

KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY, KUMASI

COLLEGE OF ARCHITECTURE AND PLANNING

DEPARTMENT OF BUILDING TECHNOLOGY

**THE ORGANISATIONAL STRUCTURES OF PUBLIC SERVICE ORGANISATIONS
IN GHANA IN LIGHT OF PUBLIC PROCUREMENT ACT, 2003 (ACT 663).**

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BY

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DECLARATION

I hereby declare that this submission is my own original research and that, to the best of my knowledge, it contains no material previously published by another person or material which has been accepted for the award of any other degree of this University or any other institution.

References from the works of others have been duly acknowledged.

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ABSTRACT

This research work seeks to address the organogram of the Public Service organisations in Ghana in the light of Public Procurement Act, 2003. Ten (10) years after the implementation of Act 663, it can be said that a lot of success has been achieved but not without some bottlenecks. One of them is the inability of Act 663 to specify the level of tier in the chain of command in the organogram structure of Public Service organisations. The aim of this research was to make effective recommendations to enhance the effectiveness and efficiency of the procurement unit through the organogram of Public Service organisations in Ghana. An in-depth study aimed at identifying the various organisational structures in the Public Service organisations in Ghana, identify the various levels of tiers of the procurement unit, have an in-depth understanding of the establishment of the procurement unit as prescribed by Act 663 and whether the organograms of Public Service organisations can coordinate all procurement functions. A questionnaire survey and an interview were carried out on a sample of 21 directors in the Public Service and the Public Service Commission of Ghana respectively. The organogram of Ministry of Education, Ghana Education Service and Electricity Company of Ghana were used for the purposes of analysis.

The survey and interview revealed that: Functional structure is commonly used by the Public Service organisations in Ghana; the procurement unit is found at the 2nd, 3rd, 4th and 5th tiers in the chain of command; Act 663 is not conclusive in terms of integrating the procurement unit into the Public Service organisations' organograms; the existing organograms of the Public Service organisations support the procurement as a coordinating function.

It was recommended that the procurement unit be placed in the 2nd and 3rd tier in the organograms of Agencies, Departments, State Enterprises etc. and the Ministries respectively. To achieve this, a structural reform of the organograms of the Public Service organisations is needed and this needs the concern at the highest level (Both political and administrative).

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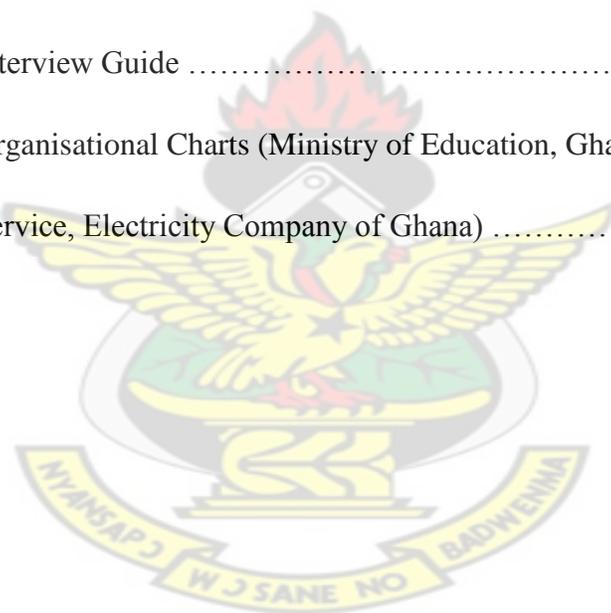
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LIST OF ABBREVIATIONS/ACRONYMS

CIDA	- Canadian International Development Agencies
DAC	- Development Assistance Community
DFID	- Department for International Development
EU	- European Union
FAO	- Food and Agriculture Organisation
GDP	- Gross Domestic Product
GPA	- Agreement on Government Procurement
IDA	- International Development Association
MDGs	- Millennium Development Goals
MMDAs	- Metropolitan/Municipal/District Assemblies
ODA	- Official Development Assistance
OECD	- Organisation for Economic Cooperation and Development
PFM	- Public Financial Management
PUFMARP	- Public Financial Management Reform Programme
SOEs	- State-owned-enterprises
UN	- United Nations

CHAPTER ONE

INTRODUCTION

1.0 Background

Public and Private organisations are the two sectors of every economy (Lloyd, 1984; Jan-Erik, 1995 and David, 2002). In social and political sciences in general, an "organisation" may be more loosely understood as the planned, coordinated and purposeful action of human beings working through collective action to reach a common goal or construct a tangible, product (Handy, 1990). Barlow et al. (2010) indicated that the public sector forms the largest proportion of the economy.

Every organisation has a hierarchy of people and job functions whether it is organic or intentional (Griffin, 1999). For a business to operate efficiently and systematically, it needs a planned structure that fits the style, size and operations of the organisation (Griffin, 1999). A company needs to keep its structure dynamic so that it can respond to the things that impact organisational structure (Anderson, 2013).

Scholars of public organisations have long been interested in understanding how organisational structures shape organisational performance. This is an important question because if links between structure and performance exist, then manipulating organisational structure may lead to improvement in organisational performance (Bohte and Kenneth 2001). The National Performance Review is the latest in a long line of proposed structural reforms for government agencies (Goodsell and Moe 1994).

One major factor that has impacted on the public organisations almost on the entire globe is procurement. Procurement forms 10 to 15% of GDP in developed countries, and up to 20% in

developing countries; government procurement accounts for a substantial part of the global economy (Hans-Joachim, 2012).

Ghana for sometimes past has had problems with the administration of procurement and not until 1996 when public sector procurement reform programme began which resulted in the enactment of the Public Procurement Law in the year 2003. The Public Procurement Act, 2003 (Act 663), was enacted to harmonize public procurement processes in the public service, secure judicious, economic and efficient use of state resources, and furthermore, ensure that public procurement is fair, transparent and non-discriminatory (Ministry of Finance, 2001).

The Public Procurement Act, 2003 (Act 663), provides a legal framework for which public procurement should take place (Aquaye, 2010). The Act 663: Establishes the Procurement Board; make administrative and institutional arrangement for procurement; stipulate tendering process and provide for purposes connected with these.

Section 15(3) of Act 663 states that “Procurement decisions of an entity shall be taken in a corporate manner and any internal units concerned shall contribute to the decision making process”. Also, chapter 2.4, paragraph 1 of the Public Procurement Manual explains that the procurement unit is responsible for superintending procurement and also the Head of the procurement unit is responsible for undertaking and coordinating all detailed procurement in the Procurement Entities. Thus the enactment of the Public Procurement Act, 2003 has brought about amalgamation of the three components of procurement in the Public Sector of Ghana (i.e. Goods, Works and Services). Each of these three components of procurement has its own set of unique characteristics which makes them distinct and therefore can be said that each is a specialized domain. This may be the reason why in the past each has been treated as independent

unit or as a supporting unit within certain units of the Public Service organisations depending on the core functions.

Section 15(4) of the Public Procurement Act, 2003, stipulates that “The head of an entity is responsible to ensure that provisions of this Act are complied with; and concurrent approval by any Tender Review Board shall not absolve the head of entity from accountability for a contract that may be determined to have been procured in a manner that is inconsistent with the provisions of this Act”. This means that the head of entity has overall oversight responsibilities of all procurement and therefore cannot delegate this responsibilities, though chapter 2.3, paragraph 2 of the Public Procurement Manual explains that the head of entity is required to establish a procurement unit to undertake all activities related to procurement within the entity in accordance with the Act and shall appoint or designate a proficient procurement person with the requisite qualifications, experience and skills as Head of the Procurement Unit to undertake the detailed activities of procurement on behalf of the Procurement Entity”.

However the Procurement Law was not explicit with regards to the position of the procurement unit in the organisational structure of the Procurement Entities in the Public Sector of Ghana.

The Public Procurement Act, 2003 (Act 663), like any new Law, may not envisage all the weaknesses in the system for which it was intended to address at first time and/or may come with new challenges that would need to be addressed as the Law is being used.

1.1 The Problem Statement

Procurement is a core function of public financial management and service delivery and the potential efficiency gains from better procurement can make a significant additional contribution to financing achievement of the Millennium Development Goals (MDGs) (Organisation for

Economic Co-operation and Development (OECD)-Development Assistance Community (DAC)/World Bank, 2005). Increasing the effectiveness, efficiency and transparency of procurement systems is an on-going concern of governments and of the international development community. All have recognized that increasing the effectiveness of the use of public funds, including funds provided through official development assistance (ODA) requires the existence of an adequate national procurement system that meets international standards and that operates as intended (OECD-DAC/World Bank, 2005).

In Ghana, the Public Procurement Act, 2003 was enacted to harmonize public procurement processes in the public service, secure judicious, economic and efficient use of state resources, and furthermore, ensure that public procurement is fair, transparent and non-discriminatory (Ministry of Finance, 2001). The Public Procurement Act, 2003, did not explicitly indicate the position of the procurement unit in the organisational structure of the Public Service organisations in Ghana. One of the functions of the Public Service Commission, section 4(i) of the Public Service Commission Act, 1994 (Act 482), stipulates, “To review the organisation, structure and manpower requirements of the agencies and bodies in the Public Services and advise Government on the manpower rationalisation necessary for maximum utilisation of human resources in the Public Services”. This means that the Procurement Act cannot determine the position of the procurement in the Public Service organisations. Therefore position of the procurement unit is at the discretion of the procurement entities which may differ from one Public Service organisation to another depending on the core functions of the organisation. Organisational structure determines how the roles, power and responsibilities are assigned, controlled, and coordinated and how information flows between the different levels of management (Samson and Daft 2005).

According to Osei-Tutu et al. (2011), Public Procurement Act, 2003 is observed to proffer solutions but not without challenges; the implementation of the Public Procurement Act 2003 has been quite challenging coupled with a number of inefficiencies. Baily et al. (2010) acknowledged that purchasing and supply management is linked into the strategies of organisations and has real impact on competitive advantages, yet many purchasing department continue to operate in “silo” with over half failing to fully integrate into the organisation. Management theories as proposed by many scholars (e.g. Taylor, Fayor, McGregor etc.) have all indicated that chain of command has effect on performance.

1.2 Aims and Objectives

1.2.1 Aims

The aim of this research is to come out with effective recommendations to enhance the effectiveness and efficiency of the procurement unit in the Public Sector of Ghana through the organisational structure of Public Service organisations in Ghana.

1.2.2 Objectives

The objective of this research is to:

1. Identify the types of Organisational Structures used in the Public Service organisations in Ghana.
2. Identify the various tiers of procurement unit in the chain of command (organisational structure) of some selected Public Service organisations in Ghana in light of the Act 663.
3. Ascertain clearly an in-depth understanding of the establishment of Procurement Unit in Procurement Entity as prescribed by Public Procurement Act, 2003, (Act 663).

4. Find out whether the various types of the organisational structures of Public Service organisations support the coordination of procurement by the procurement unit in the procurement entities as prescribed by Act 663 or not and make necessary recommendations.

1.3 The Context of the Study

There are several levels of hierarchy in the Public Service organisations in Ghana. The size of the organogram depends on the size of the Public Organisation. This research took into consideration the organisational structures of the Ministry of Education, the Ghana Education Service and Electricity Company of Ghana from the national to the district/unit level for the purposes of analysis. These three organisations are one of the largest segments in terms of size and number (i.e. geographical representation) representing the various categories of Public Service of Ghana. Arguably, these three sectors of the Public Service are the key areas for achievement of the Millennium Development Goals (MDGs) and the promotion of sustainable development.

1.4 Research Hypothesis

This research considers the following hypothesis.

- Support for organisational structure reforms to give the procurement unit the boost to function without any unnecessary influence within an entity has not received the needed concern at the highest level (both political and administrative).

1.5 Limitations/Delimitations

The data collection for the purpose of this research would cover only Greater Accra since almost all the various levels of the public organisations of the Republic of Ghana can be found in the

region and would validate the results as well as to make the recommendations and conclusions reliable. Another reason for choosing the Greater Accra region is to curtail the limited resources of time and funds.

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CHAPTER TWO

LITERATURE REVIEW

2.0 General Introduction

This chapter is a literature discussion on the project topic in the following main subject areas.

- i. The Organisational Forms
- ii. The Public Sector
- iii. Public Sector Administration
- iv. The Organisational Structure

2.1 The Organisation

By coordinated and planned cooperation of the elements, the organisation is able to solve tasks that lie beyond the abilities of the single elements (Douma and Schreuder 2012). The price paid by the elements is the limitation of the degrees of freedom of the elements (Douma and Schreuder 2012).

2.1.1 Definition of Organisation

An organisation (Douma and Schreuder 2012) is defined by the elements that are part of it (who belongs to the organisation and who does not?), its communication (which elements communicate and how do they communicate?), its autonomy (which changes are executed autonomously by the organisation or its elements?), and its rules of action compared to outside events (what causes an organisation to act as a collective actor?).

According to Daft (2007), an **organisation** is a social entity that has a collective goal and is linked to an external environment.

Organisations are an open system that is they affect and are affected by their environment (Daft, 2007). From Douma and Schreuder (2012), the word is derived from the Greek word *organon*, itself derived from the better-known word *ergon* which means "organ" – a compartment for a particular task. In the social sciences, organisations are the object of analysis for a number of disciplines, such as sociology, economics, political science, psychology, management, and organisational communication (Douma and Schreuder 2012).

2.1.2 Types of Organisations

The two main types of organisations in the economic sector of every nation according to many economic scholars such as Lloyd (1984), Jan-Erik (1995), David (2002), etc. are:

- i. Public and
- ii. Private Organisations.

All small businesses, corporations, profit and non-profit organisations, partnerships, charitable organisations and middle to large entrepreneurships, are considered to be part of the Private Sector (Mabelle, 2010). The private organisation defined by Barlow et al. (2010) is the citizen sector, which is run by private individuals or groups, usually as a means of enterprise for profit, and is not controlled by the state.

The public sector (Barlow et al. 2010) sometimes referred to as the state sector or the Government sector, is a part of the state that deals with either the production, ownership, sale, provision, delivery and allocation of goods and services by and for the government or its citizens, whether national, regional or local/municipal and examples of Public Sector activities range from delivering social security, administering urban planning and organising national defense.

2.1.3 Difference Between Public and Private Organisations

Some of the differences between public and private organisations as outlined by Mabelle (2010) are:

- i. Most public sectors are managed under a larger chain of command and control, while private sectors mostly operate in a corporate setting.
- ii. When it comes to policy decisions, the activities in the public sector have a goal of sticking to what is indicated by law, while the private sector is managed under the rules of shareholders and corporate owners.

2.1.4 Classification (by Production) of Organisation

From all that has been said, it can be deduced that all organisations being private or public are formed to perform certain task(s). Thus the economic sector of a nation whether public or private (Mohanty and Lakhe 2001) are classified into four (4) categories by their output or the type of production as outline below.

2.1.4.1 The Primary Sector

Extraction such as mining, agriculture and fishing comes under this sector (Mohanty and Lakhe 2001).

2.1.4.2 The Secondary Sector

Manufacturing such as automobile, pharmaceutical and construction comes under this sector (Mohanty and Lakhe 2001).

2.1.4.3 The Tertiary Sector

This according to Mohanty and Lakhe (2001) is also known as the service sector of the economy or the service industry, economic literature as "intangible goods". The service sector of economy

involves the provision of services to businesses as well as final consumers. Services may involve the transport, distribution and sale of goods from producer to a consumer as may happen in wholesaling and retailing, or may involve the provision of a service, such as in pest control or entertainment. Goods may be transformed in the process of providing a service, as happens in the restaurant industry or in equipment repair (Mohanty and Lakhe 2001). However, the focus is on people interacting with people and serving the customer rather than transforming physical goods (Mohanty and Lakhe 2001).

2.1.4.4 The Quaternary Sector

This is defined as the sharing of information which normally belongs to the service sector or tertiary sector (Mohanty and Lakhe 2001).

