stakeholders in the upcoming capital market specifically those concerned with government debt securities and the capital market in general. Data was analyzed based on interview questions while secondary data sources were collected from different theoretical and empirical studies of different scholars, academicians, local and international government, and non-government organizations as well as official reports. The responses were presented and analyzed to address the questions raised in the study and meet the objectives of the study – prospects, and challenges of government debt securities in the upcoming capital market. The data collected through interviews was analyzed in the form of qualitative methods using descriptive analysis. In this section analysis of the information gathered from the interview will be presented, and also secondary data about the given topic will be discussed with an overall conclusion given at the end.

Characteristics of the Study Population

For this research, we focused on four government institutions: the National Bank of Ethiopia, the Ministry of Finance, the Ethiopian Capital Market Authority, and the Ethiopian Securities Exchange. These institutions were selected due to their specialized positions in capital markets and government debt instruments. Since it is the primary body in charge of supervising the issue of government debt securities in the nation, including Treasury bills, Treasury notes, and Treasury bonds, the Ministry of Finance was included. As the nation's central bank, the National Bank of Ethiopia plays a crucial role in regulating interest rates within the economy, which in turn affects government debt instruments available on the capital market. For this reason, the bank is included in our analysis. The Ethiopian Capital Market Authority was chosen as the governing organization for the country's capital market. These organizations are significant topics for our in-depth examination of the connection between government debt securities and the capital market. Concerned departments were the base of our interview in this research with the department of treasury from Ministry of Finance, the Monetary policy department from National Bank of Ethiopia, Government debt securities concerned officials from Ethiopian Capital Market Authority, and Overall Exchange.

Analysis of the Findings of the Study

This section presents the research findings and contextualizes them within the current landscape. It begins by outlining the primary interview questions employed to gather relevant data. Subsequently, the responses obtained from stakeholders are presented, followed by a comprehensive analysis of relevant secondary data. This integrated approach aims to provide a clear and well-researched understanding of the research area.

1. What are the basic challenges for Government Debt Securities in the upcoming Ethiopian Capital Market?

Interviews with stakeholders highlighted three main challenges for government debt securities in the upcoming Ethiopian capital market: Inflation, Institutional Capacity Improvement, and Regulatory Framework. These challenges are discussed below with insights from stakeholders and secondary data.

1.1 Inflation Impact

Stakeholders unanimously identified inflation as a significant challenge. The persistent mismatch between inflation and the interest rates offered by current debt instruments, like treasury bills, reduces their market demand. The National Bank of Ethiopia reported progress in reducing inflation and highlighted efforts to enhance the appeal of government debts. However, the Ministry of Finance emphasized the issue of under-subscription of treasury bills due to interest rates being below the prevailing inflation rate. Negative real returns, where inflation outpaces interest rates,

erode the value of investments and deter investors (Fabozzi, Davis).

Conclusion on Inflation

Stakeholder interviews and secondary data indicate inflation poses a major challenge to government debt securities. While recent increases in treasury bill interest rates are a positive step, effectively controlling inflation remains crucial for creating an attractive financial landscape for these securities.

1.2 Institutional Capacity

Stakeholders identified institutional capacity as a major challenge. This includes the need for modern technology and a competent human workforce. Efforts include knowledge exchange with more developed economies, employee training programs, and the acquisition of a Central Security Depository. Reports from the World Bank, IMF, and FSD Africa emphasize the importance of qualified personnel and modern technology infrastructure for developing financial markets.

Conclusion on Institutional Capacity

Overcoming the challenge of institutional capacity is crucial for integrating government debt securities into the Ethiopian capital market. Positive steps have been taken, but continued investment in human capital development and technological advancements is necessary.

