

**MEKELLE UNIVERSITY
COLLEGE OF BUSINESS AND ECONOMICS
DEPARTMENT OF MANAGEMENT**

**ASSESSMENT OF SERVICE QUALITY OF CARGO
TRANSPORTATION
(The Case of Trans Ethiopia Share Company)**

**By: Mahlet Haile
ID No. CBE/PE/150/03**

A Thesis

**Submitted to the Department of Management in Partial Fulfillment of
The Requirement for the Award of Masters of Business Administration
(MBA) In International Business**

Principal Advisor: Kahsu Mebrahtu (Assistant Professor)

Co- Advisor: Seid Mohammedbrhan

Mekelle, Ethiopia

June 2014

Declaration

I the undersigned hereby declare that the thesis entitled “**Assessment of Service Quality Cargo Transport in the case of Trans Ethiopia PLC.**” submitted by me for the award of degree of master of MBA (specialized in International Business) from Mekelle University is my original work and has not been presented for the award of any degree, diploma, fellowship or any other similar titles to any other university or institutions and that all the source materials used for the thesis have been dully acknowledged.

Mahlet Haile

Signature: _____

Date: _____

Certification

This is to certify that this thesis entitled “**Assessment of Service Quality Cargo Transport in the case of Trans Ethiopia PLC.**” Submitted in partial fulfillment of the requirement for the award of the degree of MBA, specialized in International Business to the college of Business and Economics, Mekelle University, through the Department of Management, done by Ms. Mahlet Haile ID. No. CBE/PE 150/03 is carried out by her under our guidance.

Principal Advisor:

Kahsu Mebrahtu (Assistant Professor)

Signature: _____

Date: _____

Co-advisor:

Seid Mehammedbrhan (MA)

Signature: _____

Date: _____

Acknowledgement

I am greatly indebted to my Principal advisor Ato Kahsu Mebrahtu (Assistant Professor) for his unreserved involvement by providing me a critical and detailed comments and suggestions in the thesis from its inception to its completion. Next I would like to express my thanks to my co-advisor Ato Seid Mehammedbrhan (MA).

My appreciation also goes to EFFORT sister company for their great support in providing me different information and materials. And my appreciation also goes to Ato Mokonnen Amare for his detailed comments and professional suggestions. Without his support, it would have been very difficult to complete this research.

Lastly, I would like to express my deepest gratitude to my family and all the people in Trans Ethiopia who kindly contributed throughout the research to make this study possible.

Thanks to GOD!!!

Content

Titles	
Page N^o	
Declaration	II
Certification	i
Acknowledgement	ii
List of Tables	v
List of Figures	vi
<i>Abstract</i>	viii
1.1 Background of the Study	1
1.2 Background of the Organization	2
1.3 Statement of the Problem	3
1.4 Research Questions	4
1.5 Objectives of the study	4
1.5.1 General Objective	4
1.5.2 Specific Objectives	5
1.6 Significance of the study	5
CHAPTER -TWO: RELATED LITERATURE	7
2.1 Introduction	7
2.2 Importance of Transport	7
2.3 Various Types of Transport	10
2.4 Interrelationships between Transportation and Logistics	11
2.5 The Role of Transportation in Service Quality	12
2.6 Transport and Social Benefits	13
2.7 Transport and Economic Development	15
2.7.1 Lowering of Production Costs	16
2.7.2 Increased Producer Prices	17
2.7.3 Increased Investment	18
2.7.4 Virtuous Circle Effects	18
2.8 Dissimilar view by different articles in the role of transport	19
CHAPTER –THREE: RESEARCH METHODOLOGY	23
3.1 Introduction	23
3.2 Research Strategy and Design	23

3.3	Data Type and Source	23
3.4	Sampling Methods and Sampling Size	24
3.5	Data Processing and Analysis	24
	CHAPTER-FOUR: DISCUSSION AND ANALYSIS	26
4.1	Introduction.....	26
4.2	Main Transport Activities of Trans Ethiopia	26
4.3	Trans Ethiopia’s Time Management Ratings	27
4.4	Professional and Technical competence	29
4.5	Performance of Quality Markers	31
	CHAPTER-FIVE: CONCLUSIONS AND RECOMMENDATIONS.....	35
5.1	Conclusion	35
5.2	Recommendations.....	38
	References.....	40
	Appendix-A.....	43
	Appendix –B: Interview.....	50

List of Tables

Titles	Page N^o
Table 2.1: The Ownership of grid Roads Authority in Ethiopian -----	12
Table 4.1: Types of transport activities of Trans Ethiopia-----	25
Table 4.2: Rating of Time Management of Trans Ethiopia-----	26
Table 4.3: Capacity of Trans Ethiopia-----	28
Table 4.4: Service Quality of Markers-----	30

List of Figures

Titles	Page N^o
Figure 2.1 Schematic representations of r/ship b/n transport and economic development---18	

Acronyms and Abbreviations

CTD	Commission for the Transportation Disadvantaged
DHHS	Department of Health and Human Services
DHUD	Department of Housing and Urban Development
DOT	Department of Transport
EFFORT	Endowment Fund of For the Rehabilitation of Tigray
ERA	Ethiopian Road Authority
FTA	Federal Transit Administration
GDP	Gross Domestic Product
IT	Information Technology
NCPDM	National Council Physical
nd	no date
PLC	Private Limited Company
RSDP	Road Sector Development Program
R/ship	Relation ship
B/n	Between

Abstract

Quality is mandatory in any aspect to the motive for more effective interaction and practices in designing and implementing of the transportation so as to realize the economy of the locality in particular and to the nation in general. At present service quality has become a preferred instrument for supplying public services and acquiring community in both emerged and emerging nations. In general Service quality in transport are mostly accepted as long-run cumulative institutional systems between public and private players to accomplish the respective purposes. The purpose of this study is to examine the quality of service transport in Trans Ethiopia PLC. As a unit of analysis, the researcher employed descriptive type of research. Data were collected using questionnaire, and interview. In order to have comprehensive data that enables to address the objective of the study, data were collected from two parties. These were key informants from the share company, customers of the company. A sample size of 90 respondents was taken as a sample in a proportional simple random sampling method. The data were processed using STATA software and analyzed using simple descriptive statistics. Moreover, results of the study revealed that even though there is a remarkable service quality in the company that have been providing, there are differences challenges in providing of the service: lack of adequate storage facility, regular stoppage due to breakage on their ways, and lack of manpower (labor) and store man. However, the quality of transportation service that provides in the company is remarkable. Thus the paper concluded that the quality of service is key issue, appropriate and useful for initiating the economic growth of the nation in general and the customers in particular.

Key words: *Service Quality, Cargo transport, Trans Ethiopia*

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Road freight transport has a key role in terms of ensuring economic growth and maximizing social development. The existence of efficient and quality road freight transport in general and dry cargo truck transport in particular remains to be crucial to any nation's economic and social development. The road transport especially the dry truck cargo transport sector plays an integral role in the national economy of a country. It directly contributes a lot to the growth of the GDP of the country and has also an effect in the development of other economic sectors through the provision of these services (Asnake, 2006).

The road freight transport sector often provides services within a wide spectrum of levels, which range from international, national, regional and local levels. This study mainly focuses on the type and service quality of the transport sector rendered within both international and regional levels. And the major emphasis would thus be assessing the service quality rendered for the transportation of agricultural input and outputs, construction materials transport, industrial materials transport etc (Moise E., 2009).

The road freight transport has so far remained to be the sole means of transport of our country for the coming 3 years since the rail way transport comes into operation after 3 years time. Even more, the railway transport alone could not meet the huge and constantly growing demand in the dynamics of the transport sector in all international, national and regional levels. It, therefore, entails that particular emphasis be given to the road freight transport sector and to issues of enhancing the service quality given the existing implications that the sector draws in terms of cost, time and other variables within the overall economic activities (Friman M., 2004).

Over the past 20 years, the industry has advanced amid technological strands across communication, management, productivity, including vehicle efficiency.

Accordingly, the dynamics in international trade and business investment has dramatically changed that now a significant portion of low and middle income countries are pursuing bilateral and multilateral free trade agreements with each other and with high income countries as well. And the whole objective in doing so is to expand markets in general on the basis of efficient specialization, introduce competition and lower costs for production, distribution, services and research and development (Devlin, J and Lee, P., (2005).