2.2 Public Sector Organisations

2.2.1 Global Perspective

Organisations of the Public Sector (public ownership) according to Barlow et al. (2010) can take several forms as outlined below.

- i. Direct administration funded through taxation; the delivering organisation generally has no specific requirement to meet commercial success, and production decisions are determined by government.
- ii. Publicly owned corporations (in some contexts, especially manufacturing, “state-owned enterprises”); which differ from administration in that they have greater commercial freedoms and are expected to operate according to commercial criteria, and production decisions are not generally taken by government (although goals may be set for them by government).

- iii. Partial outsourcing (of the scale many businesses do, e.g. for IT services), is considered a public sector model.
- iv. Complete outsourcing or contracting out, with a privately owned corporation delivering the entire service on behalf of government. This may be considered a mixture of private sector operations with public ownership of assets, although in some forms the private sector's control and/or risk is so great that the service may no longer be considered part of the public sector (e.g., the United Kingdom's Private Finance Initiative)

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2.2.2 The Public Service of Ghana

According to Section (17) of the Public services Commission Act, 1994 of the Republic of Ghana, the Public Service “includes an office the emoluments attached to which are paid directly from the Consolidated Fund or directly out of moneys provided by Parliament and an office in a corporation established entirely out of public funds or moneys provided by Parliament.

2.2.3 Composition of Public Service of Ghana

Article 190 of the 1992 Constitution of the Republic of Ghana gives the composition of the Public Service as:

- 1) The Civil Service,
 - The Judicial Service,
 - The Audit Service,
 - The Educational Service,
 - The Prison Service,
 - The Parliamentary Service,
 - The Health Service,

The Statistical Service,
The National Fire Service,
The Customs, Excise and Preventive Service,
The Internal Revenue Service,
The Police Service,
The Immigration Service, and
The Legal Service;

- 2) Public corporations other than those set up as commercial ventures;
- 3) Public services established by the constitution; and
- 4) Any other public services as Parliament may by law prescribe.

2.2.4 Classification of Public Service of Ghana

In Ghana the public service is classified by many scholars as follows:

2.2.4.1 Civil Service

This is one of the most visible parts of the Ghanaian public administration system which fits into the typical classical definition of Weberian bureaucratic construct, it is made up of the ministries, departments and agencies and a major feature of the civil service is its almost direct day-to-day relationship with the government of the day (Boachie-Danquah 2006).

2.2.4.2 State-owned-enterprise (SOE) Sector

This sector of the public service evolved when past governments decided to engage the service in essentially direct economic activities and Institutions here took the character of the private business corporation, in which, unlike the civil service, a considerable amount of autonomy and flexibility in action was required (Boachie-Danquah 2006).

2.2.4.3 Hybrid Sector

Institutions in this sector combine some of the characteristics of the Civil Service and SOEs, classic examples are the public universities, which are subvented like the Civil Service but possess large measure of autonomy in several areas of their operations (Boachie-Danquah 2006).

2.3 Public Sector Administration

2.3.1 Public Service Reforms

The Public Service traces its origin from the colonial period, during which the dominant vision was the establishment of a service charged with the maintenance of law and order, whilst providing the necessary framework for the opening up and exploitation of the Gold Coast (Boachie-Danquah, 2006). Since independence, the public service of Ghana has played an extended role at various times, by responding to the visions and efforts of different governments to achieve a rapid development (Boachie-Danquah, 2006). In the early 1960s, for example, the public service was actively involved in the accelerated provision of social and economic infrastructure in education, health, transportation, telecommunications, electricity, insurance, etc. whilst in the early 1970s; the public service was expanded and called upon to practicalise the government's vision of capturing the commanding heights of the economy (Boachie-Danquah, 2006). From the mid-1980s, there was a paradigm shift in the role of the public service to accommodate the imperatives of economic recovery and adjustment programs which were introduced at the time, resulting among others, in the cutting down on the size and personnel of the service, as well as the privatisation of some SOEs which were involved in production, manufacturing and commerce (Boachie-Danquah, 2006). As part of the executive branch of government charged with policy formulation and policy implementation, the destiny of the country depends to a large extent on the efficiency and effectiveness of the public service to

provide the professional/technical support for the development of Ghana (Boachie-Danquah, 2006).

Some studies by international institutions like Organisation for Economic Cooperation and Development (OECD), United Nations (UN) and the World Bank have revealed that developed countries like Australia, France, Canada (Ottawa), Germany, Japan, New Zealand, Norway, Sweden, Switzerland, the UK (in Manchester & Birmingham) and USA (Washington D.C.) have bottlenecks in public administration and that public management reforms are needed to meet ever changing stream of life.

Change is very important and inevitable; an organisation introduces change from time to time in line with economic trends and other environmental changes (Oluwanisola, 2010). Organisational change is not a new concept (Oluwanisola, 2010). The industrial revolution, which developed in Europe between 1750 and 1880, accelerated the rate of change to an extent never previously thought possible, other economies followed and the rate of change has never declined (Thomas and Christopher 2009). All organisations exist in a changing environment and are themselves constantly changing (Thomas and Christopher 2009).

The change is modification of the structure or process of a system that may be good or even bad (Thomas and Christopher 2009). There are number of impacts of these changes, either radical or slow on the organisation (Oluwanisola, 2010). According to Thomas and Christopher (2009), changes disturb the existing equilibrium or status quo in an organisation and so heavy demands are therefore placed on the management and organisation both radical, innovative thinking and disciplined action in response to challenges (JØrgen and Mille 2006).

The change in any part of the organisation may affect the whole of the organisation, or various other parts of organisation in varying degrees of speed and significance, it may affect people, structure, technology, and other elements of an organisation (Thomas and Christopher 2009). Change (Thomas and Christopher 2009) may be reactive or proactive in nature and when change takes place due to external forces, it is called reactive change whilst proactive change is initiated by the management on its own to enhance the organisational effectiveness.

In a knowledge society, organisations are challenged by technology leaps, slides in values and globalisation (JØrgen and Mille 2006). Change occurs for many reasons such as new staff roles; increases or decreases in funding; acquisition of new technology; new missions, vision or goals; and to reach new members or clients (*Brookins, 2013*).

According to Anderson (2013), to manage change you need to understand what causes it and that structural change within an organisation might stem from internal or external factors. Efficient change management requires the ability to identify what causes structural change within an organisation; the ability to identify the signs of oncoming organisational change can help you better prepare for the change and implement policies that will keep your company on a growth path (Anderson, 2013).

It is difficult for organisations to avoid change, as new ideas promote growth for them and their members; changes can create new opportunities, but are often met with criticism from resistant individuals within the group (*Brookins, 2013*).

JØrgen and Mille (2006) gave three reasons for resistance to change as outlined below.

- i. Management and organisations are too satisfied
- ii. Management and organisations do not master the process of change

- iii. Management and organisations underestimate the significance of vision.

Brookins (2013) also gave the following factors as the causes for resistance to change in an organisation.

- i. **Poor Communication:** Changes within an organisation start with key decision makers. It is up to them to pass along the details to team members and ensure all questions and complaints are handled before changes go into effect. Unfortunately, as news of a change spreads through the hierarchy, details are sometimes skewed and members end up receiving inaccurate, second-hand information. Poor communication can therefore cause resistance to change.
- ii. **Self-Interest:** Ego often interferes with the ability to adapt to change. Some want to maintain the status quo to better advance their own personal agendas; others have different motivations. In the end, employees acting in their own self-interest, instead of the organisation's greater good, will resist change.
- iii. **Feeling Excluded:** Organisations often solicit advance input to ensure that everyone has an opportunity to voice their ideas and opinions. If, however, employees hear of a sudden change, and they had no input, they will feel excluded from the decision making process and perhaps offended.
- iv. **Lack of Trust:** Trust plays a big role in running a successful organisation. When organisation members feel they cannot trust each other or key decision makers, it becomes difficult for them to accept organisational changes. They may ascribe the changes to some negative underlying reason or even assume they will eventually lose their jobs.

- v. **Skills/Training Dearth:** When change requires mastering new skills, resistance is likely, particularly when it comes to new technology.

Any organisation that ignores change does so at its own peril, one might suggest that for many the perils would come sooner rather than later (Thomas and Christopher 2009). To survive and prosper as noted by Thomas and Christopher (2009), the organisations must adopt strategies that realistically reflect their ability to manage multiple future scenarios. Only with this information can a business prepare for new changes and challenges arising from sudden shifts in the world economy and in the nature and content of knowledge itself (Thomas and Christopher 2009).

One can try to predict the future, however predictions produce at best a blurred picture of what might be, not a blueprint of future events or circumstances (Thomas and Christopher 2009). Change is one of the most critical aspects of effective management (Thomas and Christopher 2009). It is the coping process of moving from the present state to a desired state, that, individuals, groups and organisations undertake in response to various internal and external factors that alter current realities (Thomas and Christopher 2009). Survival of even the most successful organisations (Thomas and Christopher 2009) cannot be taken for granted and in some sectors of the economy, organisations must have the capability to adapt quickly in order to survive. When organisations fail to change, the cost of failure may be quite high (Thomas and Christopher 2009). The effective and progressive management of change can assist in shaping a future which may better serve the enterprise's survival prospects (Thomas and Christopher 2009). Change will not disappear or dissipate, technology, civilizations and creative thought will maintain their ever accelerating drive onwards (Thomas and Christopher 2009).

At this time of serious global economic meltdown, many organisations are forced to embrace changes in order to survive the hard times (Thomas and Christopher 2009).

2.3.2 Public Procurement Reforms

Studies by OECD and World Bank have shown that one of the notable changes around the globe is the Public Procurement which is to prevent fraud, waste, corruption or local protectionism (Prieß, 2013). A publication by Prieß (2013) gives an overview of public procurement globally. Government Procurement, also called **public tendering** or **public procurement**, is the procurement of goods, works and services on behalf of a public authority, such as a government agency (Prieß, 2013). Government procurement (Prieß, 2013) is also the subject of the Agreement on Government Procurement (GPA), a plurilateral international treaty under the auspices of the World Trade Organisation (WTO). The law of most countries (Prieß, 2013) regulates Government Procurement more or less closely. According to Baily et al. (2010), procurement is seen by many of today's successful organisation as an activity of considerable strategic importance.

In the 1990s to date, there has been some reforms in Ghana notably among them are the Public Finance Management (PFM). The Public Financial Management Reform Programme (PUFMARP) was a 6-year multi-component of Government of Ghana programme to strengthen PFM. The Programme, which was under way between 1997 and 2003, was supported mainly by funding from IDA, with co-financing provided by DFID, CIDA, and the EU (Ministry of Finance, 2001). This brought about the enactment of the Public Procurement Act, 2003 (Act 663).

This new Act 663 was constituted after years of foul play and abuse as far as procurement was concerned in Ghana and this necessitated a thorough review of the existing procurements regulations (Osei-Tutu et al. 2010). The Public Procurement Act (Act 663) 2003, was enacted to harmonize public procurement processes in the public service, secure judicious, economic and efficient use of state resources, and furthermore, ensure that public procurement is fair, transparent and non- discriminatory (Ministry of Finance, 2001). The enactment of the law in 2003 further ensured that modern trends in procurement was adopted to bring about the much needed sanity to local procurement system which had been flawed by bad procurement practices such as corruption and other malfeasances (Osei-Tutu et al. 2010).

2.4 The Organisational Structure

No organisation is static over a long period of time in its structure and other constituents (Oluwanisola, 2010). All organisations have a management structure that determines relationships between the different activities and the members, and subdivides and assign roles, responsibilities and authority to carry out different tasks (Samson and Daft 2005). According to the Food and Agriculture Organisation of the United Nations Corporate Document Repository, structure provides “guidelines on hierarchy, authority of structure and relationships, linkage between different functions and coordination with environment.” Organisational structure is the method by which an organisation communicates, distributes responsibility and adapts to change and a company needs to keep its structure dynamic so that it can respond to the things that impact organisational structure (Anderson, 2013). The structure of every organisation is unique in some respects, but all organisational structures are developed or are consciously designed to enable the organisation to accomplish its work (Distelzweig, 2006). Typically, the structure of an

organisation evolves as the organisation grows and changes over time (Brews and Christopher 2004).

Three main components comprising an organisation's structure: complexity, formalisation and centralisation (Griffin, 1999). According to FAO Corporate Document Repository, centralisation refers to “the degree to which activities within is differentiated”, differentiation can be horizontal: differences between departments including education, training, tasks and members; vertical: the number of management levels; and spatial: the geographical distribution of personnel and facilities. The degree of centralisation shows how much of the decision-making and authority concentrates in one place. Formalisation describes how specialised each position is.

Distelzweig (2006) mentioned four basic decisions in developing an organisational structure, although developers of organisational structure may not be explicitly aware of these decisions.

- i. First, the organisation's work must be divided into specific jobs. This is referred to as the division of labor.
- ii. Second, unless the organisation is very small, the jobs must be grouped in some way, which is called departmentalisation.
- iii. Third, the number of people and jobs that are to be grouped together must be decided. This is related to the number of people that are to be managed by one person, or the span of control -the number of employees reporting to a single manager.
- iv. Fourth, the way decision-making authority is to be distributed must be determined.

Organisational evolution (Griffin, 1999) shows four important principles: specialisation, coordination, departmentalisation, and decentralisation or centralisation. Specialisation facilitates division of work into units for efficient performance,” reports FAO Corporate Document

Repository. Coordination is the way all specialized units and employees fit into a cohesive whole to reach company goals. Departmentalisation clusters different activities and job functions at the same authority level. Decentralisation is when lower levels of the hierarchy have decision-making authority, whereas centralisation is when you group authority at higher levels.

2.4.1 The Elements of Organisational Structure

Regardless of what type of structure an organisation decides upon, three elements will always be there and these are inherent in the very idea of an organisational structure (Berkowitz and Wolff 1999). They are:

- i. **Some kind of governance:** The first element of structure is governance - some person or group has to make the decisions within the organisation.
- ii. **Rules by which the organisation operates:** Another important part of structure is having rules by which the organisation operates. Many of these rules may be explicitly stated, while others may be implicit and unstated, though not necessarily any less powerful.
- iii. **A distribution of work:** Inherent in any organisational structure also is a distribution of work. The distribution can be formal or informal, temporary or enduring, but every organisation will have some type of division of labor.

2.4.2 Types of Organisational Structure

According to organisational scholars, there are four (4) basic types of organisational structure. These are outlined below.

2.4.2.1 Classical/Hierarchical Organisational Structure

This is also termed as hierarchical structure by some scholars such as JØrgen and Mille (2006), is common with very small businesses, very centralized and has few general functions and some specialists in critical positions as needed (Griffin, 1999). Hierarchy according to JØrgen and Mille (2006) may serve many different purposes in an organisation but often importance is attached to authority and the right to make certain types of decisions.