1.3 Regulatory Framework

Stakeholders pointed to the critical need for a robust regulatory framework. While acknowledging the gap in comprehensive regulations, participants noted the proactive stance of key institutions. The Ethiopian Capital Market Authority issued draft directives, and the National Bank of Ethiopia is formalizing the interbank money market system. This aligns with secondary data emphasizing the importance of clear market conduct rules, comprehensive disclosure requirements, and robust investor protection mechanisms (Morduch and Beck, Langevoort, Ellerman).

Conclusion on Regulatory Framework

A well-designed regulatory environment is crucial for the Ethiopian capital market. Proactive efforts by key institutions and inclusive stakeholder participation are positive signs for sustained market growth and development.

Overall Conclusion

Inflation, institutional capacity, and regulatory framework are critical challenges for government debt securities in Ethiopia's upcoming capital market. Addressing these issues through effective control of inflation, investment in institutional capacity, and robust regulatory frameworks is

essential for creating a vibrant and robust financial market.

2. Prospects of Government Debt Securities in the Ethiopian Capital Market

2.1 Formation of a Yield Curve

Stakeholders have identified the establishment of a yield curve as a major advantage of integrating government debt securities, particularly treasury securities, into Ethiopia's financial system. Treasury bills, which currently offer competitive interest rates compared to banks, have laid the groundwork for this development. However, a fully functional yield curve is still absent. The forthcoming establishment of a capital market in Ethiopia will meet this need, paving the way for a more robust financial infrastructure.

2.1.1 Support for Yield Curve Creation

The introduction and expansion of debt securities, coupled with the upcoming capital market, are crucial for creating a yield curve. This development will offer significant benefits, including enhanced financial transparency, better pricing mechanisms for long-term securities, and increased economic stability. The presence of a well-defined yield curve will support more accurate assessments of long-term financial risks and opportunities.

2.1.2 Benchmark for Pricing and Price Discovery

A well-established yield curve provides a critical benchmark for pricing a variety of securities. It enhances price discovery for long-term debts by creating a reference point for determining the value of these instruments. This mechanism will help in setting fair prices, improving investor confidence, and promoting financial market efficiency.

2.1.3 Influence on Interbank Money Market

Treasury securities play a significant role in shaping interest rates within the interbank money market. They serve as a standard for liquidity management and financial transactions, affecting the flow of money and the setting of overnight interest rates. This influence is particularly important as Ethiopia's capital market develops.

2.1.4 Economic Predictors

Yield curves are essential for forecasting economic conditions, such as recessions. They provide valuable insights into future economic activity, allowing policymakers and investors to anticipate and prepare for potential economic downturns. This predictive power is crucial for strategic economic planning.

2.1.5 Extending the Yield Curve

Currently, Ethiopia relies on a short-term, 1-year yield curve. To achieve a more comprehensive financial structure, extending the yield curve to longer periods is necessary. The Ministry of

Finance is committed to this extension, which will facilitate long-term borrowing and enhance the government's ability to manage its finances effectively.

2.2 Indirect Monetary Policy

2.2.1 Role of Treasury Bills in Monetary Policy

Government debt securities, particularly treasury bills, enable the government to conduct monetary policy indirectly. Unlike direct cash injections into the economy, treasury bills provide a subtler approach by serving as collateral in the interbank money market. They help regulate bank reserves and influence interest rates without directly affecting the money supply, thus mitigating inflationary pressures.

2.2.2 Institutional Progress

The National Bank of Ethiopia is aligning its strategic reforms with the potential benefits of government debt securities. The bank's reform agenda includes reducing direct government advances and emphasizing the use of treasury securities for financing. This shift highlights the bank's recognition of treasury bills as crucial tools for indirect monetary policy and market-based funding mechanisms.

In summary, government debt securities offer substantial benefits to Ethiopia's capital market. They are instrumental in forming a yield curve, facilitating indirect monetary policy, and supporting overall economic stability and growth.