When road freight transport services are efficient, they often maximize these objectives, and when they are not, they act as non tariff barriers to trade creating delays, raising costs, worsening congestion and pollution. Such barriers on their part prolong and destabilize delivery schedules, hinder “just in time” inventory management and industrial processes, and impede the efficient combination of factors of production (Friman M, 2004). This research therefore assesses the service delivery and quality of dry cargo transport service given by Trans Ethiopia PLC in view of meeting international standards.

1.2 Background of the Organization

Trans Ethiopia plc was established in April, 1993 with an officially registered capital of Birr 100 million. It is trucking company established to provide dry and liquid cargo transportation services. It also involves in other business activities, such as importing and distribution of tires selling fuel, maintain its trucks in its own garage workshops as well as serving as a training center for drivers and technicians. In a bid to achieve its objectives, the company is structured in such a way that it has a general manager, two deputy general managers, and six department two branch offices and supporting units like Pirelli, and fuel stations as well as equipped garage workshops at Mekelle, Nazareth and Mille. Moreover, there are support unit services, like planning and programming and legal services. The head quarter is in Mekelle while there are well established branches in key locations of:

Addis Ababa: with marketing, revenue and purchase units for fast and easy communication networks and handling of customers.

Djibouti: staffed with port experienced and committed workforce it handles around the clock operation to insure timeliness and safety of delivery of customers cargo. The customers don't need to go to Djibouti for whatever reason.

Nazareth, Tigray branch at Mekelle and Mille are fully equipped with maintenance facilities and latest communication networks to insure maximum customer service.

1.3 Statement of the Problem

The transport sector is the back bone of every economic activity. It has its direct impact on the growth of the GDP of every country. Ethiopia as one of the developing countries of the world often has limitations in its transportation sector. Ethiopia has implemented a five year road sector development program three times, and this has contributed a lot to develop the infrastructure drawbacks of the country. Along with such continued efforts in the infrastructural development, it obviously remains a necessity that the country needs to have an efficient service in the transportation sector.

Special emphasis has to be given to the dry cargo transportation sector as the country's economy is hugely dependent on this sector. The sector runs from the grass root community level to regional, national and international levels. This is so because the country's economy is dependent on agriculture. Accordingly the country's import and export activity is mostly dependent on the agricultural imputes and outputs. A well developed, efficient and quality transport service thus remains to be vital for a viable economic growth and development.

As the researcher is currently a full-time employee and management personnel at the study area, a personal observation implies that efforts to enhance the service

quality of the dry cargo service is hampered by old aged transport facilities, technologically fuel inefficient trucks, lack of timely service of trucks, lack of well trained drivers and technicians employed in the sector. Moreover, there exist lack of IT supported online system in the operation, marketing and customer service departments of truck of operator's unavailability, and least utilization of trucks etc.

These studies therefore, in practical terms, make assessments of possible problems evident in the transport sector with particular references to issues of service quality.

1.4 Research Questions

On the basis of the possible research gaps in the foregoing discussion, the research paper thus aims at addressing the following research questions:

- How the service quality markers described in the context of Trans Ethiopia. Plc. dry cargo transport sector?
- What are the key factors which often hinder the company's service quality performance of dry cargo transport?
- What mechanisms and intervention packages are available to address possible limitations in the service delivery?
- What are the challenges, opportunities and prospects do exist in terms of adapting appropriate and new technologies in the transport sector?

1.5 Objectives of the study

1.5.1 General Objective

The study in general terms aimed at assessing the status of service quality of the dry cargo transport sector.

1.5.2 Specific Objectives

More specifically, the study aims:

- Identify truck stock age and capacity regulatory and network problems affecting the service quality performance of dry cargo transport;
- To discuss the mechanisms and intervention packages that are available to address possible limitations in the service delivery;
- To assess the challenges, opportunities and prospects in terms of adapting appropriate and new technologies in the transport sector with special emphasis of Trans Ethiopia PLC.

1.6 Significance of the study

This study assessed the status of service quality of the dry cargo transport Trans Ethiopia. Thus, the study may attempt to identify the regulatory and network problems affecting the service quality performance of dry cargo transport. Since transport is one of the vehicles of development in any country especially in Ethiopia, which is found at its lower level of development. So studying the issue is therefore of paramount importance for the company itself and for those working in the area.

1.7 Scope of the Study and Limitation of the study

The study has the geographical, conceptual and methodological delimitation. The study of this research was limited to assess the service quality of the dry cargo transport in Trans Ethiopia that has been providing in the country. The activities and achievements out of the range of the company were not included in measuring the quality of service. Even though census is essential for deep understanding the involvement and the quality of transportation service that have been provided by Trans Ethiopia, due to the time constraints and resources the study was limited in to survey design which is sample size of 90 customers of the Trans Ethiopia dry cargo transport. Data were collected from some key customers

of the Company. Furthermore, the study was highly focused on the implementation stage.

- ▶ Besides the efficiency of the service given on the other hand can be affected due to other stake holders like customs clearing delay, weight station delays, condition of roads of the country etc.. Data on the above matters will be difficult to obtain, since records in such areas are not fully documented by many operators.
- ▶ This study mainly focuses on the type and service quality of the transport sector rendered within both international and regional levels
- ▶ The study of this research was limited to assess the service quality of the dry cargo transport in Trans Ethiopia that has been providing in the country
- ▶ The study was limited in to survey design which is sample size of 18 customers of the Trans Ethiopia dry cargo transport.

CHAPTER -TWO: RELATED LITERATURE

2.1 Introduction

This chapter contains different aspects of service quality of the dry cargo transport sector which include the importance of the sector, and its types, the interrelationship between transport and logistics, the role of the sector in over all service quality, transport and economic development, Lowering of Production Costs, the improvement of producer prices and investment, different Virtuous circle effects and dissimilarity views on transport services are reviewed.

2.2 Importance of Transport

There is a wide range of consensus by both academics and policy makers over the instrumentality of infrastructural development to nations' overall economic growth and economic development. Among the various aspects within the dynamics of infrastructural development, the issue of transport remains to be an integral element. Youngston (1967) holds the fact that the transport sector takes a huge share in the development of infrastructural facilities has been primarily viewed as a form of universal reality since the onset of reviews across the world's economic history.

Behind country's success stories of national development, the type, nature and service quality of the transport sector is usually considered as one of the various key factors. In the pursuit of such analysis, Berry (1960) maintains that the nature of transport development is highly intertwined with the economic growth performance of a given country. In such view, inadequate development in the transport sector is highly equated with the nations' poor overall development (Evans J. etal, 2008).

In an attempt to justify the kind of close links between the transport sector and the critical role it plays in terms of economic growth and social development, Voigt (1979) describes that in developing countries, the transport sector amounts to an

average of 5-10% of the GDP. In the Ethiopian context alone, Ibrahim (2011) noted that a figure of way over 50% of processing and manufacturing industries in the country have rated the transport sector as the only key factor in terms of site plant preferences.

Although Ethiopia's road transport service sector accounts for 95 percent out of the country's total freight transport, there still exist numerous challenges (Hensher D, 2003). Despite the efforts of the Ethiopian Roads Authority (ERA) with regard to planning to address issues, like economic development potential areas, import-export corridor, opening up underdeveloped and isolated areas and improving access to rural areas, much remains to be done in the sector. Tefera and Alemayehu (1996) on their part contend that although improved and efficient transport system within a market led economic activity for a viable supply chain of production, market inputs and outputs, still problems with regard to setting up both efficient and effective transport facilities become crucial factors. According to the 2008 African Union's research document on the 'State of Transport System in Africa, the existing challenges within roads and road transport sector in general terms comprise low level of network connectivity, high transport costs and poor quality of transport services as viewed against best practices of countries across the world. On specific terms, the document among others stipulates the following major causes for the poor status of the sector:

- Poor infrastructure due to deficiencies in maintenance
- Lack of financial resources for rehabilitation
- Absence of workable mechanisms pertinent to upgrading and expansion of services
- Numerous non-physical barriers to traffic
- Obsolete vehicle fleet and
- Rampant wars and conflicts in some regions

Moreover, a case study conducted on "Social Benefits in Transport planning in Ethiopia" reveal the prevalence of acute limitations in areas of access to ports, markets and services of the country's transport sector. Accordingly, therefore,

significant portion of the population is cutoff from easy accesses to social services and markets for agricultural outputs and industrial inputs, which ultimately impede the nations' socio-economic development (Evans J. etal, 2008).