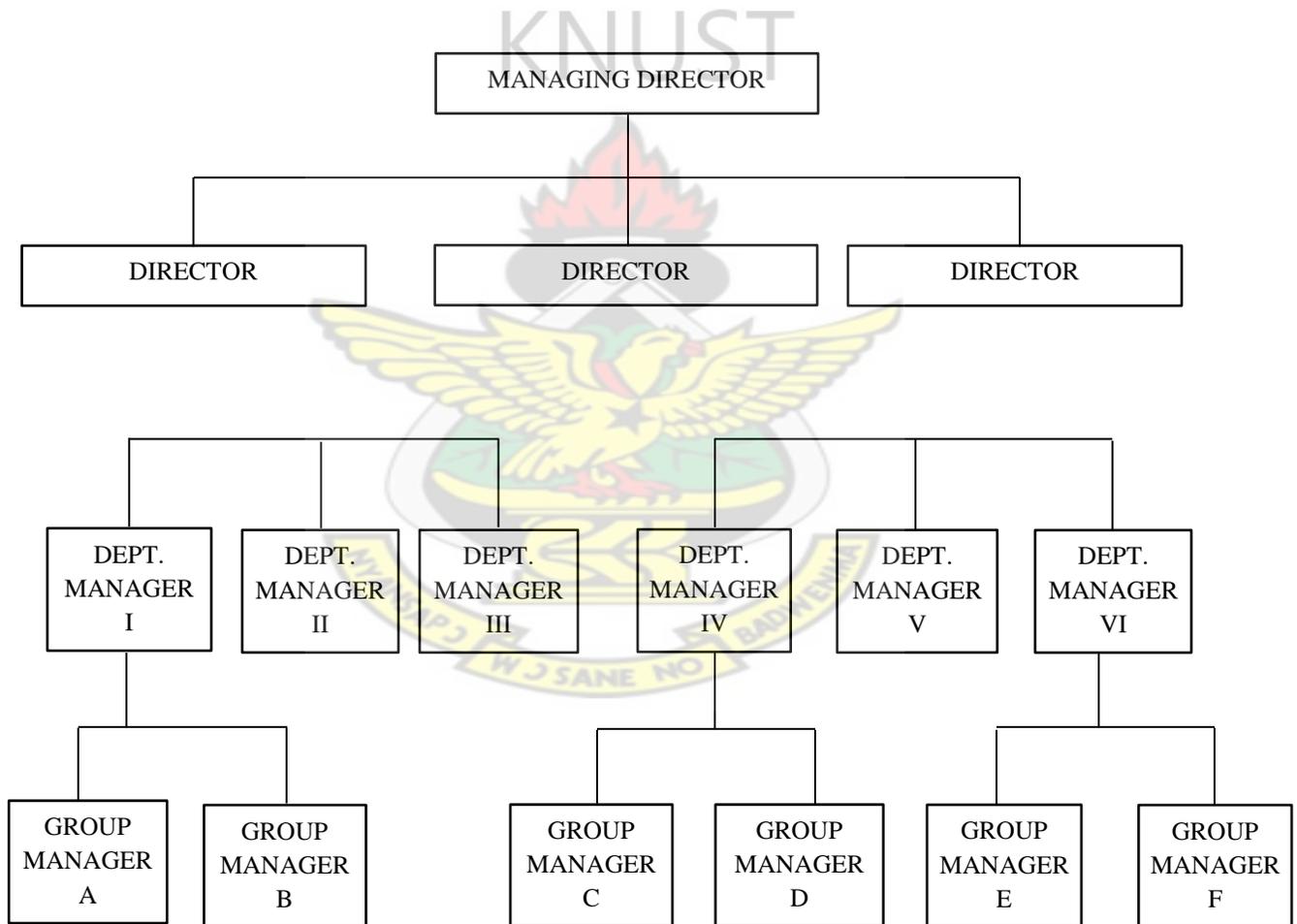


Figure 2.1: Example of Classical/Hierarchical Structure

Source: JØrgen and Mille (2006) -Fig. 2.6

2.4.2.2 Functional Organisational Structure

This divides employees into units based on job function and succeeds in large companies that produce large amounts of low price products or services (Griffin, 1999). The expertise in the organisation is centralized and enables to develop further (JØrgen and Mille 2006). This (JØrgen and Mille 2006) will also involve a kind of cultural homogeneity: people have the same technical background, they use the same technical models and they perform task within the same function. All these factors seems good, but the problem is that the different professional groups distinguish themselves, distance themselves from each other and easily come into conflicts with each other (JØrgen and Mille 2006).

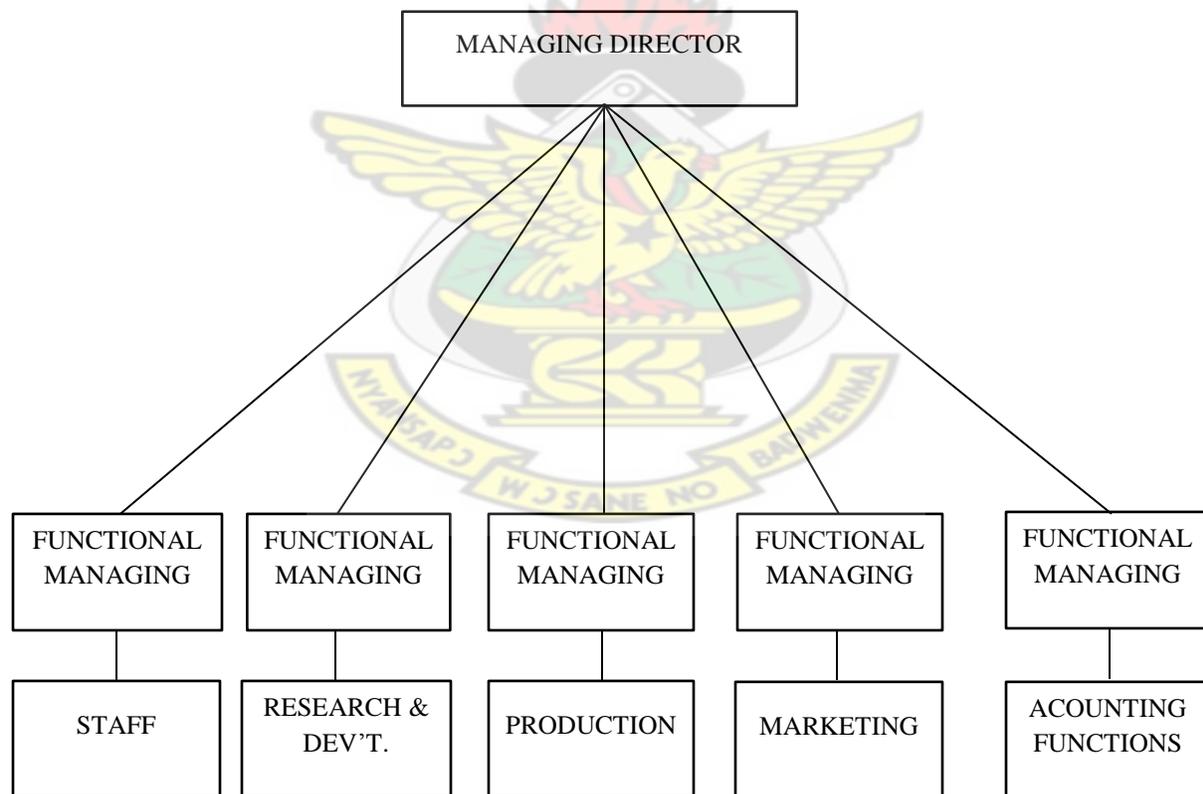


Figure 2.2: Example of Functional Structure

Source: JØrgen and Mille (2006) -Fig. 2.7

2.4.2.3 Product Organisational Structure

This (JØrgen and Mille 2006) is significant form of structure employed by organisations today. It is particularly useful in organisations with clearly separated product groups or services (JØrgen and Mille 2006). Quick changes in competitive conditions and technology causes great advantage for this organisational form in preference to functional structure (JØrgen and Mille 2006). The advantages of the product structure are that: specialists in the organisation are able to focus on one specific product group and make quick decisions and also the final results will be much clearer than in functional structure where responsibilities are often volatilised (JØrgen and Mille 2006).

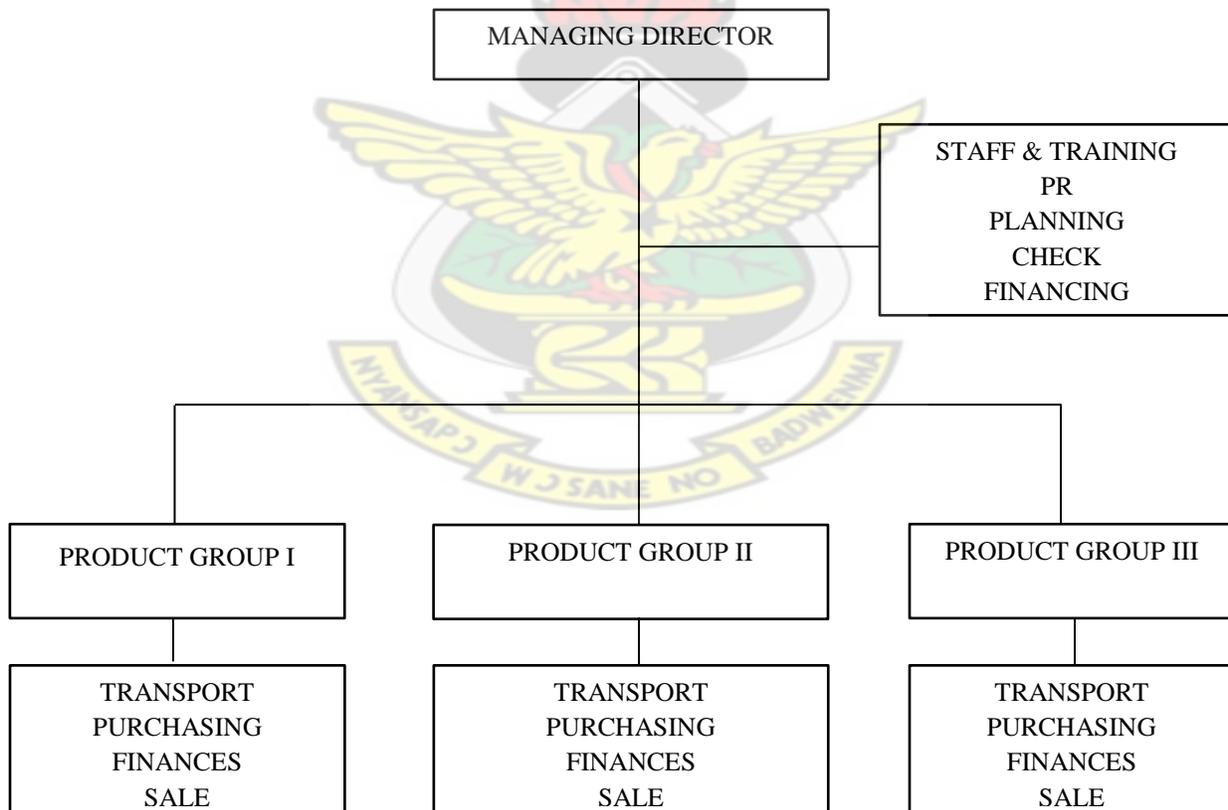


Figure 2.3: Example of Product Structure

Source: JØrgen and Mille (2006) -Fig. 2.8

2.4.2.4 Matrix Organisational Structure

This split employees into teams based on their function and the product or service they work with, and uses each team to complete a specific task (Griffin, 1999). As outlined by JØrgen and Mille (2006), matrix structure promotes coordination possibilities, relieves to management of coordination task, develop flexibility and quick reactions, promote financial use of human resources and stimulate motivation important for socializing and training of young employees. At the same time JØrgen and Mille (2006) reiterated that matrix structure has disadvantages i.e. long break in period, generate many conflicts, weakens professional identity and large administrative cost.

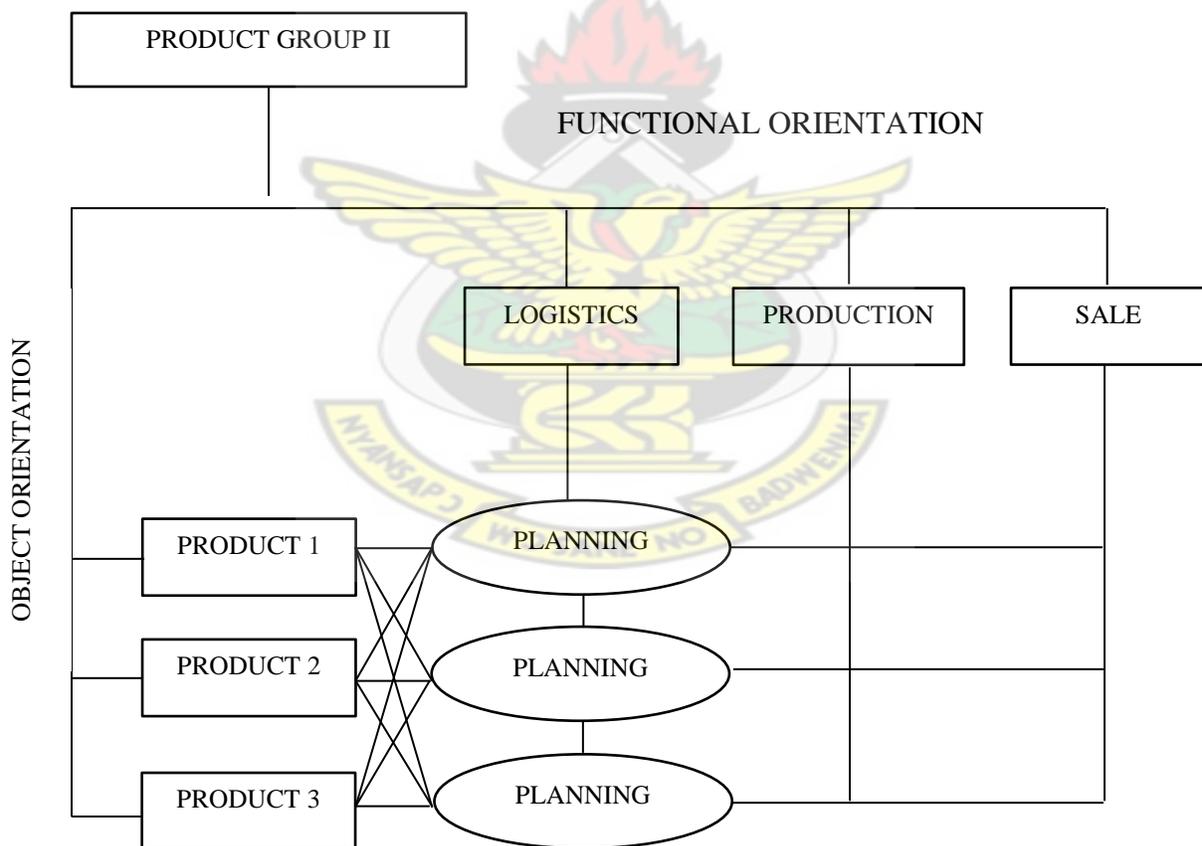


Figure 2.4: Example of Matrix Structure

Source: JØrgen and Mille (2006) -Fig. 2.9

2.4.3 What Impacts Organisational Structure

As outlined by Anderson (2013), the following impacts organisational structure.

- i. **Growth:** A major factor that impacts organisational structure is company growth. As a company grows, the impact on the structure of the organisation is significant. This can be especially true when the organisation begins to expand to other geographic regions and the structure of the organisation is spread out over many miles. A company may start out small, but, as time goes by, more employees may be hired, necessitating the introduction of departmental managers to help create a managerial structure. Additionally, an executive team may be required to run the various aspects of the business, and there may be the need for middle managers who would report to the managers.
- ii. **Customer Needs:** Customer service is important in business; so many companies have created entire divisions dedicated to customer service and retention. If a particular customer awards a large contract to your company, you may need to rearrange certain parts of your organisation to accommodate the contract. For example, there may need to be an entire sales division created just for that customer and manufacturing may need to create a sub-process to build specialized products as well. As the needs of your customers shift, so too will the structure of your organisation.
- iii. **Technology:** Technology can have an impact on how your organisation is structured and how work flows. The Reference for Business points out that when computer networks became popular; it became easier for people to work as groups. People did not need to be in the same room, or even the same building, to be efficient. Technology can create positions within your company and it can eliminate positions. When filing is done electronically, there is no longer a need for as many file clerks as you once had but there

is a need for a department of technicians to maintain and grow the computer network. As technology continues to change, the function of jobs in the workplace causes the landscape of organisational structure to changes with it.

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CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

This chapter outlines the foundation and specific procedures which was used to carry out the research work for the purposes of reliability and validity of the entire work. Thus, in accordance with academic traditions and procedures that were emphasised in the methodology literature, this chapter includes a description of the research strategy and design, method, and data analysis techniques, as well as an evaluation of the trustworthiness of the study.