Conclusion

In conclusion, this research provides valuable insights into the potential impact of government debt securities on the Ethiopian capital market. It highlights the importance of a well-defined yield curve for financial stability, benchmarking, and influencing interest rates. Government debt securities also offer a subtle approach to economic adjustments through indirect monetary policy. The commitment from stakeholders to extend the yield curve and adopt market-based financing strategies indicates a positive direction for Ethiopia's financial landscape. Additionally, the study identifies key challenges in integrating government debt securities into the Ethiopian capital market, such as inflation, institutional capacity, and regulatory frameworks. Addressing these challenges requires concerted efforts from key institutions. Positive developments, including the National Bank of Ethiopia's measures to manage inflation and stakeholders' commitment to improving institutional capacity, reflect a proactive stance. The recognition of the need for a robust regulatory framework underscores the importance of structured frameworks for sustained market growth and development. Overall, these findings lay the groundwork for informed decision-making, strategic planning, and continued collaboration between key institutions, paving the way for a vibrant and sustainable capital market in Ethiopia.

Recommendations

Based on the comprehensive analysis conducted in this research paper, several strategic recommendations emerge to enhance the financial landscape and ensure sustainable economic development in Ethiopia:

- **Strategic Implementation of the Central Bank's Monetary Policy Strategy:** The National Bank of Ethiopia's strategy to reduce inflation should be rigorously implemented to create a conducive financial environment.
- **Digitalization of Treasury Operations:** Urgently emphasize the need for digitalizing treasury operations. Advanced technologies in financial processes will enhance efficiency, transparency, and security in managing government funds and treasury activities.
- **Capacity Building through Human Capital Training:** Prioritize comprehensive training programs to boost human capacity in capital market operations. Developing skills in modern finance and technology is crucial for overcoming challenges and ensuring seamless integration of government debt instruments into the market.
- **Enhanced Cash Flow Management for the Ministry of Finance:** Recommend that the Ministry of Finance establish a robust cash flow management system. Efficient cash flow management is essential for smooth financial operations, preventing liquidity issues, and meeting the government's financial needs effectively.
- **Independence of the National Bank of Ethiopia within the Government:** Advocate for the National Bank of Ethiopia's independence, especially regarding the Monetary Committee, from direct government interference. Autonomy in decisions on interest rates and economic variables is vital for maintaining economic stability and credibility.
- **Yield Curve Extension through Market-Compatible Debt Securities:** Encourage the Ministry of Finance to extend the yield curve by issuing long-term debt securities that align with market standards. This will contribute to the formation of a comprehensive and market-compatible yield curve, fostering a well-integrated capital market.

These recommendations, when carefully considered and implemented, can collectively contribute to the development and sustainability of Ethiopia's financial infrastructure, promoting economic growth and stability.

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Closing Remark, Matheas Shemelis (Ass. Prof.) Director of Research and Knowledge Management Office, St. Mary's University

Ladies and Gentlemen,

Thank you all for joining us today at the 18th National Student Research Forum. Today, we have witnessed an incredible display of research and innovation from some of the brightest young minds in our country.

The primary goal of this forum was to provide an opportunity for students to practice presenting their research at a professional conference. I believe we can all agree that the presentations we have seen have been of the highest caliber. The presenters have demonstrated not only their mastery of their research topics, but also their exceptional communication and public speaking skills.

Most importantly, this forum has been a venue for the dissemination of crucial research findings that have the potential to drive progress and innovation in a wide range of fields. The diversity of topics covered - is a testament to the breadth of talent and creativity present in our student community.

I would like to take this opportunity to express my sincere gratitude to all the presenters who have shared their work with us. Your dedication and passion for research is truly inspiring. I would also like to thank our master of ceremonies, the session chairs, and the rapporteurs for their tireless efforts in making this forum a resounding success.

Finally, I would like to acknowledge the hard work and contributions of the entire organizing team. Your meticulous planning and attention to detail have ensured that this event runs smoothly and that all the participants have an enjoyable and enriching experience.

With that, I am pleased to declare the 18th National Student Research Forum officially closed. Thank you all for your participation and we look forward to seeing you again at the next edition of this forum.

Thank you.