Amid the forgoing challenges in the transport sector of the country, “ since 1993/94, the Ethiopian government has been implementing various reforms that have involved in the process of structural adjustment programs along with commercialization of agriculture, private sector development, and a number of related poverty alleviation programs” (Ebrahim, 2011).

Unpublished research survey document by Atnafseged (2001) relates that Ethiopia's commercial road freight transport services during the years until 1991 were often; characterized with a very tight government control and the entire operation was also subject for the government's strict regulatory frameworks. He further maintains that in the period after the year 1991, the transport system, particularly of the country's freight transport sector was heavily marked with improved features in the regulatory apparatus, following which, the operation of the sector was thus subject to a mechanism of deregulation. Despite such important transitions meant to scale up the status of the transport sector, the same author remarks that the system later proved ineffective apart from the fact that it managed to reach nearly all parts of the country domestically and international transport as well (Hensher D., 2003).

In a bid to address the above challenges in the sector and hence improve the transport system, Transportation Research Board (1999) document suggests the following set of intervention packages:

- ❖ Implementation of rational and joint management of common border post systems
- ❖ Mobilization of public and private resources for maintenance and construction
- ❖ Undertaking all necessary legal reforms

- ❖ Implementation of commendable initiatives that are necessary for the improvement of road transport facilitation and transit time improvements and
- ❖ Paying special attention to construct and/or pave the critical inter-state links that connect main cities and business centers.

2.3 Various Types of Transport

According to Transportation Research Board (1999) the following definitions of types of transport clarify the concept of multimodal transportation:

Unimodal: If goods are transported by one mode of transport and one carrier that carrier issues the transport document (e.g., bill of lading, air waybill, and consignment note). If there is more than one carrier—for example, carriage from one port via another port to a third port with transshipment at an intermediate port—one may issue a "through bill of lading" covering the entire transport. Depending on the back clauses of this through bill, the issuer may be responsible for the entire port-to-port transport or for only the part that takes place on his vessel.

Intermodal: The goods are transported by several modes from one point or port of origin via one or more interface points to a final port or point where one carrier organizes the whole transport. Depending on how the responsibility for the entire transport is shared, different types of transport documents are issued.

Segmented: If the carrier that organizes the transport only takes responsibility for the portion he is performing himself, he may issue an intermodal bill of lading.

Multimodal: If the carrier that organizes the transport takes the responsibility for the entire transport, he issues a multimodal transport document.

Combined: If the transport of goods is one and the same loading unit or vehicle by a combination of road, rail and inland waterway modes.

2.4 Interrelationships between Transportation and Logistics

Without well developed transportation systems, logistics could not bring its advantages into full play. Besides, a good transport system in logistics activities could provide better logistics efficiency, reduce operation cost, and promote service quality. The improvement of transportation systems needs the effort from both public and private sectors. A well-operated logistics system could increase both the competitiveness of the government and enterprises (Velde D., 2003).

Transport system is the most important economic activity among the components of business logistics systems. Around one third to two thirds of the expenses of enterprises' logistics costs are spent on transportation. According to the investigation of National Council of Physical Distribution Management (NCPDM) in 1982 (Chang, 1988), the cost of transportation, on average, accounted for 6.5% of market revenue and 44% of logistics costs. BTRE (2001) indicated that Australian gross value added of the transport and storage sector was \$34,496 million in 1999-2000, or 5.6% of GDP. Figure 3 shows the components of logistics costs based on the estimation from Air Transportation Association (Hensher D., 2003).

This analysis shows transportation is the highest cost, which occupies 29.4% of logistics costs, and then in order by inventory, warehousing cost, packing cost, management cost, movement cost and ordering cost. The ratio is almost one-third of the total logistics costs. The transportation cost here includes the means of transportation, corridors, containers, pallets, terminals, labours, and time. This figure signifies not only the cost structure of logistics systems but also the importance order in improvement processing. It occupies an important ratio in logistics activities. The improvement of the item of higher operation costs can get better effects (Velde D., 2003).

Hence, logistics managers must comprehend transport system operation thoroughly. Transport system makes goods and products movable and provides

timely and regional efficacy to promote value-added under the least cost principle. Transport affects the results of logistics activities and, of course, it influences production and sale. In the logistics system, transportation cost could be regarded as a restriction of the objective market (Evans J. etal, 2008). Value of transportation varies with different industries. For those products with small volume, low weight and high value, transportation cost simply occupies a very small part of sale and is less regarded; for those big, heavy and low-valued products, transportation occupies a very big part of sale and affects profits more, and therefore it is more regarded (UNECA, 2003).

Table 2.1: The Ownership of grid Roads Authority in Ethiopian

According to the Ethiopian Roads Authority survey document, ownership grid looks like the following

	Parastat als	Affiliated Associated	Associat ion	Share Compani es	Individual Enterprise	Total comm.
Number of Vehicles	472	8306	9523	2492	602	21395
Average Pay load (ton)	30	8-9	9-12	30-35	25	14
Total capacity (ton)	14000	71600	105000	81000	15000	286,000

Source: Road Transport Regulation Study, 2004

2.5 The Role of Transportation in Service Quality

The role that transportation plays in logistics system is more complex than carrying goods for the proprietors. Its complexity can take effect only through highly quality management. By means of well-handled transport system, goods could be sent to the right place at right time in order to satisfy customers’

demands. It brings efficacy, and also it builds a bridge between producers and consumers. Therefore, transportation is the base of efficiency and economy in business logistics and expands other functions of logistics system. In addition, a good transport system performing in logistics activities brings benefits not only to service quality but also to company competitiveness (Srinivas T., nd).

The operation of transportation determines the efficiency of moving products. The progress in techniques and management principles improves the moving load, delivery speed, service quality, operation costs, the usage of facilities and energy saving. Transportation takes a crucial part in the manipulation of logistic and service delivery (Transportation Research Board, 1999). Reviewing the current condition, a strong system needs a clear frame of logistics and service delivery as a proper transport implements and techniques to link the producing procedures. Service delivery is actually getting services as effectively and quickly as possible to the intended recipient. In most instances service delivery implies a degree of excellence on the part of the organization, and is a hallmark of economies that have moved past the production phase (UNECA, 2003).

According to the National Freight logistics strategy surveyed in Southern and other parts of sub-regions in the African continent, the following factors are considered key to ensuring the overall service quality in the transport system:

- ❖ Cost effectiveness and efficiency
- ❖ Warehousing and storage
- ❖ Information technology, and
- ❖ Customer satisfaction

2.6 Transport and Social Benefits

Nowadays, within unstable economic scenery, the organizations are exposed to the market changes and many social requirements. In this context, it is necessary to consider strategic sustainable focus and a long-term flexibility through the expansion of simple products-services, defined by companies. Core competencies

(or activities) thus, the theoretical approach adopted here is systemic, that means, considering the economic activity configured in network (Moise E., 2009). According to Tefera and Alemayehu (1996) the Ethiopian Roads Authority is the legally autonomous agency responsible for policy formulation and standard setting of the country's road network. Its responsibilities include overall planning, construction and maintenance of truck and major link roads. Currently ERA has ten road maintenance district offices throughout the country. In each district there are maintenance sections responsible for maintaining road segments. As it was mentioned above the Ethiopian Roads Authority (ERA) is responsible for Federal (main road) network. Road projects are often identified by ERA but also come from the community and from the regions. ERA identifies road projects based on the following criteria:

- ✓ Economic development potential of areas;
- ✓ Import-export corridor;
- ✓ Opening up underdeveloped and isolated areas; and
- ✓ Improving access to rural areas

A road that satisfies one or more of the above criteria is selected for a pre-feasibility study. Economic feasibility studies have been carried out for all rehabilitation, upgrading and construction of road projects. This involved the application of the HDM4 road planning model for high traffic roads. Where traffic volumes are light the producers' surplus approach has been used to determine the effect of the project on local agricultural production and the national economy. The discount rate for Ethiopia is 10% and no project, which gives an economic rate of return below 10%, would be accepted. Feasibility studies are carried out by international consultant and in-house experts. Those road projects which pass the economic feasibility test and meet social impact and environmental criteria are selected for detailed design and contract document preparation. Then projects enter into design review, issue of tender invitation, assessment of tenders and placement of contracts, construction and completion.