3.1 Research Strategy And Design

Broadly speaking there are two major types of research models or research paradigms (Creswell, 2003) namely qualitative and quantitative research. These two research strategies differ in the way that the data collection and analysis are carried out (Bryman and Bell 2011). This study conforms to a qualitative research strategy since qualitative methods and analysis procedures were used. The research strategy was selected on the basis of the research objectives which aimed at a thorough understanding in the specific research area of focus of Part II -Procurement Structure (Section 15 –The Procurement Entity) of the Public Procurement Act, 2003 (Act 663). So, a deductive approach which gives a deductive relationship between theory and research was adopted. This approach is flexible and it enables the researcher to make adjustments to selected theory as the empirical investigation unfolds (Bryman and Bell 2011).

The research design refers to the framework for collection and analysis of data (Bryman and Bell 2011). For this study, evaluation research approach has been applied. There are two types namely systems analysis and responsive evaluation (Clarke, 2005). Responsive evaluation research methodology approach was finally adopted for this research work. For a responsive

evaluation research methodology (Clarke, 2005), data collection seeks to identify issues from the people directly involved in the programme; identifies further issues from the programme documents; observing how the programme is actually working. For a thorough understanding in the specific research area, the Procurement Directors/Consultants, the Public Procurement Authority and the Public Service Commission of Ghana; Act 663, the Public Procurement Regulation (Draft) and the Public Procurement Manual; Scheme of Service for Procurement Class for Civil/Local Government Service; the organogram of some selected Public Service Organisations, were all considered for this research.

3.2 Research Methods

Bryman and Bell (2011) described research methods as techniques for collecting data, such as interviews, focus groups or custom, surveys etc. The research methods used for collecting data were survey and interview. The primary data came from survey and interview whilst the secondary data came from research work and organizational structure of some selected Public Service organisations, Act 663, Public Procurement Manual and the Scheme of Service for Procurement Class for Civil/Local Government Service.

In collecting rich qualitative survey data, the most effective method would be via face to face self-administered surveys and interviews, so that the researcher would be able to use prompts to encourage people to give more detailed answers.

The questions were structured based on the research objectives around the procurement law and the organizational structure of the public service of Ghana.

A purposive sampling was adopted for the survey. The study purposively targeted 21 individuals in Public Service organisations in the road and building sector of the economy. Roads and

Buildings are drivers for development hence the basis for using that sector of the economy. The table below describes the targeted population and the method used for collection of data.

These individuals in the Public Service were chosen because of their vast experience in procurement, Public Service and availability to answer the questionnaire. The organisational structures of three Public Service organisations were chosen for the purposes of analysis. These Public Service organisations namely, Ministry of Education, Ghana Education Service and Electricity Company of Ghana were chosen because of the following reasons.

- Size in terms of geographic representation
- Importance in supporting growth of national economy

It is obvious that education and energy are the bedrock of any national development.

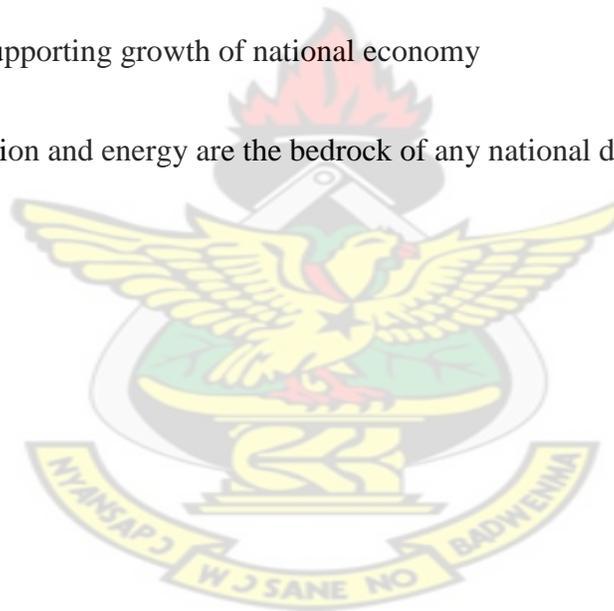


Table 3.1: Targeted Population

No	Organisation	Population			Remarks	Research Methods
		Department	Position	No. of Persons		
1.	Ministry of Roads and Transport	Contract	Director	1	Works/Goods/Services	Questionnaire
		Procurement	Director	1	Goods	Questionnaire
2.	Ministry of Water Resources, Works and Housing	Contract	Director	1	Works/Goods/Services	Questionnaire
		Procurement	Director	1	Goods	Questionnaire
3.	Ghana Highway Authority	Quantity	Director	1	Works	Questionnaire
		Procurement	Director	1	Goods	Questionnaire
		Planning	Director	1	Services	Questionnaire
4.	Department of Urban Roads	Quantity	Director	1	Works	Questionnaire
		Procurement	Director	1	Goods	Questionnaire
		Planning	Director	1	Services	Questionnaire
5.	Department of Feeder Roads	Quantity	Director	1	Works	Questionnaire
		Procurement	Director	1	Goods	Questionnaire
		Planning	Director	1	Services	Questionnaire

			r			ire
6.	State Housing Corporation	Contract	Director	1	Works/Goods/Services	Questionnaire
		Procurement	Director	1	Goods	Questionnaire
7.	Public Works Department	Contract	Director	1	Works/Goods/Services	Questionnaire
		Procurement	Director	1	Goods	Questionnaire
8.	Architectural and Engineering Services Limited	Contract	Director	1	Works/Goods/Services	Questionnaire
		Procurement	Director	1	Goods	Questionnaire
9.	Public Service Commission	Human Resources	Deputy Director	1	-	Interview
10.	Public Procurement Authority	Operation	Manager	1	-	Questionnaire

Source: Research Survey, 2013

3.3 Data Analysis

The data collected were analysed using qualitative data analysis, thus collating the opinions of the respondents and ranking them either by respondents own assessment of the situation or by a simple count of the number of frequencies. Some data were graphically represented using pie Chart. The questions in the questionnaire were not structured in the order of the research objectives, this was not to influence the respondents beyond certain limit so as not personalised issues but rather give fair responses since they are directly involved in the procurement

processes. Below is the chronological order of the analysis of the questions with regard to the research objectives.

Table 3.2: Chronological order of questions for analysis with regards to research objectives

No.	Research Objectives	Que. No.	Research Method	
			Survey	Interview
1.	To identify the types of Organizational Structures used in the Public Service organizations in Ghana	16	√	X
2.	Identify the various tiers of procurement unit in the chain of command (organisational structure) of some selected Public Service organizations in Ghana in light of the Act 663.	1	√	X
		2	√	X
		3	√	X
		18	√	X
3.	To ascertain clearly an in-depth understanding of the establishment of Procurement Unit in Procurement Entity as prescribed by Public Procurement Act, 2003, (Act 663).	4	√	√
		5	√	√
4.	To find out whether the various types of the organizational structures of Public Service organizations support the coordination of procurement by the Procurement Unit in the Procurement Entities as prescribed by Act 663 or not and make necessary recommendations.	6	√	X
		7	√	X
		8	√	X
		9	√	X
		10	√	X
		11	√	X
		13	√	X
		14	√	X
		15	√	X
		17	√	X

Source: Research Survey, 2013

3.4 Evaluation of the Study

This research is evaluated on the following criteria enumerated in the table below.

Table 3.3: Evaluation of Research

Concept	Definition	How This Would Achieved in This Research
Credibility	If multiple explanations to a certain phenomenon exist then the account with the most credibility will be the most widely accepted. Credible research is performed in manners which are accepted by members of the research community.	The research would be carried out accordance with to good practices as it would use such practices as respondent validation (i.e. the primary data)
Transferability	Concerns whether or not the research findings can be transferred (and replicated) under the same circumstances in a different environment.	This research attains a high degree of transferability since it provides a rich and detailed description of the context of the study as well as of the particularities in the case.
Subjectivity	This is interpretation based on personal opinions or feelings rather than on external facts or evidence. Subjectivity cannot (and probably should not) be fully eliminated from the exercise but needs to be minimized to ensure that assessments carried out by different assessors maintain reasonable consistency and comparability for analytical purposes.	This research employs qualitative models which is prone to subjectivity. However the researcher tried to reduced subjectivity to the barest minimum by adopting established opinions and standard procedures and ensuring consistency throughout.

Source: Research Survey, 2013

CHAPTER FOUR

RESULTS AND DISCUSSIONS

4.0 Introduction

This chapter interprets the results of the data collected from some selected individuals in the Public Service and Private Sector of Ghana. The analysis dwells on

- Twenty (20) usable questionnaires
- One (1) Structured interview

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4.1 Statistics for the Various Questions

- Total population – 21
- Total number of response – 19
- Total number of missing response – 2
- Total number of valid response – 19
- Percentage of valid response – 90.48%

4.2 Data Analysis and Discussions of Results

The analysis was done according to the research objectives stated.

4.2.1 Objective 1

From Appendix D, it can be seen that all the organisational structures of the selected Public Service organisations are functional type.

Functional organisation (JØrgen and Mille 2006) has some obvious advantages. These are as follows:

- i. The expertise in the organisation is centralized and enabled to develop further thus creating a kind of cultural homogeneity.
- ii. People have the same academic background, they use the same technical models and they perform tasks within the same function.

However the disadvantages enumerated by JØrgen and Mille (2006) are as stated below.

- i. The different professionals distinguish themselves; distance themselves from each other,
- ii. Do not understand each other and easily come into conflicts with each other.

When respondent were asked about the characteristics of the organisational structure of the Public Service organisations that promote coordination of all procurement types, the under-listed characteristics were given.

- i. The organisational structures of Public Service organisations allow for flexibility in chain of command and coordination among various departments.
- ii. The bureaucracy in the various organisational structures of Public Service organisations is strong enough to allow coordination of all procurement to be carried out through the head of the entity who is seen as the “chief procurement officer” as prescribed by Act 663.
- iii. The various types of organisational structures of Public Service organisations denote tasks as the responsibility of persons.
- iv. The various types of organisational structures of Public Service organisations denote tasks as the responsibility of departments.
- v. The various types of organizational structures of Public Service organisations promote decentralisation of functions.

4.2.2 Objective 2

When asked if the procurement law explicitly specify the tier of procurement unit in the chain of command of procurement entity, all the 18 respondents answered “No”.

Fourteen (14) of the 18 respondents who answered “No” gave the following as the reasons why the level of tier could not be specified by Act 663. These reasons are ranked according to the number of frequencies.

Table 4.1: Reasons for Absence of Tier in Act 663

Ranking	Reasons	Count	Remarks
1.	The regulatory body of norm (i.e. PPB and The Minister of Finance) does not have the legal mandate to issue such regulation.	9	Specified by researcher
2.	Myriad and complex nature of the organisational structure of Public service organisations inhibits the implementation.	4	Specified by researcher
3.	This is a function that must be guided by regulations/guidelines so it can only be dealt with by scheme of service.	1	Specified by respondent
4.	An oversight.	0	Specified by researcher
5.	Lack of knowledge.	0	Specified by researcher

Source: research survey, 2013

When asked on the opinion of what level of tier in the organisational structure should the procurement unit be, 3 of the 18 respondents agreed that the procurement unit should report direct through deputy head or coordinating directors to ensure that their final work to the head of the entity would be devoid of any mistakes (i.e. in the 3rd tier).

One (1) of the 18 respondents gave indication that the procurement unit can function as an independent unit or under any department/unit say administration since procurement is a coordinating function (i.e. any tier). This assertion however makes the level of tier ambiguous.

Nine (9) of the 18 respondents agreed that for procurement to be effective, the unit should be directly placed under the head of entity (i.e. 2nd tier) and gave Section 15(2) of Act 663 which stipulates *“The head of an entity and any officer to whom responsibility is delegated are responsible and accountable for action taken and for any instructions with regard to the implementation of this Act that may be issued by the Minister acting in consultation with the Board”*, Section 15(4) of Act 663 which also stipulates *“The head of an entity is responsible to ensure that provisions of this Act are complied with; and concurrent approval by any Tender Review Board shall not absolve the head of entity from accountability for a contract that may be determined to have been procured in a manner that is inconsistent with the provisions of this Act”* as well as chapter 2.3, paragraph 2 of the Public Procurement Manual which stipulates *“The Head of Entity is required to establish a Procurement Unit to undertake all activities related to procurement within the Entity in accordance with the Act and shall appoint or designate a proficient procurement person with the requisite qualifications, experience and skills as Head of the Procurement Unit to undertake the detailed activities of procurement on behalf of the Procurement Entity”* to support their argument.

Three (3) of the 18 respondents abstained (i.e. no idea).

The various opinions by the respondents are illustrated by the diagram shown below.

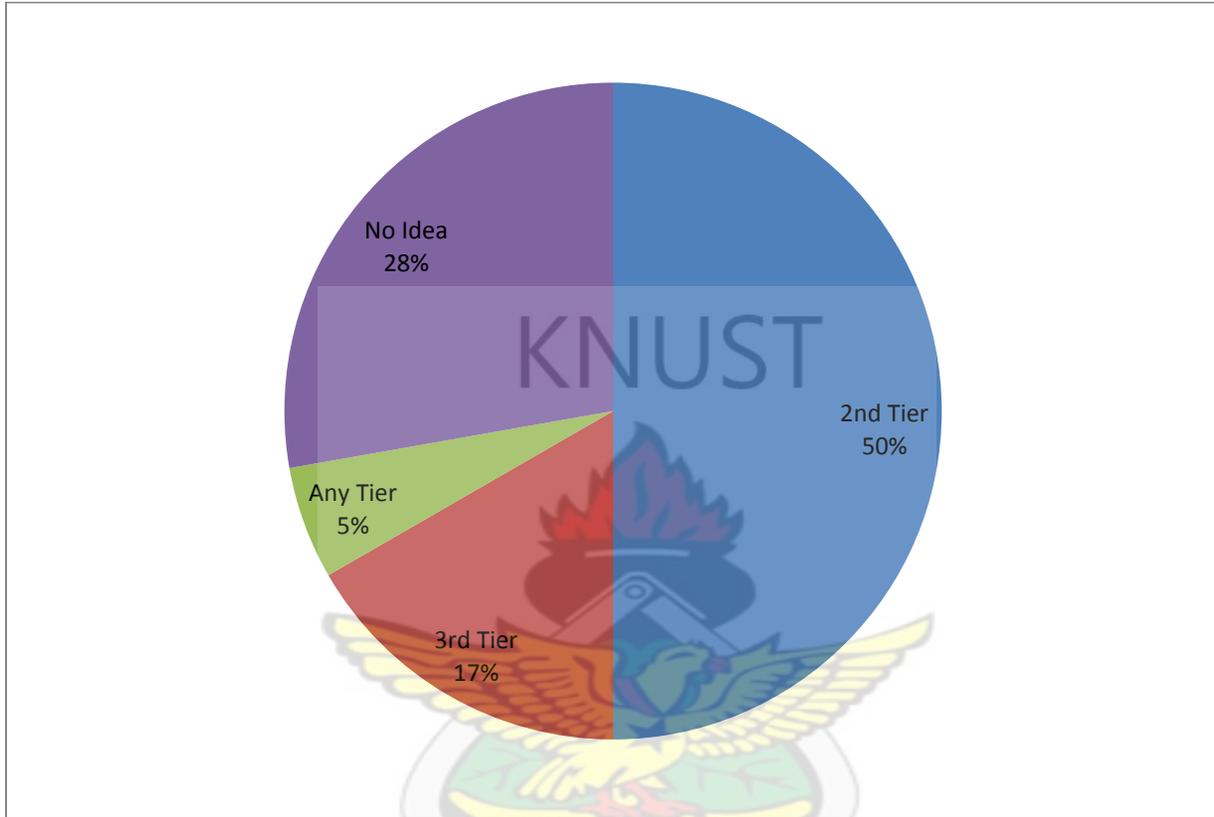


Figure 4.1: Proportion of respondents' opinion on level of tier of procurement unit (Source: Research Survey, 2013).

However it is important to note that chain of command has effect on performance and public procurement is the pivot of sound public finance management, therefore for procurement to be carried effectively it should be placed in the right level in the tier of an organisational structure.