All road projects which are included in the Road Sector Development Program (RSDP) are planned using the above procedure.

2.7 Transport and Economic Development

It is widely acknowledged that transport has a crucial role to play in economic development. More specifically, it has been recognized that the provision of a high quality transport system is a necessary precondition for the full participation of remote communities in the benefits of national development: Adequate, reliable and economic transport is essential, although not in itself sufficient, for the social and economic development of rural areas in developing countries. Transport improvements have impacts on the productive sector through the product and labour markets (IEA, 2006).

With regard to the product market, transport improvements impact on firms not only through transport cost reductions but also through the scope for cost reductions throughout the logistics chain. Changes to the logistics chain mean that the reliability of transport networks is important as well as the speeds that they offer. Because of significant spillover effects, transport improvements have potential impacts on the economy in excess of the benefits to individual firms. The extent of these spillover benefits is determined by the structure of the economy. Where competition is imperfect and economies of scale exist, spillovers will be high. While transport improvements have the potential to yield significant economic benefits, the regional distribution of these benefits is dependent on the level of transport costs. Unless the transport costs are very high, peripheral regions will stand to benefit to a greater extent than core regions from transport improvements (Velde, D, 2003). These changes mean that regions that have been lagging in development look increasingly attractive as locations for industrial development. As a result, transport now has a more important role to play in helping deliver such development. Because access to the labor market is now a much more important factor in the location decision making of the firm, intra-regional links within the peripheral regions should be a focus for investment.

Transport investment to ensure access to east-coast ports will be an important, contributor to regional development, because of the export orientation of much of given country industry (Srinivas T, nd).

According to the survey conducted by Ibrahim (2011) with a view to assess the link between the transport development and economic growth in Ethiopia, the transport sector apart from playing a role in the production and consumption patterns of both domestic and international markets. It also remains to be a lending hand for the rapid expansion of education, health service provision and trade facilitation.

As Ibrahim (2011) the direct impact of transport on production at remote locations is derived from the following three effects:

- Lowering of production costs;
- Increased producer prices; and
- Encouragement of investment.

2.7.1 Lowering of Production Costs

Many companies seek to purchase at lower prices without considering how to truly lower their costs. However, according to Hensher, D (2003) the reduction in costs results are from following three main factors. Firstly and most obviously, improved transport lowers the delivered costs of inputs to the producer. This can be important for agricultural as well as industrial production.

Ahmed and Hossain (1990) in a study of two groups of villages in Bangladesh found that agricultural output was 31 to 42 per cent higher in the group with better transport access, and attributed this difference principally to the lower delivered cost of fertilizer. A second and related issue is the reliability of transport services.

The importance of continuity of input supply increases rapidly as the degree of industrial sophistication increases. The absence of regular and reliable transport services operating with adequate frequency will effectively condemn remote

communities to subsistence production in perpetuity. As shipping services generally use a larger unit of supply and operate at lower frequencies than land transport services serving markets of a similar scale, interruption to supply is generally a far more serious problem where the remote community is dependent on maritime transport. Finally, improved transport can broaden the labor pool to which a production facility has access. While access to unskilled labor may not be a problem in most remote island communities, access to skilled labor frequently is (Hensher D., 2003).

According to Hossain (1990) the economic memorandum for Ethiopia, the key areas of challenges that the country's transport system constantly encounters are related to the nature of the market structure, which can be put as implicit and explicit barriers to entry, often comprise among others, factors such as custom tariff on trucks and spare parts, business practices and the existing regulatory framework. The document further maintains that these problems hugely emanate from various causes like the fact that Ethiopia is a landlocked country in that it faces tremendous constraints and higher degree of costs in terms of accessing regional and international markets, importing integral inputs and maximizing an efficient delivery of services to firms.

2.7.2 Increased Producer Prices

For many agricultural commodities and low value added manufactures, the costs of transport represent a substantial proportion of total product costs. Some study has indicated that, in developing countries, transport costs typically account for between 10% and 30% of final product price. Frequency and reliability of transport also have a very significant impact (Evans, etal, 2008).

Irregular or infrequent transport services require purchasers to hold high levels of stock in order to ensure that they in turn can ensure continuous supply to their customers. These results in an increase in inventory costs, which in turn depresses the prices offered to producers in remote locations. Added to this is the risk of

spoilage of perishable products. This may seriously inhibit the diversification of primary activity into higher value lines such as horticultural production. Alternatively, it will significantly erode the benefits to producers of diversification into higher value but more perishable commodities (Hensher D., 2003)).

2.7.3 Increased Investment

The quality of infrastructure and support services has been identified as a significant determinant in investment decisions. According the reports of Moise E (2009) for countries in the early phases of development, good quality infrastructure was preferable to tax incentives for attracting foreign investments. He also reports evidence that ‘transport improves access to institutional credit, contributes in shifting the allocation of credit from nonproductive to productive activities, and leads to increased demands for credit.

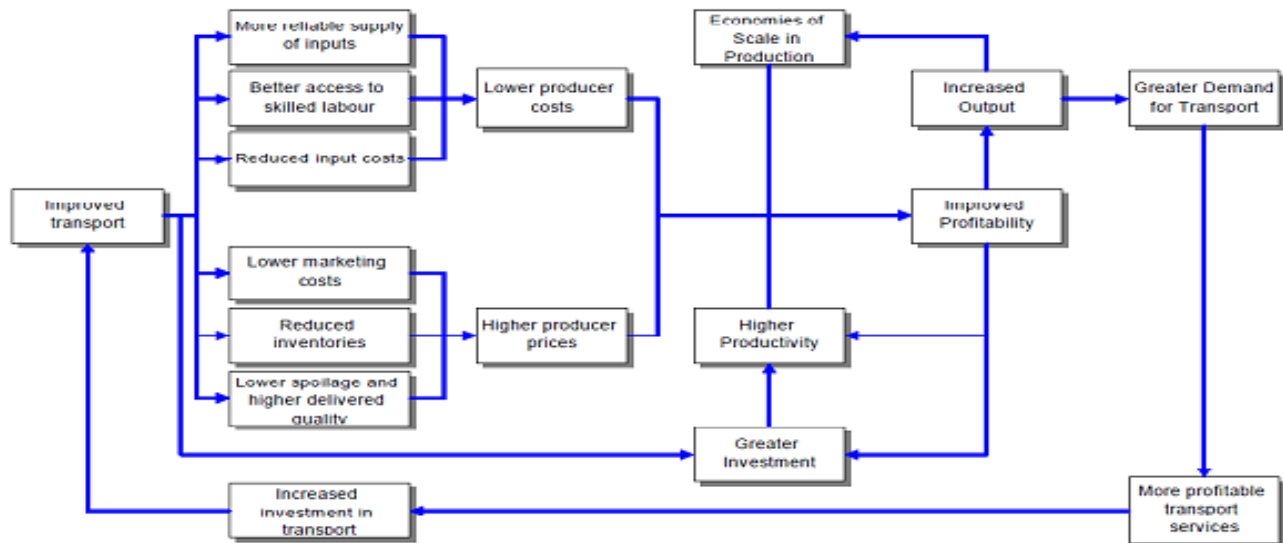
2.7.4 Virtuous Circle Effects

Transport sector improvements can serve as a catalyst that promotes a virtuous circle of economic development. The reduction in input costs and improved producer prices lead to improved profitability of agricultural and industrial production, creating an incentive to increase output. At the same time, greater access to investment funds permits the expansion of capacity required to enable producers to expand production in accordance with this incentive, and also facilitates upgrading of the technology of production (Hill N., 2000).

Economies of scale combine with improved productivity from capital deepening to further improve margins, and provide additional inputs for investments. Increases in levels of production bring with them increased demand for transport services, improving profitability and encouraging further investment in transport itself. This in turn leads to improved service frequency and larger scale units of production (ships in the case of maritime transport), providing a basis for the next

cycle of improvements in the agricultural and manufacturing production of the regions served (Moise E., 2009).

Figure 5: Schematic Representation of Relationship between Transport and Economic Development



2.8 Dissimilar view by different articles in the role of transport

The public sector wishes to oversee many public goods delivered by private means (either by the private or nonprofit sector). Examples may include the delivery of health care, the provision of affordable housing, or the delivery of transportation services to transportation disadvantaged. As many public services previously delivered by federal and state entities continue to devolve to more local levels of service delivery and programmatic control, inter-organizational coordination constitutes an approach for the public sector to ensure that services are efficiently delivered in a non duplicative manner (Velde D., 2003).

To explore the issue of coordination, this article examines three different policy approaches toward the local coordination of transportation services for the transportation disadvantaged. Local transportation services for the disadvantaged

are often delivered by a variety of nonprofit organizations, operated independently and by multiple entities in any given community, resulting in duplicative, overlapping, and uncoordinated services (Schlosberg, 2004).

Recent federal initiatives by the Federal Transit Administration (FTA), U.S. Department of Transportation (DOT), U.S. Department of Housing and Urban Development (HUD), and the Department of Health and Human Services (DHHS) encourage local organizational coordination as a strategy to better serve the transportation disadvantaged and to reduce the burdens of individual's organizations that have become de facto transportation providers (Transportation Research Board, 1999). Bringing together these multiple organizations representing different clientele (the poor, people with mental disabilities, the elderly), different sectors (public, nonprofit, private), and different organizational missions create barriers to coordination that the federal policies seem not to recognize. The question thus arises, given a broad federal desire to foster better inter-organizational coordination around services for the transportation disadvantaged, how do states and local communities carry the desire out? Increased coordination is a stated policy goal of many federal policies aimed at populations who are transportation disadvantaged (ARD-RAISE, 2001).

Two assumptions are entrenched in the policy goal: (a) that coordination will lead to better outcomes (e.g., more efficiency) and (b) that coordination is a relatively simple endeavor to achieve. Although, ultimately, such coordination efforts will be judged on their more objective measures of success, equal consideration needs to be given on analyzing how coordination can even be facilitated. This article focuses, then, on how different statewide policy approaches address the goal of developing working examples of coordinated approaches to transportation, and not on whether the resulting coordinated efforts represent an improved state of being (Velde D., 2003).

The main question, therefore, asks: what policy and administrative approaches do differing states take and how do those state-level policies affect local efforts of

transportation coordination? Some objective measures of transportation service change over time and demonstrate the basic effects of the coordinated approaches; however, such objective measures are not the focus of this article. Answering this question analyzes state policies in three states (Michigan, et al, 2006), local implementation of those policies, and the interaction between stakeholders at the local and state levels. Archival data research, directed interviewing, and focus groups are among several different data collection methods used for this research. At the local level, directors of nonprofit agencies and local transit officials were interviewed.

A document analysis of the various coordination efforts used meeting minutes, annual reports, policy statements, and other relevant documents. At the state level, officials responsible for transportation support of nonprofit organizations were interviewed. Initial interviews with stakeholders at the local and state level revolved around some core questions but were generally open ended and lasted 1 hour. Follow-up interviews were conducted when necessary as the multistate comparison evolved. Statewide policies, regulations, and programmatic documents were also analyzed. Answers were coded and grouped into themes, which are presented later in this article (Hill N., 2000).

The following are the working definitions of key terms:

- ❖ **Coordination:** Coordination defines an active, mutually beneficial relationship among organizations that potentially includes sharing organizational resources (financial, personnel, and capital).
- ❖ **Social service agencies:** Social service agencies are organizations that provide services designed to assist populations who are marginalized in some way and need extra assistance to participate fully in usual domains of social life (work, family, etc.). Interchangeable terms in the current article include human service agencies, community-based organizations, and nonprofit organizations, although in some studies, social service agencies

can be conceived of more broadly to include schools and health care organizations.

- ❖ **Para transit:** is a category of nonstandard, flexible-route transportation services that generally include vans, taxis, and other wheelchair-equipped vehicles. For the current report, par transit mostly refers to flexible-schedule van services. Social service agencies generally operated the vans to provide a more-customized transportation experience than one would find on traditional fixed-route public transit systems (Schlosberg, 2004).

- ❖ **Transportation disadvantaged:** The current article uses the following Floridian definition of the transportation disadvantaged: Those persons who because of physical or mental disability, income status, or age are unable to transport themselves or to purchase transportation and are, therefore, dependent upon others to obtain access to health care, employment, education, shopping, social activities, or other life sustaining activities, or children who are handicapped or high-risk (FloridaCTD, 2000).

CHAPTER –THREE: RESEARCH METHODOLOGY

3.1 Introduction

The aim of this chapter is to present the research method that is used in the study in order to give answers to the research questions as well as describe the process of data collection and analysis.

3.2 Research Strategy and Design

For the purpose of the study the researcher employed mixed (both quantitative and qualitative) methods as a research strategy, so as to substantiate the data make the study more reliable. As per Jonker and Pennink (2010) triangulation has been employed for it helps to increase the reliability of the result by comparing the data obtained from one source with the others. The research design is survey design mainly it is cross sectional: collecting relevant data at one point in time from a sample selected to describe same large population at a time.

3.3 Data Type and Source

For this research, both qualitative and quantitative data were employed by making triangulation so as to support one another and make the study more reliable. As Jonker and Pennink (2010) stated that using only qualitative or quantitative research methodology have its own limitations. However, mixing the methods makes the research process & its findings more valuable by avoiding the limitation of each research paradigm. Therefore, the researcher has preferred to use the descriptive survey research design and mixed methodology in data collection in order to answer the research questions raised in the research process.

Regarding source of data, this study used both primary and secondary sources of data. The primary data was collected by using structured questionnaire, which consists of questions that can measure the feeling of respondents and suitable for analysis. According to Boyd et al (2002) the questionnaire method has advantages in terms of versatility of the method as well as speed and cost. Therefore, Primary

data was collected from the beneficiaries of the special project that have been implementing. In addition to this, interviews were conducted with operation & supply department heads of the customer companies to supplement and provide reasons to the data collected through questionnaire.

After data collection is made from documentary sources, such as statistical data found from the organization. Operation reports, annual performance reports etc is used. Records and information on internal traffic, commodity movements the time taken to the service given, the annual average distance coverage of trucks of the company, data of employee records about the educational background and demographic data is assessed.

Besides, questionnaire is distributed to customers of the company in order to identify problem areas of the company and other operators engaged in the sector so that to suggest possible solution.

3.4 Sampling Methods and Sampling Size

Trans Ethiopia Plc has 18 major customer companies in which the researcher has selected these companies purposively. These are, Mesebo , Mesfin Industrial engineering , Guna , Biruhtesfa, Michew particle board, APF, Sheba leather, Saba , Almeda textile factory , Sur, REST, AISE, EGTE, Sugar corporation, Mega. WFP, and save the children. These companies are selected due to their size and impact on the company's service performance. To select the respondents, the researcher has purposively selected five respondents from each company of the supply and operation departments. Hence a total of 90 respondents were participated in the study.

3.5 Data Processing and Analysis

After careful collection of data both from primary and secondary sources, they were cleaned and checked for consistency. Then the data was coded using the STATA. Then having the coded data, the significant part of the result were

analyzed using descriptive methods such as frequency and percentages are used to summarize and present the data. Qualitative information collected through interview was also incorporated in to the quantitative results.

CHAPTER-FOUR: DISCUSSION AND ANALYSIS

4.1 Introduction

This chapter deals with results and discussion part. Primary data was gathered through structured questionnaire, and semi structured interview. For the questionnaire 90 respondents have been taken. However, of the total 90 sample respondents expected to fill the questionnaire, three papers were found defective. But the researcher took additional time to recollect data from the respondents who had not filled the questionnaire appropriately, making the response rate to be 100 percent. The interview was also conducted strictly as planned. Accordingly, thematic sections, like respondents' demographic characteristics, the company's time management practices, issues related to employees' technical capacity and professional competence, and quality markers is discussed below.

4.2 Main Transport Activities of Trans Ethiopia

Table 4.1: Types of transport activities of Trans Ethiopia

Sectors covered	Frequency	Percentage
Food Aid	23	25.56
Agricultural Products	11	12.22
Industrial Inputs	29	32.22
Manufactured Goods	27	30.00
Total	90	100

Source: Own Survey, 2014

As can be observed from the above table, Trans Ethiopia PLC as one of the giant transport companies operating in Ethiopia has been engaged in the freight transport sector. The most common goods and items catered in both import and export sectors constitute food aid, agricultural products, industrial inputs and manufactured goods.