From the Scheme of Service for Procurement Class of Civil/Local Government Service, the procurement director who is the head of the procurement unit reports to the bureaucratic head.

This means that the procurement unit therefore determines the bureaucratic head i.e. if the procurement unit is found under the administration, the administrative head becomes the

bureaucratic head in this case likewise if the procurement unit is found under the head of entity; the head of entity becomes the bureaucratic head.

From Appendix D, the various levels of tiers with respect to the head of entity of procurement unit as found in the organisational structure of the selected Public Service organisations are listed below.

- For Ministry of Education, the procurement unit is found at the 4th tier under the Planning Budgeting Monitoring and Evaluation department.
- For Ghana Education Service (National), the procurement unit is at the 3rd tier under the Management Services unit (Deputy Director-General)
- For Ghana Education Service (Regional), there is no such organised unit as procurement unit but is a function under the accounts department and therefore can be said to be at the fifth (5th) tier.
- For Ghana Education Service (District), there is no such organised unit as procurement unit but is a function under the accounts department and therefore can be said to be at the Fourth (4th) tier
- For Electricity Company of Ghana, the procurement unit is at the 2nd tier under the managing director.

Two distinguished types of hierarchy referenced to the heads of entity were identified from the organisational structures of the selected Public Service organisations.

- a. Those with political heads as heads of entities followed by public administrative heads.
- b. Those with public administrative heads as heads of entities followed by deputy public administrative heads

4.2.3 Objective 3

When the respondents were asked about how the two Laws operate i.e. Section 4(i) of the Public Service Commission Act, 1994, which stipulates “*To review the organisation, structure and manpower requirements of the agencies and bodies in the Public Services and advise Government on the manpower rationalisation necessary for maximum utilisation of human resources in the Public Services*”, (this is one of the functions of the Public Service Commission of Ghana) and Section 15(3) of the Public Procurement Regulation (Draft), 2003, which stipulates “*Every Entity shall establish a Procurement Unit to undertake all activities related to procurement within the Entity in accordance with the Act*”, all the 18 respondents agreed that the two Laws do not overlap and that they operate differently but dependently. Below is the graphical representation of the respondents’ opinion.

Although not all the respondents have a clear idea of how the two Laws operate, 12 out of the 18 respondents who knew how the two Laws operate explained that Section 15(3) of the Public Procurement Regulation (Draft), 2003 deals with only procurement structure whilst Section 4(i) of the Public Service Commission Act, 1994 deals with the entire structure of the Public Service organisations i.e. Section 15(3) of the Public Procurement Regulation (Draft), 2003, precedes Section 4(i) of the Public Service Commission Act, 1994. This means that Section 15(3) of the Public Procurement Regulation (Draft), 2003, depends on Section 4(i) of the Public Service Commission Act, 1994.

The proportion of respondents who has knowledge on the respondents on the subject matter is graphically represented below.

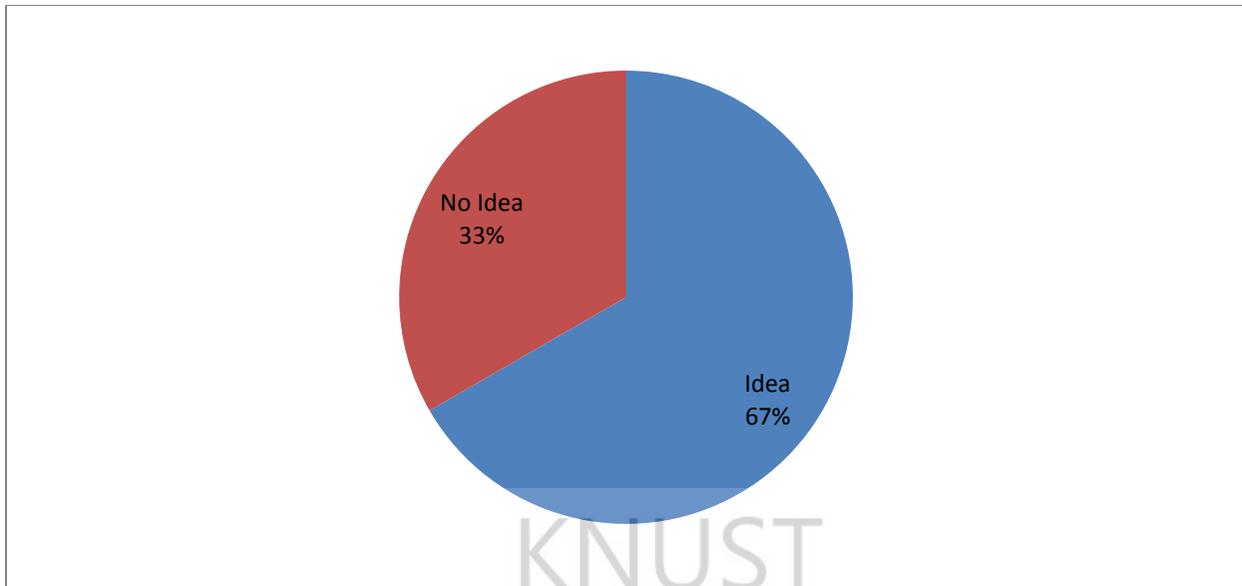


Figure 4.2: Proportion of respondents’ opinion on knowledge of operation of Act 663 and Act 482 (Source: Research Survey, 2013).

Moreover an interview conducted with the Public Service Commission of Ghana, it was revealed that the Public Service organisations establish their own structure but it would have to be reviewed and approved by the Commission. Sometimes for Civil Service organisations the management service division of Civil Service assists the Civil Service organisations in putting up or reviewing their organisational structure and later sent for approval from the Public Service Commission, which is the supervisory body.

4.2.4 Objective 4

The respondents were asked questions on responsibilities, accountability and delegation coating paragraph 1 and 2, chapter 2.3 of the Public Procurement Manual which states that “*The Head of Procurement Entity and any officer to whom authority is delegated are responsible and accountable for actions taken and for any instructions with regard to the implementation of the Act. The Head of Entity is required to establish a Procurement Unit to undertake all activities*

related to procurement within the Entity in accordance with the Act and shall appoint or designate a proficient procurement person with the requisite qualifications, experience and skills as Head of the Procurement Unit to undertake the detailed activities of procurement on behalf of the Procurement Entity” in relation with Section 15(3) of Act 663, which states that “Procurement decisions of an entity shall be taken in a corporate manner and any internal units concerned shall contribute to the decision making process”.

When asked whether the law provides sufficient level of independence and authority (formal power) to exercise its duties freely and consistent with the responsibilities, 13 of the 18 respondents agreed whilst 5 of the 18 respondents disagreed. The data is graphically represented as below.

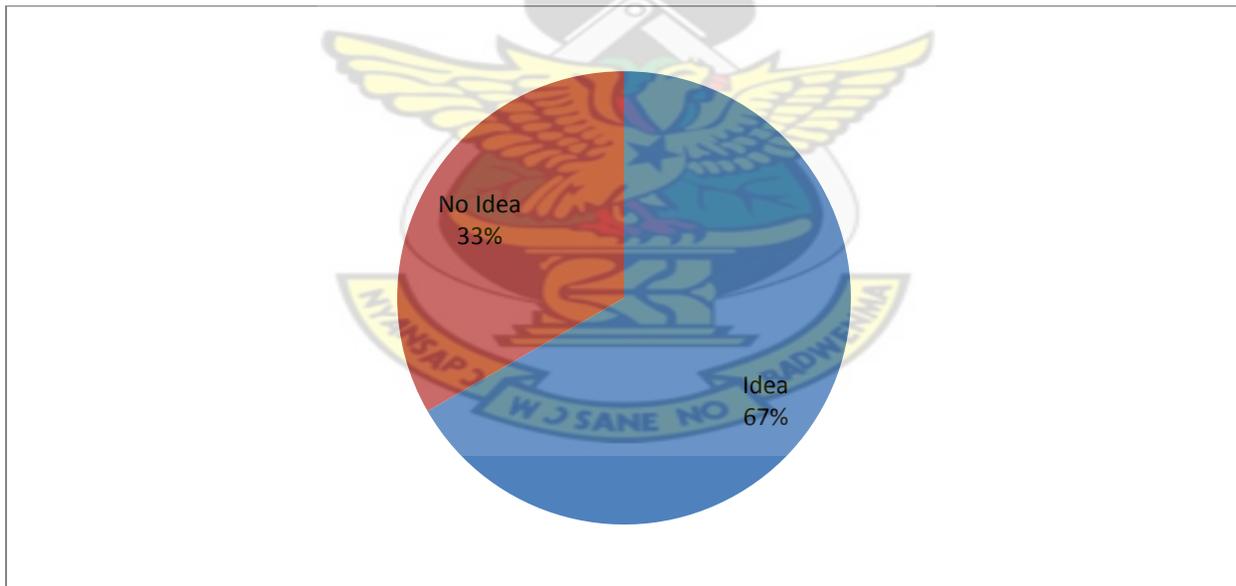


Figure 4.3: Proportion of respondents’ opinion on the level of sufficiency of independence and authority of Act 663 in respect of responsibilities (Source: Research Survey, 2013).

Fifteen (15) of the 18 respondents who agreed supported their argument with Section 15(4) of Act 663 which they explained provides such independence and authority to the head of entity

and being the head of entity, every Section of the Act where Procurement Entity is mentioned is the responsibility of the head of entity to ensure that the provisions are complied with.

When asked whether the responsibilities are fully detailed by the law to provide for separation and clarity so as to avoid any conflict of interest and direct involvement in the execution of procurement transactions by other departments/units of Public Service organisations, 16 of the 18 respondents agreed to that whilst 2 disagreed. The graphical representation of this data is as shown below.

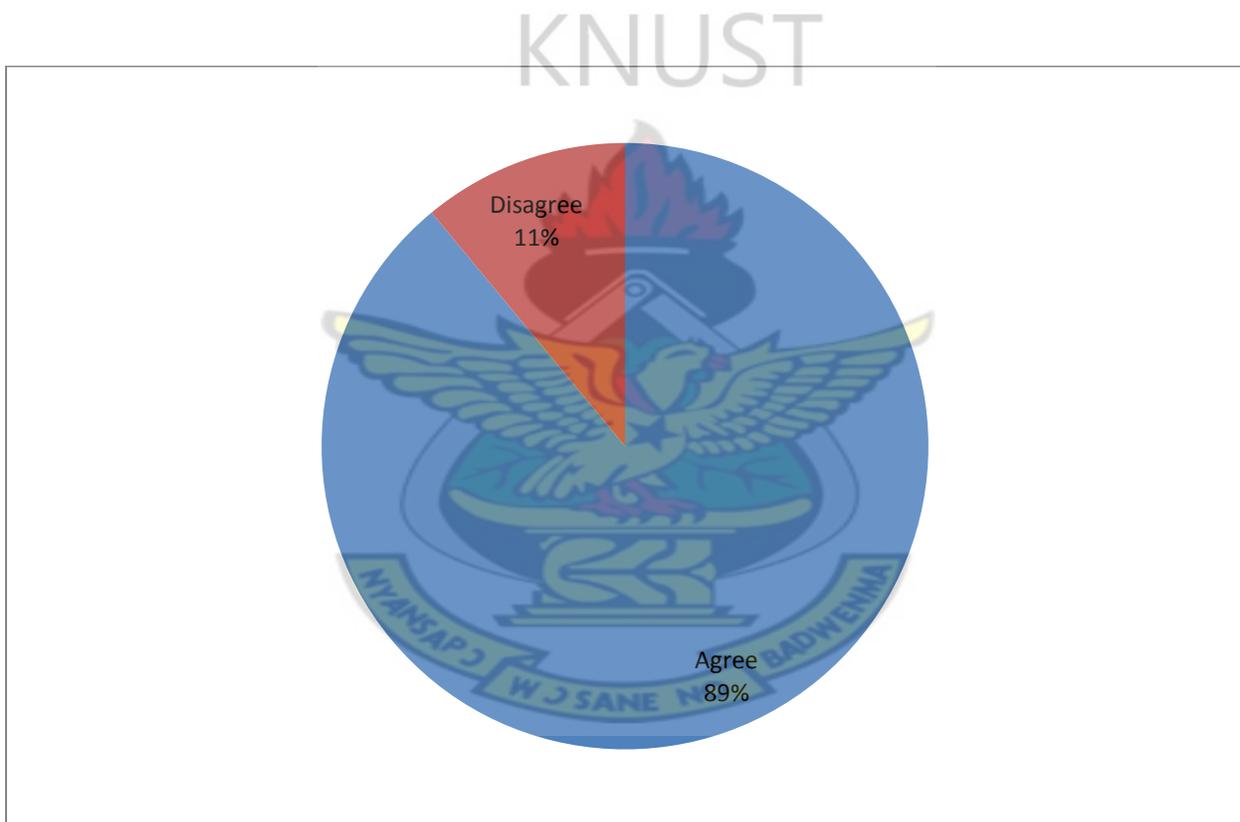


Figure 4.4: Proportion of respondents’ opinion on separation and clarity of responsibility by Act 663 (Source: Research Survey, 2013).

Those who agreed explain their point with Section 15(3) which states that “*Procurement decisions of an entity shall be taken in a corporate manner and any internal units concerned shall contribute to the decision making process*” with emphasis on the underlined phrase i.e. no

unit can be involved in procurement activities except to contribute in the procurement decisions that affect that department/unit.

Two (2) of the 18 respondents who disagreed explained that the responsibilities are not expressly defined and that they appear to be discretionary and implied.

For the question on whether delegation is regulated by law, all the 18 respondents agreed that the delegation is regulated by law.

Seventeen (17) of the 18 respondents explained with SECTION 15(2) which stipulates *“The head of an entity and any officer to whom responsibility is delegated are responsible and accountable for action taken and for any instructions with regard to the implementation of this Act that may be issued by the Minister acting in consultation with the Board”* that whoever is taking up any delegated role must act in the framework of the law.

One (1) of the 18 respondents explained that the laws that are used in appointing heads of entity would be the same laws that are used to delegate an officer to be responsible for an Entity.

However, Section 15(2) in conjunction with Section 15(4) which states *“The head of an entity is responsible to ensure that provisions of this Act are complied with; and concurrent approval by any Tender Review Board shall not absolve the head of entity from accountability for a contract that may be determined to have been procured in a manner that is inconsistent with the provisions of this Act”* technically means that whoever is delegated as the head of entity cannot also delegate his responsibilities because the head of entity is solely responsible to ensure that the Act is complied with. Answers by PPA senior official revealed that the aspect of delegation is being considered for amendment.

The respondents were asked on the percentage level of integration of procurement into the Public Sector Governance.

Two (2) of the 18 respondents gave 100% level, 1 of the 18 respondents was not certain on the level because no research has been done yet but believes that there are bottlenecks whereas 15 of the 18 respondents gave a percentage level ranging between 85% to 98% (average 91.93%). This data is represented graphically as shown below.