Accordingly, Table 4.1 indicated that the company has been providing freight transport service of 25.56% of food aid, 12.22% of agricultural products, 32.22% of industrial inputs and 30% of manufactured goods in the respective order.

Owing to such figures, it could therefore be said that the majority of goods and items catered in the company's freight transport service make up industrial inputs and manufactured goods, which coupled take up nearly over 62% of the entire service. The figure also indicates that imported goods and services outweigh much over export items. Similarly, Worku (2011) also notes that the freight transport service sector in the country is deemed a key factor for over 50% of the processing and manufacturing industries. The study has thus showed that the company has been hugely instrumental in Ethiopia's freight transport services.

4.3 Trans Ethiopia's Time Management Ratings

Table 4.2: Rating of Time Management of Trans Ethiopia

How do you generally rate Trans Ethiopia's time management practices?	Frequency	Percentage
Unsatisfactory	2	2.22
Very low	3	3.33
Low	13	14.45
Fair	10	11.11
Good	40	44.45
Very good	20	22.22
Excellent	2	2.22
Total	90	100

Source: Own Survey, 2014

Under this sub section, respondents were offered questions as regards to the company's ratings on time management practices. Accordingly, the value ratings of the company's time management practices were labeled as Excellent, Very good, Good, Fair, Low, Very Low and Unsatisfactory, whose ratings stand at

2.22%, 22.22%, 44.45%, 11.11%, 14.45%, 3.33% and 2.22% across the respective order.

These figures in Table 4.2 have got a lot to say on the status of Trans Ethiopia's time management practices within its freight transport service operations. On relative terms, it thus can be said that a significant number of the sample respondents, which accounts for 68.89% (adding up the rating items: Excellent, Very good and Good) of them relate that the company's status of time management practices are rated at most good and beyond. Therefore, it indicates that the overall ratings of the company's time management practices stand to be very high. This could at least lend itself to an interpretation that the overall ratings of the company's time management practices stand to be very high.

However, the figures on the other end of the scale also deserve a fair consideration. A quite non-negligible portion of the sample respondents, 31.11% (the four rating items: Fair, Low, Very Low and Unsatisfactory) of them evaluate the time management practices of the company are far below the desired standards.

Furthermore, an account of closed type question (please look at the Appendix on question No. 7 of the questionnaire) was offered to respondents whether Trans Ethiopia's loading and unloading operations are carried out at the right time or not. The data revealed that 62.19 % of the sample respondents relate that the loading and unloading operations are executed at the right time. However, still a non-negligible number of the sample respondents (37.81%) admit that the company undertakes loading and unloading operations on an untimely basis.

However a significant number of the sample respondents, which accounts for 68.89% (adding up the rating items: Excellent, Very good and Good) of them relate that the company's status of time management practices are rated at most good and beyond. Therefore, it indicates that the overall ratings of the company's time management practices stand to be very high. The sample respondents further

related the major reasons ascribed to the poor time management practices of Trans Ethiopia’s freight transport services, more specifically, within the domain of its loading and unloading operations. The reasons among others include: lack of adequate storage facility, regular stoppage due to breakage on their ways, lack of manpower (labor) and store man, sticking to impartial service delivery instances to clients deemed to generate a relatively better advantages.

The above figures therefore lend to an interpretation of the need for prompt responses and remedial intervention packages on the part of the management. These may include frequent appraisals of the planning and, timely service and maintenance and making sure effective operation mechanisms are put in place in the freight transport services.

4.4 Professional and Technical competence

Table 4.3: Capacity of Trans Ethiopia

	Frequency	Percentage
How do you describe the professional and technical capacity of the department		
Completely fit and competent	30	33.33
Averagely fit and competent	48	53.34
A low level of competence	10	11.11
Extremely below the required competence	2	2.22
Total	90	100

Source: Own Survey, 2014

The above table relates the professional competence and technical capacity of Trans Ethiopia’s freight transport services department as perceived by clients. Accordingly, the professional and technical capacity of the department is viewed by clients as completely fit and competent (33.33%), averagely fit and competent (53.34%), a low level of competence (11.11%) and extremely below the required level of competence (2.22%).

We can thus learn from the foregoing figures that a little way over half of the study population revealed the professional competence and technical capacity of the company's freight transport service sector is moderately rated, while a one third portion of the sample size rated an excellent grading. In fact, this data corroborates with the company's operation manuals in that it undertakes IT supported global positioning management system for its operation on the road. The company also uses up to date vehicles and it thus avoids vehicles whose use value have expired.

On the other hand, we find a figure worth noting here as around 13% of the sample population admits that the professional competence and technical capacity of the freight transport services department is not up to the required standards. Given the constantly growing demands in the freight transport sector in the country, it remains vital to ensure professional and technical competence to stay afloat in the market. The study survey on the demographic characteristics of the target population also showed here that the majority of the target population is male dominated and on relative terms middle and upper-middle income learners with an average educational background of first degree holders.

Within the same domain, a related close-ended question was also offered to the target respondents with regard to whether the organization has adopted new technologies and improved practices standard for the freight transport sector. Accordingly, a hugely significant portion of the sample respondents (92.31%) rated positive responses, while only 7.69% of the respondents revealed otherwise. The reasons for the few of these negative responses include absence of standard fleet hours work and rest periods, lack of adherence to the restricted collective agreement consistent with the national practice, absence of online customer service mechanisms and etc.

It can thus be said that although there exist encouraging trends with regard to adoption of new technologies and improved practices in the sector, the freight transport services department needs to ensure effective IT services as lack of

online customer service mechanisms entail the need for urgent intervention on the part of the management.

The target respondents were also asked whether employees receive technical training packages and professional upgrades. Concomitantly, 68.48% of the sample respondents revealed that they have been receiving technical training packages and professional upgrades. Although this figure appears significant, the remaining figure still poses a relatively huge challenge as 31.52% of the sample respondents showed negative responses. Most of these negative responses center on lack of technical capacity of drivers, frequent drivers' turn over and lack of improved skills on the whole.

When asked about the possible gaps evident in terms of the necessary training packages and professional upgrades, they admitted the need for regular opportunities for technical training and professional upgrading. They believe their competitiveness comes on the strong bondage of the company with its EFFORT sister companies and synergy strategy not on the competence of the employees alone. The other major concern related here is the need for such opportunities especially on the maintenance section as this unit runs on high tech and modernized system operations. The data therefore entails the strong need for technical training packages and professional upgrades in order that employees meet such demands.

4.5 Performance of Quality Markers

The nature and status of quality markers of Trans Ethiopia's freight transport services is framed along the major domains which include Infrastructure, ownership, management, skills operations, and financial structures.

Table 4.4: Service Quality Markers

Item	Value Ratings			
	Very High	High	Low	Very Low
Infrastructure	13.04	47.83	17.39	21.74
Ownership	18.48	45.65	20.57	15.30
Management	13.04	44.57	22.11	20.28
Operations	15.22	38.04	32.52	14.20
Skills	18.48	40.22	18.56	22.74
Financial structures	13.04	39.13	25.00	22.83

Source: Own Survey, 2014

As shown in Table 4.4, the quality of infrastructure available has been labeled by the sample respondents as very high (13.04%), high (47.87%), low (17.39%) and very low (21.74%). As for the sense of ownership exercised on the part of stakeholders involved in the value chain, the sample respondents rated very high (18.48%), high (45.65%), low (20.57%) and very low (15.30%). The sample respondents' value ratings on the quality of management in Trans Ethiopia Plc, is put as very high (13.04%), high (44.57 %), low (22.11 %) and very low (20.28%). The quality of operation services in the company is also rated as very high (15.22%), high (38.04%), low (32.52%) and very low (14.20%). The quality of skills is also labeled as very high (18.48%), high (40.22%), low (18.56%) and very low (22.74%). And finally the quality of the company's financial structures is rated on the eye of the sample respondents as very high (13.04%), high (39.13%), low (25.00%) and very low (22.83 %).

The above figures do not show sharp contrasts between the sample respondents' positive and negative responses. For instance, the quality of infrastructure was labeled positively by 60.87% of the respondents, while the remaining 39.13% of them account for the negative responses. The negative responses which account for nearly 39% of the target population mean a lot in terms of calling for further urgent remedial interventions on the part of the management in order to improve

the quality of the infrastructure. Similar realities are also highly evident in the other domains as well. The negative responses on quality markers of the other five domains which include ownership, management, operations, skills and financial structures are either far away from the 40% range or even a little more. This therefore entails a call for action on matters of impacting the company's overall service delivery system, whereby ultimately costs are minimized and profits are maximized.

Similarly, the sample respondents were also provided with extra few questions with regards to whether:

- The freight transport sector is cost effective and efficient.
- Client companies' customer satisfaction is maximized.
- There are adequate warehousing and storage facilities.
- The regulatory mechanisms put in place are appropriate.

The responses given to the above questions do have a lot to say on the overall performance of the company's freight transport services sector. For instance, Only 59.8% of the sample respondents do believe that the company's freight transport sector is cost effective and efficient, while a non negligible portion of the target population (40.2%) admit that the reality is otherwise. And for the second item question whether the Client companies' customer satisfaction is maximized or not, the positive and negative responses account for 65.06% and 34.94% respectively. To the question of availability and adequacy of warehousing and storage facilities, the positive responses stand at 69.08%, while the negative ones account for 30.92%. And lastly as regards to the question whether regulatory mechanisms put in place are appropriate, the positive and negative responses account for 62.45% and 37.55% in the order.

As we can see at the figures above, the negative responses cannot be neglected without due consideration for further action. Indeed, issues related to cost efficiency and effectiveness, availability and adequacy of warehousing and storage facilities, customer satisfaction and ensuring appropriate regulatory

mechanisms remain to be key to determine either the success or failure of a company involved across all ranges of business. Furthermore, the data taken from the informants through interview indicated that the service quality markers in Trans Ethiopia share company is much remains to be done on the part of the management and other stakeholders involved in the value chain particularly in the case of adequacy of warehousing, regulatory mechanisms and storage facilities. Thus, it indicates that the service quality markers of the company is appropriate and as per the standard. In line with this Fair et al., (1981) suggested that maximizing customer service qualities and minimizing costs is made possible way of ensuring a viable planning in the freight transport services sector.

CHAPTER-FIVE: CONCLUSIONS AND RECOMMENDATIONS

5.1 Conclusion

Road freight transport has a crucial role in terms of ensuring economic growth and enhancing social development (Asnake, 2006). However, since, the existence of standard level of road freight transport in terms of efficient and quality remains mandatory at every corner of the world, service quality is a key issue to the motive for more effective interaction and practices in designing for the economic development. A significant number of the sample respondents, which accounts for 68.89% replied that the company's status of time management practices are rated nice. Therefore, it indicates that the overall ratings of the company's time management practices high and promising. Eventhough a majority of the respondents replied that the professional competence and technical capacity of the company's freight transport service sector is moderately rated, a significant number of the respondent admits that the professional competence and technical capacity of the freight transport services department is not up to the required standards. Therefore, it deserves critical emphasis, so as to improve its professional competence and technical capacity.

As per the majority of the respondents and the informants as well, the company has a strong bondage with its EFFORT sister companies and synergy strategy which is important to helpful in providing quality service. So, it might be a great opportunity to provide quality service. Besides, the other major concern related here is the need for such opportunities especially on the maintenance section as this unit runs on high technology and modernized system operations. The data therefore entails the strong need for technical training packages and professional upgrades in order that employees meet such demands.

With regard to the service quality markers, out of 39.09% of the respondent's remains a negative response, while majority of the respondents which accounts for 60.91%, replied that the quality of infrastructure of the transport company is

very high. Furthermore, 59.8% of the sample respondents believed that the company's freight transport sector is cost effective and efficient. So, the service quality markers of the company is appropriate and as per the standard.

Concerning the satisfaction of the client companies, majority of the respondents which accounts for 65.06% and key informants replied that the client companies were properly satisfied particularly in the case of adequacy of warehousing, regulatory mechanisms and storage facilities. Thus, it indicates the client companies are satisfied by the service that provides by Trans Ethiopia. Plc. dry cargo transport sector.

In general on the basis of the findings drawn out of the data presentation and analysis, the following conclusive statements can be made.

Primarily, the survey questions meant to describe the demographic characteristics of sample of respondents has revealed that the majority the target population is male dominated and on relative terms middle and upper-middle income learners with an average educational background of first degree holders.

Secondly, the study made investigations into what forms of goods are mainly catered in the freight transport sector of Trans Ethiopia Plc. Accordingly, the study results showed that the majority of goods and services catered in the company's freight transport services sector constitute industrial in puts and manufactured goods. The study also revealed that these industrial in puts and manufactured goods, which make up of over 60% of the freight transport services sector make up a huge share in the transportation of the country's major imports. It therefore appears that Trans Ethiopia Plc has been quite instrumental in the country's freight transport service sector.

The third category that the study investigated is the nature and status of the company's time management practices. Concomitantly, it could be said on average terms, the target population related that the organization's time management practices stand to be good. But, nearly 39% of the target population

admitted that there exist poor time management practices particularly on the company's loading and unloading operations. The reasons put forwarded for such delays and irregularities were found to be the following:

- ⇒ lack of adequate storage facility,
- ⇒ Regular stoppage due to breakage on their ways,
- ⇒ Lack of manpower (labor) and store man,
- ⇒ The exercises of sticking to impartial service delivery instances to clients deemed to generate relatively better advantages.

The fourth area of investigation was describing the technical capacity and professional competence of employees' involved in the freight transport services sector. Consequently, a little way over half of the target population believed the technical capacity and professional competence of the staff within the department is moderate. They also believed the major foreseeable challenge within the department is the presence of stiff competition.

They also related here that the kind of competitions apparently emanates from the fact that the organization is inherently bound to compete across the other EFFORT sister companies beyond the kind of competitiveness found firm's range of influence. Furthermore, the target population related the acute need for training opportunities and professional upgrading especially on the maintenance section of the freight transport services sector. They believed that the maintenance section is characterized with highly innovative technologies and modernized system operations, which therefore require utmost technical and professional capacities to go in tandem with appropriate adoption of these regularly changing technologies.

The last area of investigation was made as regards to the nature and status of the company's quality of performance within the domains of infrastructure, ownership, management, skills operations, and financial structures. Although, 60% of the respondents related positives responses, they also believed that there still remain a lot of gaps in this regard. Accordingly, they admitted the fact that a lot remains to be done in areas of ensuring the freight transport sector

department's cost efficiency and effectiveness, maximizing customer satisfaction, setting up adequate warehousing and storage facilities and finally, putting in place appropriate regulatory mechanisms.

5.2 Recommendations

Based on the findings of the study as put in the above conclusion section of the thesis, the following set of recommendations can be made:

- The company needs to come up with prompt responses and remedial intervention packages particularly in areas of maximizing the organization's time management within the unit of loading and unloading service operations.
- It is also imperative that the organization owes to undertake appropriate and frequent appraisals of the planning and service operations in order that effective operation mechanisms are put in place in the freight transport services sector.
- The organization is also bound to ensure efficient human resource and financial management; as such gaps have been highly evident in terms of irregularities in areas of ensuring standards of technical capacity and professional competence.
- In a context where there exist constantly growing demands and market competitiveness in the freight transport sector in the country, it therefore remains a necessity for the organization to ensure adoption and use of new technologies and improved practices in the sector. Particularly the freight transport department unit needs to set up effective and up to date Information Technology services as lack of online customer mechanisms entail the need for urgent intervention on the part of the management.

Finally, the survey findings in practical terms showed that the organization needs to undertake an account of job satisfaction survey research at most of the

respondents do call for improved working conditions, incentives and competitive salary.