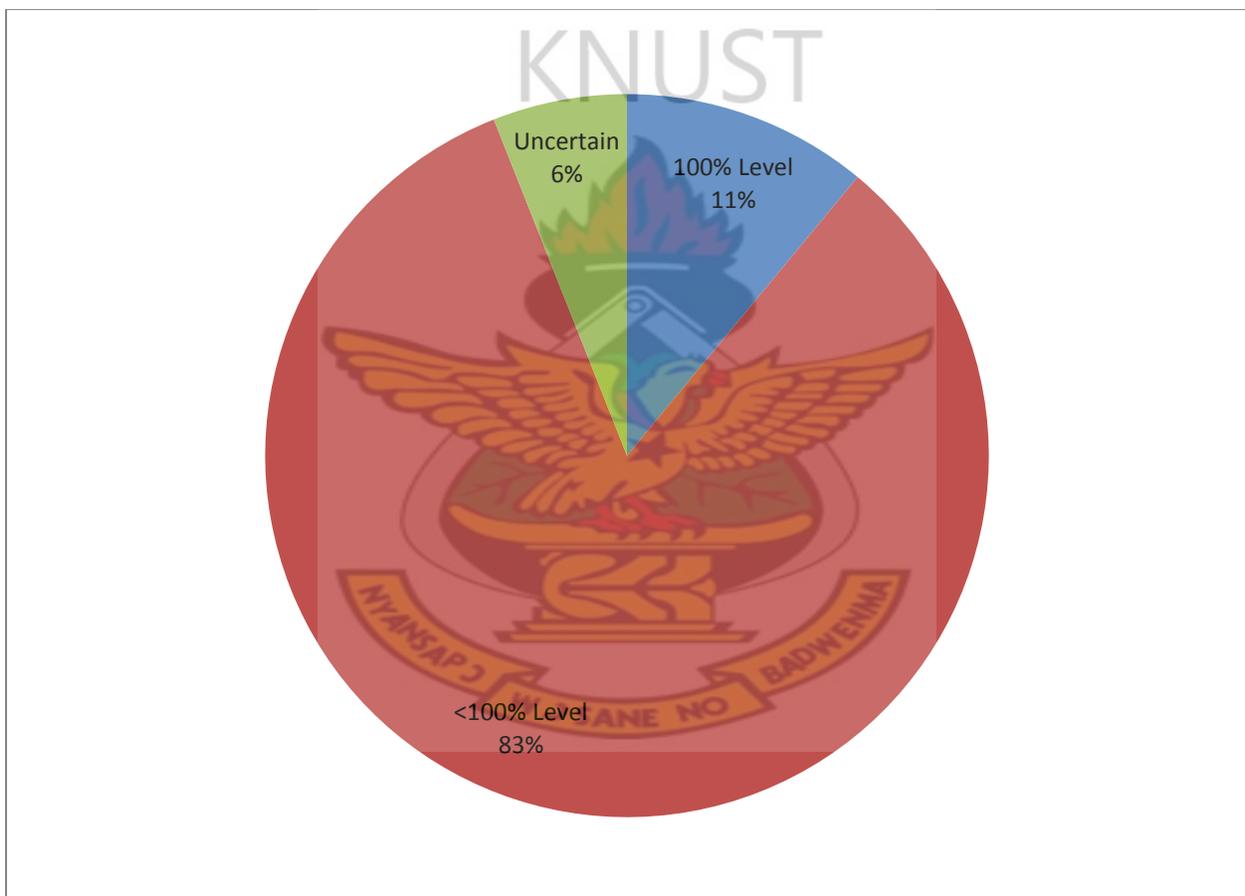


Figure 4.5: Proportion of respondents' opinion on integration of procurement into Public Sector Governance (Source: Research Survey, 2013).

Thus 16 of the 18 respondents indicated the following as shown in the table below as the causes for the problem. These causes are ranked according to their frequencies.

Table 4.2: Reasons for <100% integration of Procurement into Public Sector Governance

Ranking	Reasons	Count	Remarks
1.	Shear apathy at the highest level (i.e. both political and administrative level)	15	Specified by researcher
2.	The procurement system is new and therefore needs to be operated for some time before it can be fully integrated into the governance system	8	Specified by researcher
3.	There are gaps or overlaps in the discharge of procurement prescribed by the law	7	Specified by researcher
4.	The institutional culture does not provide the enabling environment for integration	3	Specified by researcher
5.	Lack of strong and conclusive legislative support by the supreme legal framework	1	Specified by respondent

Source: Research Survey, 2013

Since the frequency of occurrence (i.e. count) cannot be used to the intensity of the causes, respondents were asked to rate the causes using numeric score of 1, 2 and 3 representing low, high and very high respectively.

Sixteen (16) of the 18 respondents' assessment ranked are shown in the table below in order of highest magnitude.

Table 4.3: Ranking of Reasons for <100% integration of Procurement into Public Sector Governance

Ranking	Reasons	Impact Level		
		Very High	High	Low
1.	Shear apathy at the highest level (i.e. both political and administrative level)	√		
2.	There are gaps or overlaps in the discharge of procurement prescribed by the law		√	
3.	The procurement system is new and therefore needs to be operated for some time before it can be fully integrated into the governance system			√
4.	The institutional culture does not provide the enabling environment for integration			√
5.	Lack of strong and conclusive legislative support by the supreme legal framework			√

Source: Research Survey, 2013

This proves the hypothesis that the support for organisational structure reforms to give the procurement unit the boost to function without any unnecessary influence within an entity has not received the needed concern at the highest level (both political and administrative).

Seventeen (17) of the 18 respondents agree that the various organisational structures of the Public service organisations support coordination of all procurement types (i.e. goods, works and services) whilst 1 of the 18 respondents disagreed. Below is the graphical representation of the data.

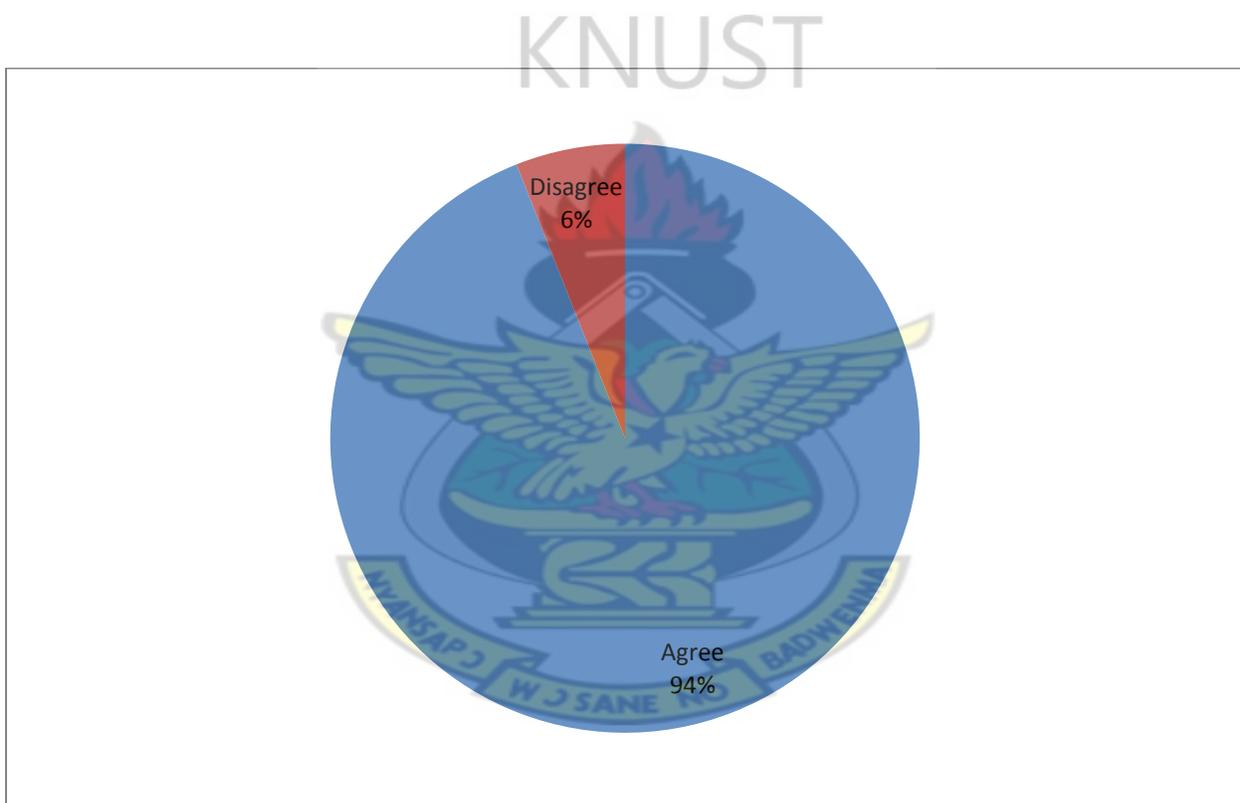


Figure 4.6: Proportion of respondents' opinion on coordination of all procurement (Source: Research Survey, 2013).

Thus 17 of the 18 respondents who agreed that the organisational structures of Public Service organisations promote all types of procurement gave the following factors as the basis for the support. The table below shows the factors ranked according to the number of count.

Table 4.4: Organisational Structure Characteristics Promoting Coordination of All Procurement Types

Ranking	Reasons	Count	Remarks
1.	The organisational structures of Public Service organisations allow for flexibility in chain of command and coordination among various departments	17	Specified by researcher
2.	The various types of organisational structures of Public Service organisations denote tasks as the responsibility of departments.	15	Specified by researcher
3.	The various types of organizational structures of Public Service organisations promote decentralisation of functions.	15	Specified by researcher
4.	The various types of organisational structures of Public Service organisations denote tasks as the responsibility of persons.	9	Specified by researcher
5.	The bureaucracy in the various organisational structures of Public Service organisations is strong enough to allow coordination of all procurement to be carried out through the head of the entity who is seen as the “chief procurement officer” as prescribe by Act 663.	4	Specified by researcher
6.	The impact of organisational structures of Public Service organisations on procurement is not important since public procurement is regulated by an independent Law.	0	Specified by researcher
7.	The various types of organizational structures of Public Service organisations promote centralisation of functions.	0	Specified by researcher

Source: Research Survey, 2013

However 1 of the 18 respondents who disagreed that the organisational structures of Public Service organisations promote all procurement types indicated the following factors as the causes. The table below shows the factors ranked according to the number of count.

Table 4.5: Organisational Structure Characteristics Inhibiting Coordination of All Procurement Types

Ranking	Reasons	Count	Remarks
1.	The bureaucracy in the various organisational structures of Public Service organisations is strong enough to resist coordination of all procurement to be carried out through the procurement unit as prescribed by Act 663.	1	Specified by researcher
2.	The various types of organisational structures of Public Service organisations denote tasks as the responsibility of persons.	0	Specified by researcher
3.	The various types of organisational structures of Public Service organisations denote tasks as the responsibility of departments.	0	Specified by researcher
4.	The various types of organizational structures of Public Service organisations promote only centralisation of functions.	0	Specified by researcher
5.	The various types of organizational structures of Public Service organisations promote only decentralisation of functions.	0	Specified by researcher
6.	The organisational structures of Public Service organisations do not allow for flexibility in chain of command and coordination among various departments.	0	Specified by researcher
7.	The impact of organisational structures of Public Service organisations on procurement is so significant that it affects the independence of public procurement as regulated by Act 663.	0	Specified by researcher

Source: Research Survey, 2013

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.0 Introduction

This chapter discusses summary of results of the analysed data in chapter four (i.e. Data Presentation and Analysis) and draws conclusions based on the findings as well as making reasonable recommendations.

5.1 Summary

The following are summaries of the findings of the data presentation and analysis according to the research objectives.

5.1.1 Objective 1 - *To identify the types of Organizational Structures used in the Public Service organizations in Ghana.*

Stated below are the summaries of the findings for the above-mentioned research objective.

- i. The organisational structures of the selected Public Service organisations are all Functional Structure.

5.1.2 Objective 2 - *To Identify the various tiers of Procurement Unit in the chain of Command (Organisational Structure) of some selected Public Service Organisations in Ghana in light of Act 663.*

Stated below are the summaries of the findings for the above-mentioned research objective.

- i. 100% of the respondents agreed that there is no provision in Act 663 that specifies the level of tier of procurement unit.
- ii. The respondents gave the following reasons as why Act 663 cannot have such provisions.

- a. The regulatory body of norm (i.e. PPB and The Minister of Finance) does not have the legal mandate to issue such regulation.
 - b. Myriad and complex nature of the organisational structure of Public service organisations inhibits the implementation.
 - c. This is a function that must be guided by regulations/guidelines so it can only be dealt with by scheme of service.
- iii. The following were the various percentage of respondents' opinions on the level tier for procurement unit to function effectively
- a. 50% -2nd Tier
 - b. 17% -3rd Tier
 - c. 5% -Any Tier
 - d. 28% -No idea
- iv. It was also found from the selected Public Service organisations the various levels of tier of procurement unit with regards to the head of entity now established as result of Act 663.
- a. Ministry of Education -3rd Tier
 - b. Ghana Education Service (National) -3rd Tier
 - c. Ghana Education Service (Regional) -5rd Tier
 - d. Ghana Education Service (District) -4rd Tier
 - e. Electricity Company of Ghana -2nd Tier
- v. Two distinguished types of hierarchy referenced to the heads of entity were identified from the organisational structures of the selected Public Service organisations.

- c. Those with political heads as heads of entities followed by public administrative heads.
- d. Those with public administrative heads as heads of entities followed by deputy public administrative heads

5.1.3 Objective 3 - *To ascertain clearly an in-depth understanding of the establishment of Procurement Unit in Procurement Entity as prescribe by Public Procurement Act, 2003, (Act 663)*

Stated below are the summaries of the findings for the above-mentioned research objective.

- i. Section 4(i) of the Public Service Commission Act, 1994 and Section 15(3) of the Public Procurement Regulation (Draft), 2003 operate differently but dependently and the two do not overlap. Whilst Section 15(3) of the Public Procurement Regulation (Draft), 2003 deals with only Procurement Class of Civil/Local Government Service, Section 4(i) deals with the entire structure of Public Service organisations. Thus Section 15(3) of the Public Procurement Regulation (Draft), 2003, operates within the Section 4(i) of the Public Commission Act, 1994.

5.1.4 Objective 4 - *To find out whether the various types of the organizational structures of Public Service organizations support the coordination of procurement by the Procurement Unit in the Procurement Entities as prescribed by Act 663 or not and make necessary recommendations.*

Stated below are the summaries of the findings for the above-mentioned research objective.

- i. 67% of the respondents agreed that Act 663 together with the Public Procurement Manual as well as the Public Procurement Regulations (Draft) provides sufficient level of independence and authority for the procurement unit to exercise its duties freely and consistently with the responsibilities whilst 33% of the respondents had no idea (i.e. neither agreed nor disagreed).
- ii. 89% of the respondents agreed that the responsibilities are fully detailed by Act 663 with further explanations by the Public Procurement Manual to provide for separation and clarity so as to avoid any conflict of interest and direct involvement in the execution of procurement transactions by the other departments/units of the entity whilst 11% of the respondents disagreed.
- iii. 100% of the respondents agreed that delegation is fully regulated by Act 663 but only restricted to the head of entity.
- iv. 83% of the respondents agreed that the public procurement is about 92% integrated into the Public Sector governance, 11% agreed that public procurement is 100% integrated in the Public Sector governance whilst 6% were uncertain because no studies have been done yet.
- v. Reasons why the public procurement is not 100% integrated into the Procurement Sector governance are shown in the table below with their level of impact as ranked.

Table 5.1: Reasons for <100% integration of Procurement into Public Sector Governance and their level of impact

Ranking	Reasons	Impact Level		
		Very High	High	Low
1.	Shear apathy at the highest level (i.e. both political and administrative level)	√		
2.	There are gaps or overlaps in the discharge of procurement prescribed by the law		√	
3.	The procurement system is new and therefore needs to be operated for some time before it can be fully integrated into the governance system			√
4.	The institutional culture does not provide the enabling environment for integration			√
5.	Lack of strong and conclusive legislative support by the supreme legal framework			√

Source: Research Survey, 2013

- This proves the point as hypothesized in this research that “Support for organisational structure reforms to give the procurement unit the boost to function without any unnecessary influence within an entity has not received the needed concern at the highest level (both political and administrative)”.

- vi. 94% of the respondents agreed that the organisational structure of the Public Service organisations do support coordination of all procurement types (i.e. goods, works and services) and indicated the following factors as the reasons for the support.
- a. The organisational structures of Public Service organisations allow for flexibility in chain of command and coordination among various departments.
 - b. The various types of organisational structures of Public Service organisations denote tasks as the responsibility of departments.
 - c. The various types of organizational structures of Public Service organisations promote decentralisation of functions.
 - d. The various types of organisational structures of Public Service organisations denote tasks as the responsibility of persons.
 - e. The bureaucracy in the various organisational structures of Public Service organisations is strong enough to allow coordination of all procurement to be carried out through to the head of the entity who is seen as the “chief procurement officer” as prescribed by Act 663.
- vii. However, 6% disagreed that the organisational structures of Public Service organisations do support coordination of all procurement types (i.e. goods, works and services) and gave the following as the reason.
- a. The bureaucracy in the various organisational structures of Public Service organisations is strong enough to resist coordination of all procurement to be carried out through the procurement unit as prescribe by Act 663.