References

- Ahmed R., Hossain M. (1990) *Developmental Impact of Rural Infrastructure in Bangladesh*, IFPRI, USA
- APTA (2009) *Recommended Practice for Developing and Maintaining a Customer Service Culture*. APTA-BTS-BO-RP-004-09, December 2009.
- ARD-RAISE consortium (2001) *Cargo transit challenges in Ethiopia*: regional trade analytical agenda: USAID
- ARD-RAISE consortium (2001) *Promoting multimodal transport in Uganda*: regional trade analytical agenda: USAID
- Atnafseged Kifle (2001) *Road Freight Transport in Ethiopia*: the Case of Transit Transport. Addis Ababa,
- Berry, B.J (1961) *Basic Patterns of Economic Development* in Ginsburg ed. Atlas of Economic Development, Chicago: University of Chicago Press.
- Boyd H.W., Walker O. Mullins J. and Larre (2002) *Research Methodology Approach Columbus* OH.: McGraw-Hill/Irwin. Boyd H.W., Walker O. Mullins J. and Larre (2002).
- Devlin, J and Lee, P., (2005) *Trade Logistics in developing countries*: the case of the middle east and North Africa, World Economy
- Evans J. and Lindsay W. (2008) *Managing for Quality and Performance Excellence*, 7th ed. Thomson South-western
- Fasenfest D. and L. Reese (2002) *Evaluation of EDA's Planning Program*: Economic Development Districts. Prepared for U.S. Department of Commerce, Economic Development Administration; Washington DC: EDA, Project # 99-07-13809.
- Friman M., (2004) *Implementing Quality Improvements in Public Transport*, Journal of Public Transportation, Vol. 7, No 4, 2004
- Florida Commission for the Transportation Disadvantaged. (2000). *1999 annual performance report*. Tallahassee, FL:Author.

- Hensher, D. A. and Prioni P. (2002) *A service quality index for area-wide contract performance* assessment regime, Journal of Transport Economics and Policy
- Hensher D.A. & Stanley, J. (2003) *Performance-based quality contracts in bus service provision Transportation: Policy and Practice*, 37(6), pp. 519–538, 2003
- Hensher, D. A., Stopper, P. and Bullock, P. (2003) *Service quality-developing a service quality index in the provision of commercial bus contracts: Transportation Research*, 37(A)
- Hill N. (2000) *Handbook of Customer Satisfaction and Loyalty Measurement*, Gower Publishing, Ltd, Aldershot, Hampshire
- IEA (2006) *World energy outlook 2006, International energy agency*, Paris
- Ibrahim Worku (2011) Road Sector Development and Economic Growth in Ethiopia Working paper of Ethiopian Development Research Institute (EDRI)
- Jonker, J and Pennink B (2010) *The Essence of Research Methodology: A Concise Guide for Master and PhD Students in Management Science*. Springer Heidelberg Dordrecht, London. New York
- Moise E. (2009) *Trade facilitation reform in the Service of Development in Overcoming Border Bottlenecks: The costs and benefits of trade facilitation*, OECD, Paris
- NADO Research Foundation (2008) *Consultation Assessment Guide: Evaluating Your Knowledge and Input into the Statewide Transportation Planning Process*. Washington D.C.: National Association of Development Organizations
- Schlossberg M. (2004) Coordination as a strategy for serving the transportation disadvantaged: university of Oregon
- Srinivas T. (nd) *The Role of Transportation in Logistics Chan*; Kakatiya University
- Tefera Mengesha and Alemayehu Ambo (1996) *The Management and financing of Roads in Ethiopia* (Proceedings of Seminar Paper); Addis Ababa

- Transportation Research Board (1999) *A handbook for measuring customer satisfaction and service*
- _____. (2004) *Social Benefits in Transport Planning: A case Study of Ethiopia*, Addis Ababa.
- _____. (2008) *State of Transport Sector Development in Africa*, AU, First Session of the Conference of African Ministers of Transport
- Tseng Y. (2005) *The role of transportation in logistics chain: eastern Asia society for transportation studies*
- UNECA (2003) *United Nations Economic Commission for Africa: issues on multimodal transport development in Africa*
- Volgt F. (1997) *Transportation and Regional Policy: Some General Aspects* in W.A.G. Blonk (ed.) *Transport and Regional Development*, Sakon House.
- Yongston A.J. (1967) *Overhead Capital: A Study in Development Economic*, Edinburgh University Press
- Van de Velde D. (2003) *Regulation and competition in the European land transport industry: some recent evolutions*. Paper presented at the 8th Conference on Competition and Ownership in Land Passenger Transport, Rio de Janeiro, Brasil, 14–18 September, 2003.

Appendix-A

Questionnaire

Dear Respondent,

I am conducting a survey assessment on the status of service quality of the dry cargo transport sector at Trans Ethiopia SC, in partial fulfillment for the requirement of Master of Business Administration. Your answers and comments for the questions below are very critical and valuable for the successful completion of the program. You may thus circle the given options or put a mark when applicable.

Thank you in advance!

1. Sex_____

2. Qualification:

A. Read and write
holder

C. Masters

B. Certificate holder

D.

Others_____

C. Diploma holder

3. Years of service:

A. 0-1year

D. 6-10 years

B. 1-3years

E. Over 10 years

C. 3-6years

4. What forms of goods are mainly catered in the freight transport sector? (you may chose

more than one option)

A. food aid

B. Agricultural products

C. Industrial inputs

D. Manufactured goods

E. Industrial inputs

F. Others, please specify_____

5. Do you think Trans Ethiopia makes use of integrated planning?

A. Yes

B. No.

6. If your answer to question NO. 5 is NO, please specify your reasons

7. Do you think that Trans Ethiopia's loading and unloading operations are carried out at

the right time?

A. Yes

B. NO

8 If your answer to question NO. 7 is NO, please specify your reasons

.

9. How do you generally rate Trans Ethiopia's time management practices?

A. Excellent

E. Low

B. Very good

F. Very low

C. Good

G. Unsatisfactory

D. Fair

Others_____

10. Which one of the following best characterizes the freight transport operations at Trans

Ethiopia PLC?

A. Labor intensive

B. Capital intensive

C. Both labor and capital intensive

- D. I have no idea
11. How do you evaluate the cost of the freight transport sector against the total value of output? Costs are____
- A. High
 - B. Very high
 - C. Medium
 - D. Low
 - E. Very low
12. How do you rate Trans Ethiopia freight transport sector's joint cooperation with other freight operators and associations?
- A. Very strong
 - B. Strong
 - C. Fairly strong
 - D. Weak
 - E. Very weak
 - F. None at all
 - G. Others _____
13. How do you describe the professional and technical capacity of the department?
- A. Completely fit and competent.
 - B. Averagely fit and competent
 - C. A low level of competence
 - D. Extremely below the required competence

Other _____

14. Do employees within the freight transport sector receive technical training packages and professional upgrades?
- A. Yes
 - B. No

15. If your answer to question No 14 is no, would you please state gaps with respect to required skills and technical knowledge? _____

15. Do you feel that the organization has got a workable supply chain management?

- A. Yes
- B. No

16. If your answer to question No 15 is no, would you please list your reasons?

17. Do you think the organization has adopted new technologies and improved practices standard for the freight transport sector?

- A. Yes
- B. No

18. If your answer to question No 17 is no, what are the major problems you observe in this regard, if any?

19. How do you describe Trans Ethiopia's overall performance of quality markers in the freight transport sector? You can put a \checkmark mark on the nature and status of the domains in the following table

S/N	Status Domain:	Excellent	Very Good	Good	Fair	Bad	Very Bad	Worst
1.	Infrastructure							
2.	ownership							
3.	management							
4.	operations							
5.	skills							
6.	Financial structures							

20. What are the major types of goods and services rendered by the freight transport section of the organization?

21. How do you evaluate the organization's performance in terms of effective flow of goods, materials, information and other resources?

22. What types of regulatory frameworks and mechanisms are currently in use?

23. What do you think are the major challenges the organization faces in the freight transport sector?

24. What do you suggest to address these problems?

25. Put \checkmark marks on one of the options that are provided in the table

S/N	Item statement	strongly Agree	Agree	have no idea	Disagree	strongly Disagree
1.	The freight transport sector is cost effective and efficient.					
2.	Client companies' customer satisfaction is maximized.					
3.	There are adequate warehousing and storage facilities.					
4.	There is a standard freight					

	transport infrastructure.					
5.	The regulatory mechanisms put in place are appropriate.					
6.	The organization's human resource department is staffed with the necessary skills expertise for freight transport.					
7.	The company undertakes timely maintenance operations					
8.	The company often makes the necessary upgrading and expansion of services					
9.	The organization is effective in terms of resource utilization					
10.	The company owns a viable supply chain management.					

Appendix –B: Interview

Interview with Operation department heads of the customer Companies

1. How can you describe the service quality in the context of Trans Ethiopia Plc. dry cargo transport sector?
2. What are the key factors which often affect the company's service quality performance?
3. What kind of mechanisms you provide to address the problems of the service quality?

END !!!

Thank you!!!