5.2 Conclusions

From the findings of the data presentation and analysis it can therefore be concluded that:

- i. The organisational structures of Public Service organisations have the needed properties to support public procurement to function effectively through the establishment of the procurement unit.
- ii. The provisions in the Public Procurement Act, 2003 together with the Public Procurement Regulation (Draft), 2003 as well as the Public Procurement Manual, 2003, are though adequate for public procurement to function effectively within the Public Service organisations, the Procurement Law lacks the needed support in the Public Service governance since the procurement Law cannot determine the level of tier of the procurement unit in the chain of command in the organograms of the Public Service organisations. Since no such provisions in the Procurement Law can be made with regards to the level of tier of procurement unit, any procurement entity is at liberty to place the procurement unit anywhere in the organogram depending on the core functions of the Public Service organisation but it is worthy to note that chain of command has effect on performance.

5.3 Recommendations

It is for the above findings that the researcher wants to make some necessary recommendations regarding the tier for procurement unit in the organograms of the Public Service organisations.

These recommendations are being made not only for the efficient and effective procurement to support the public sector finance reform programmes in Ghana but also to make Ghana attractive to the donor agencies because as noted in the OECD/World Bank report (2005) that the impact of foreign aid is especially affected by procurement performance given the overwhelming

proportion of Official Development Assistance (ODA) that is delivered through the public contracting process.

The two distinguished types of hierarchy referenced to the heads of entity in the various organisational structures of the Public Service organisations in Ghana are modified as shown below.

5.3.1 Proposed Structure for Government Ministries

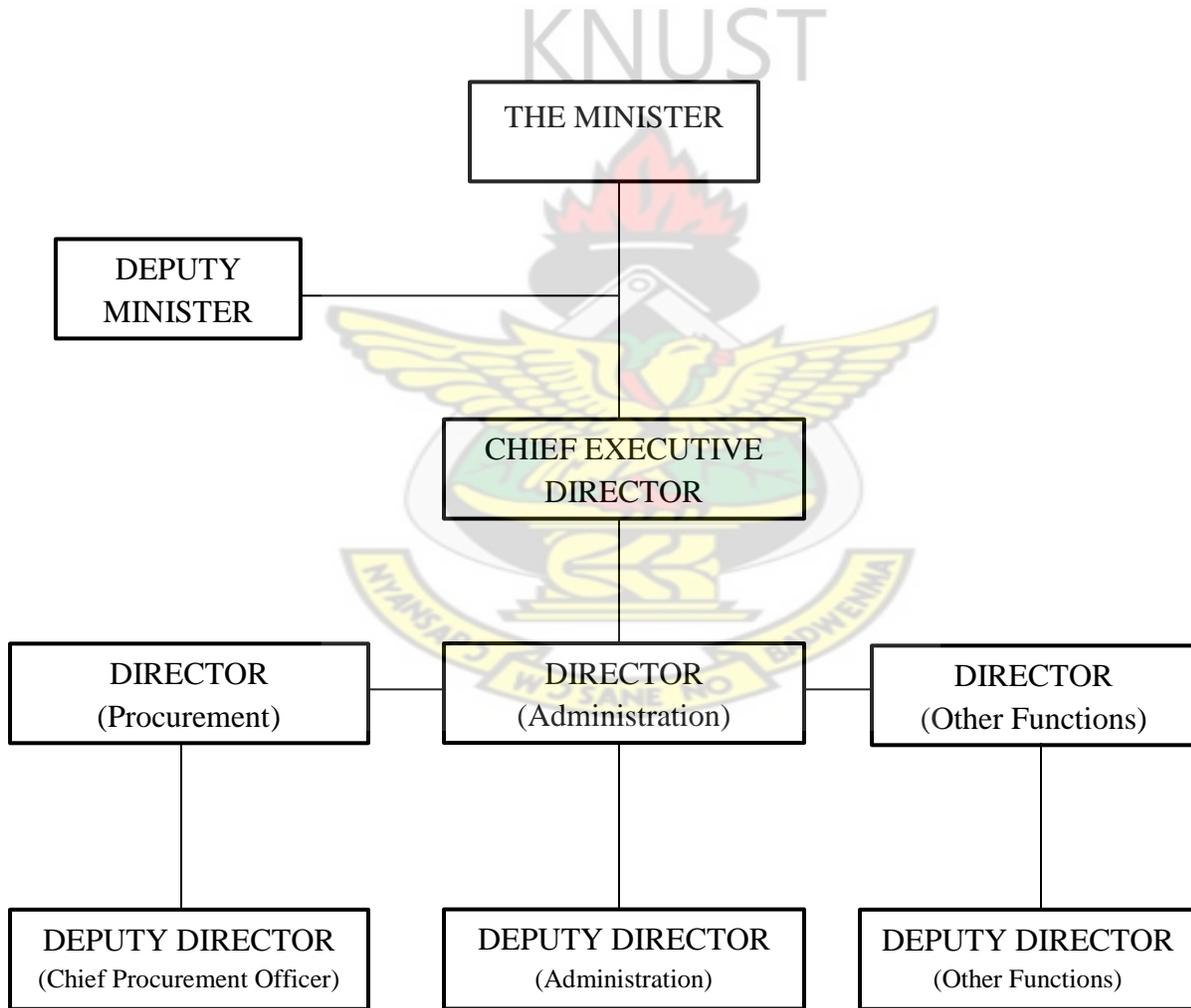


Figure 5.1: Recommended Organisational Chart for Government Ministries

(Source: Research Survey, 2013)

5.3.2 Proposed Structure for Metropolitan/Municipal/District Assemblies

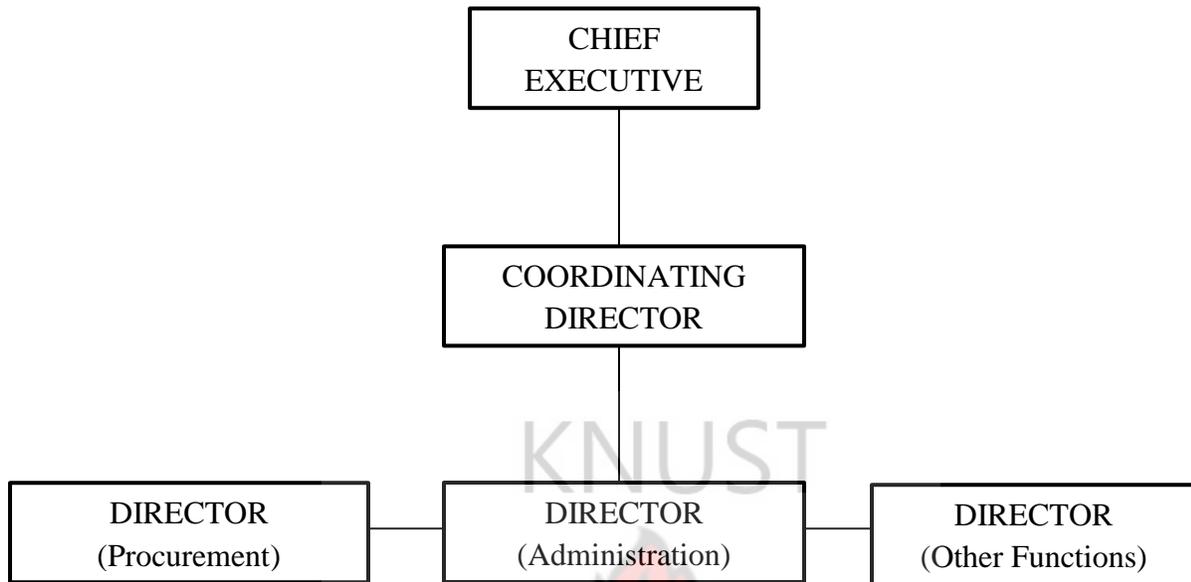


Figure 5.2: Recommended Organisational Chart for MMDA's

(Source: Research Survey, 2013)

5.3.3 Proposed Structure for Agencies, Departments and State Enterprises (National)

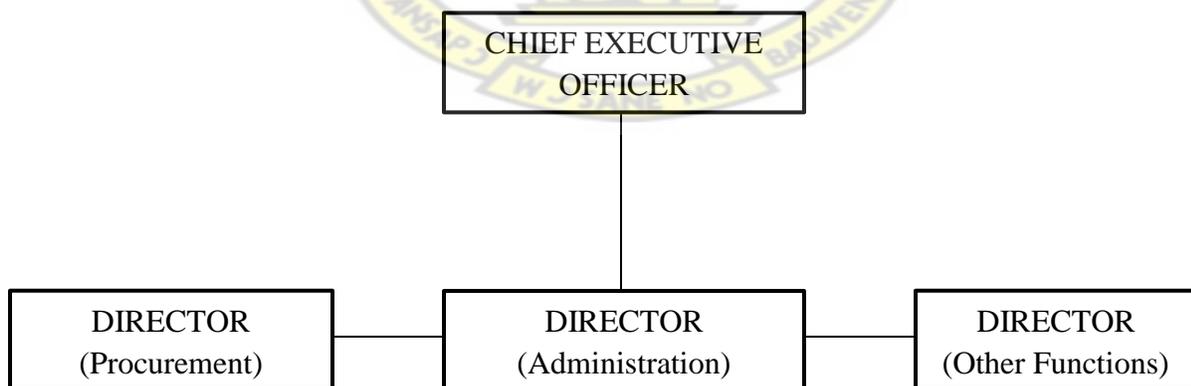


Figure 5.2: Recommended Organisational Chart for Agencies, Departments and State

Enterprises at the National Level (Source: Research Survey, 2013)

5.3.4 Proposed Structure for Agencies, Departments and State Enterprises (Regional)

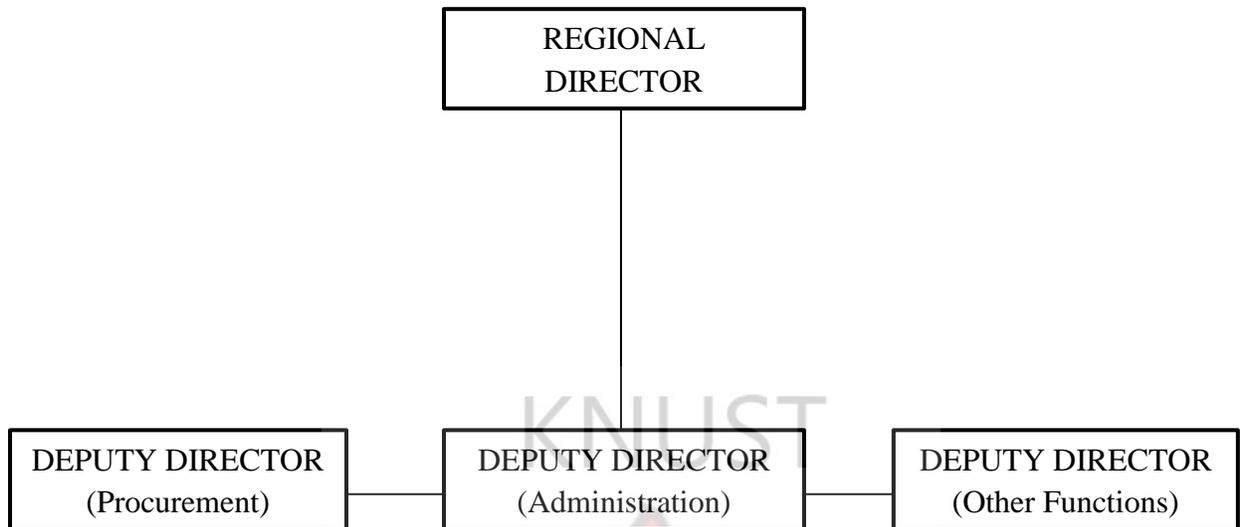


Figure 5.3: Recommended Organisational Chart for Agencies, Departments and State Enterprises at the Regional Level (Source: Research Survey, 2013)

5.3.5 Proposed Structure for Agencies, Departments and State Enterprises (District)

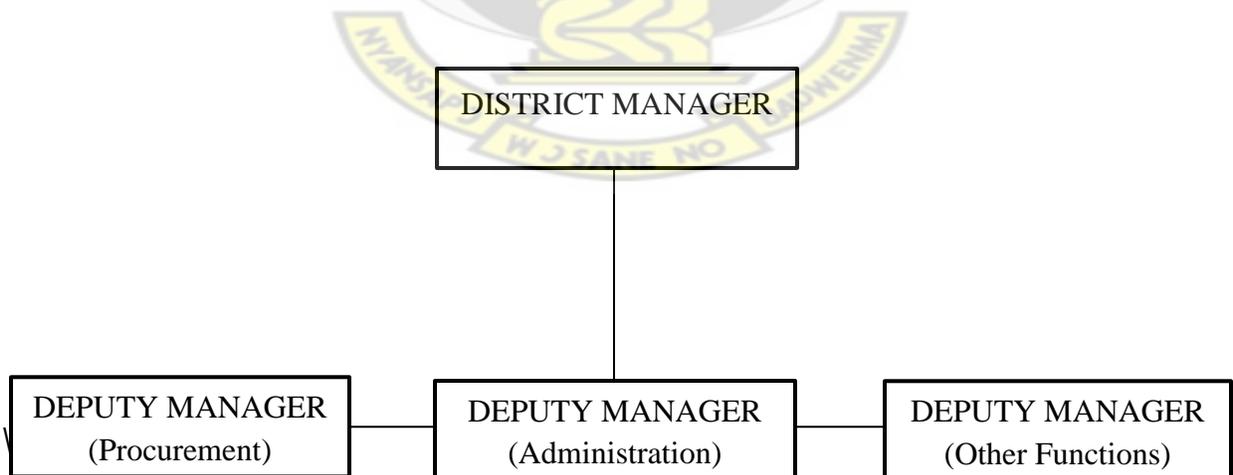


Figure 5.4: Recommended Organisational Chart for Agencies, Departments and State Enterprises at the District/Unit Level (Source: Research Survey, 2013)

It is therefore a collective responsibility of the Public Service organisations, the Public Service Commission, the Legislature and the Executive of the Republic of Ghana to bring this to pass. As was said by a Public Procurement Authority senior officer during this research, that Section 15 of the Public Procurement Act is re-emphasizing the need for this responsibility to be carried out.

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APPENDIX A

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APPENDIX B

QUESTIONNAIRE TO BE ANSWERED BY PROCUREMENT

CONSULTANTS/DIRECTORS

Question 1:

Section 15 (3) of the Regulations (Draft) stipulates “*Every Entity shall establish a Procurement Unit to undertake all activities related to procurement within the Entity in accordance with the Act*”.

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Does the procurement law explicitly specify the tier of procurement unit in the chain of command of procurement entity? Yes/No

Question 2:

If “Yes” please indicate the precise section and subsection of the law which state so. [.....]

Question 3:

If “No” could it be the following reasons? Please tick.

- a) The regulatory body of norm (i.e. PPB and The Minister of Finance) does not have the legal mandate to issue such regulation. []
- b) Myriad and complex nature of the organisational structure of Public service organisations inhibits the implementation. []
- c) An oversight. []
- d) Lack of knowledge []
- e) Others please specify:

One of the functions of the Commission, section 4(i) of the Public Service Commission Act, 1994, (Act 482), stipulates, *“To review the organisation, structure and manpower requirements of the agencies and bodies in the Public Services and advise Government on the manpower rationalisation necessary for maximum utilisation of human resources in the Public Services”*.

Question 4:

Do you think section 15(3) of the Public Procurement Regulations overlap with section 4(i) of the Public Commission Act, 1994? Yes/No

Question 5:

Do you have any idea of how the two Laws operate? Please explain.

.....

.....

.....

The chapter 2.3 (paragraph 1 and 2) of the manual explains that *“The Head of Procurement Entity and any officer to whom authority is delegated are responsible and accountable for actions taken and for any instructions with regard to the implementation of the Act. The Head of Entity is required to establish a Procurement Unit to undertake all activities related to procurement within the Entity in accordance with the Act and shall appoint or designate a proficient procurement person with the requisite qualifications, experience and skills as Head of the Procurement Unit to undertake the detailed activities of procurement on behalf of the Procurement Entity”*. This talks about accountability, delegation and responsibilities.

However Section 15(3) of the Public Procurement Act, 2003, stipulates that *“Procurement decisions of an entity shall be taken in a corporate manner and any internal units concerned shall contribute to the decision making process”*.

Question 6:

Does the law provides sufficient level of independence and authority (formal power) to exercise its duties freely and consistent with the responsibilities? Yes/No

Question 7:

If “Yes” please explain with relevant clause(s) of the Law.

.....

.....

.....

.....

Question 8:

Are the responsibilities fully detailed by the law to provide for separation and clarity so as to avoid any conflict of interest and direct involvement in the execution of procurement transactions by other departments/units of the organisations? Yes/No

Please explain.

.....

.....

.....

.....

.....

Question 9:

Is the delegation regulated by law? Yes/No

Question 10:

If “Yes to Q.10” please explain with relevant clause(s) of the Law.

.....
.....
.....

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Question 11:

If “No” could it be the following reasons?

- a) The law establishes delegation and accountabilities but the system concentrates decisions at a high level creating congestions and delays. []
- b) Delegation is regulated in very general terms creating a need to clarify accountability for decision making. []
- c) Delegation is not regulated by law and left at the discretion of the procuring entity. There is lack of clarity on accountability. []
- d) Others please specify:

Question 12:

The public procurement system is expected to be the mainstream of all public sector procurement, how well has this been integrated into the public sector governance system?

(Please estimate your answer in percentage).% level of integration

Question 13:

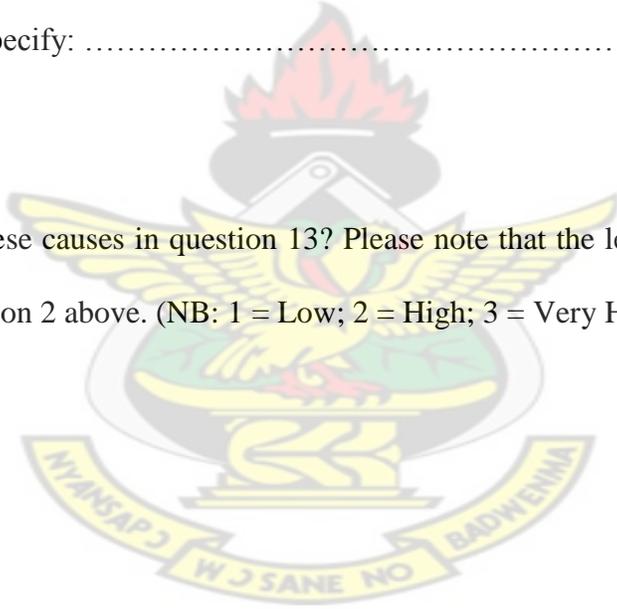
If your estimation is not 100%, what could be the causes of the problem? Please tick.

- a) The procurement system is new and therefore needs to be operated for some time before it can be fully integrated into the governance system. []
- b) The institutional culture does not provide the enabling environment for integration. []
- c) Lack of strong and conclusive legislative support by the supreme legal framework. []
- d) Shear apathy at the highest level (i.e. both political and administrative level). []
- e) There are gaps or overlaps in the discharge of procurement prescribed by the law. []
- f) Others, please specify:

Question 14:

How would you rate these causes in question 13? Please note that the letters represent the same order as shown in question 2 above. (NB: 1 = Low; 2 = High; 3 = Very High)

- a)
- b)
- c)
- d)
- e)
- f)



Question 15:

Do you think the organisational structures of the Public Service organisations do support the coordination of all procurement (i.e. Goods, Works and Services) as a unit through the Procurement Unit as prescribed by Act 663? Yes/No

Question 16:

If “Yes” could it be the following reasons? Please tick.

- vi. The organisational structures of Public Service organisations allow for flexibility in chain of command and coordination among various departments. []
- vii. The impact of organisational structures of Public Service organisations on procurement is not important since public procurement is regulated by an independent Law. []
- viii. The bureaucracy in the various organisational structures of Public Service organisations is strong enough to allow coordination of all procurement to be carried out through the head of the entity who is seen as the “chief procurement officer” as prescribe by Act 663. []
- ix. The various types of organisational structures of Public Service organisations denote tasks as the responsibility of persons. []
- x. The various types of organisational structures of Public Service organisations denote tasks as the responsibility of departments. []
- xi. The various types of organizational structures of Public Service organisations promote centralisation of functions. []
- xii. The various types of organizational structures of Public Service organisations promote decentralisation of functions. []
- xiii. Others, please specify:

Question 17:

If “No” could it be the following reasons? Please tick.

- a) The various types of organisational structures of Public Service organisations denote tasks as the responsibility of persons. []
- b) The various types of organisational structures of Public Service organisations denote tasks as the responsibility of departments. []
- c) The various types of organizational structures of Public Service organisations promote only centralisation of functions. []
- d) The various types of organizational structures of Public Service organisations promote only decentralisation of functions. []
- e) The organisational structures of Public Service organisations do not allow for flexibility in chain of command and coordination among various departments. []
- f) The impact of organisational structures of Public Service organisations on procurement is so significant that it affects the independence of public procurement as regulated by Act 663. []
- g) The bureaucracy in the various organisational structures of Public Service organisations is strong enough to resist coordination of all procurement to be carried out through the procurement unit as prescribe by Act 663. []
- h) Others, please specify:

Question 18:

Some Public Service organisations have deputy heads and some coordinating directors, from sections of chapter 2.3 of the manual given above, in your own opinion as an experience

procurement director/consultant what level of tier in the organisational structure of Public Service do you think can support procurement units to fully carry out procurement functions in line with the Act 663? Please give reasons to support your answer.

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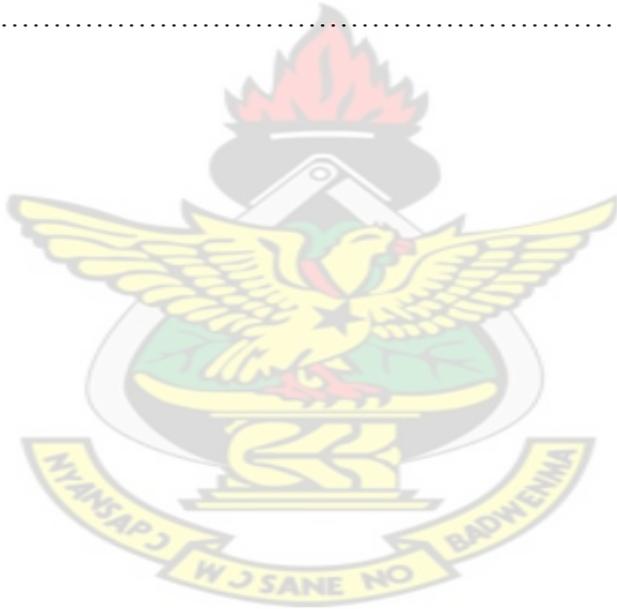
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APPENDIX C

INTERVIEW GUIDE FOR PUBLIC SERVICE COMMISSION OF GHANA

One of the functions of Public Service Commission, section 4(i) of the Public Service Commission Act, 1994, (Act 482), stipulates, *“To review the organisation, structure and manpower requirements of the agencies and bodies in the Public Services and advise Government on the manpower rationalisation necessary for maximum utilisation of human resources in the Public Services”*.

However Section 15(3) of the Public Procurement Regulations (Draft) stipulates *“Every Entity shall establish a Procurement Unit to undertake all activities related to procurement within the Entity in accordance with the Act”*.

Question 1:

Does section 15(3) of the Public Procurement Regulations overlap with section 4(i) of the Public Commission Act, 1994? Yes/No

Question 2:

If “No” how does the two operate? Please explain.

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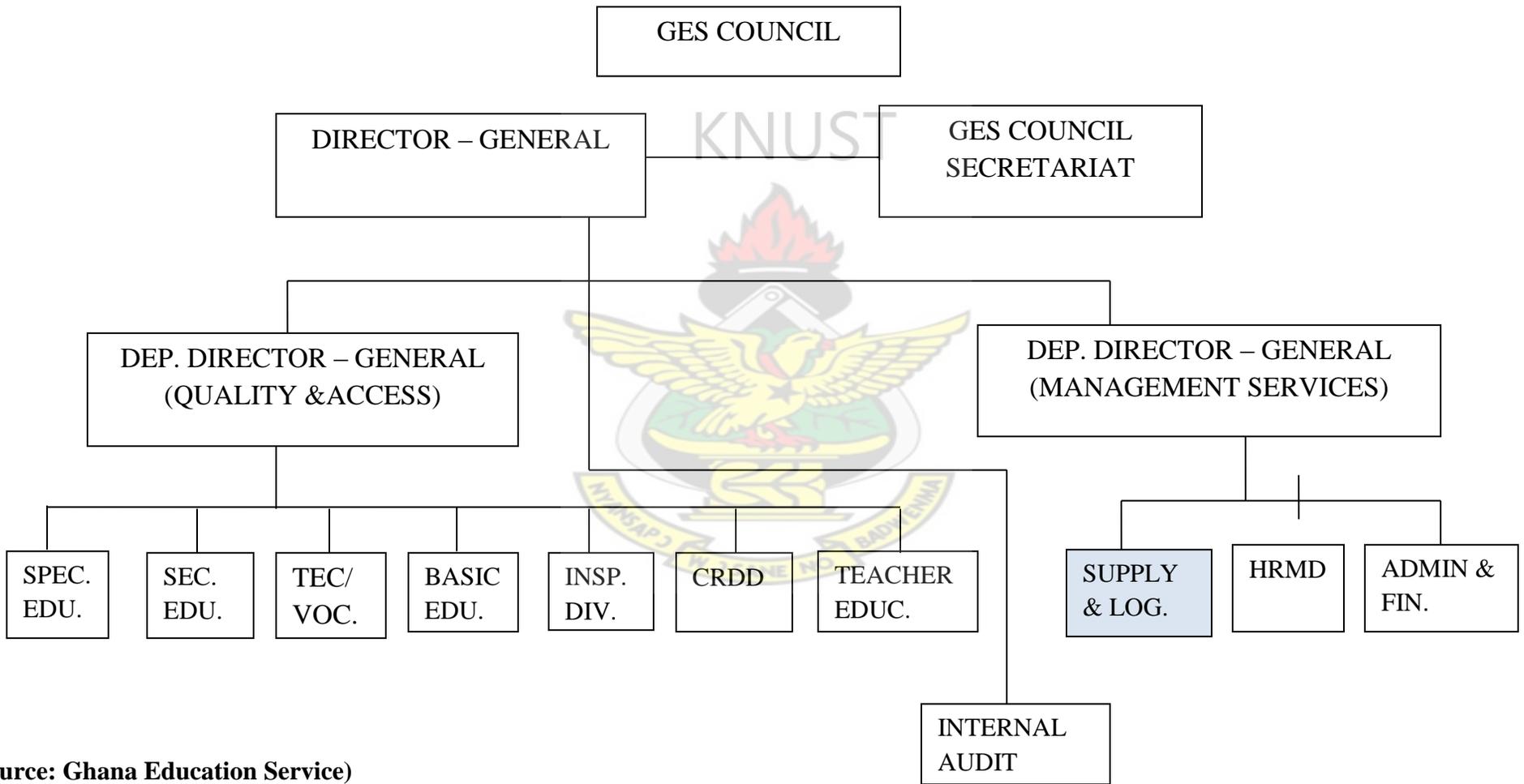
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APPENDIX C

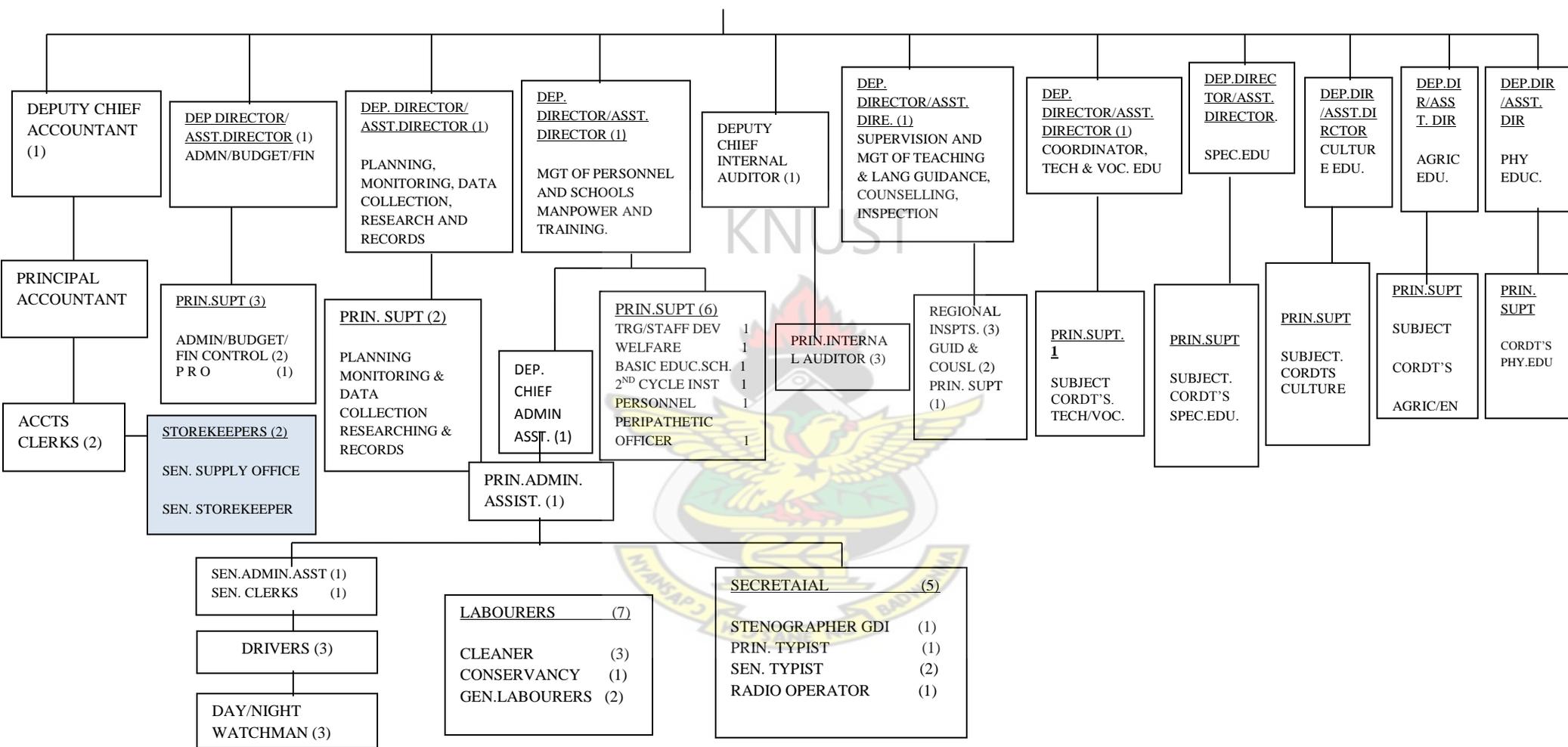
ORGANISATIONAL STRUCTURE OF THE GHANA EDUCATION SERVICE HEADQUARTERS



(Source: Ghana Education Service)

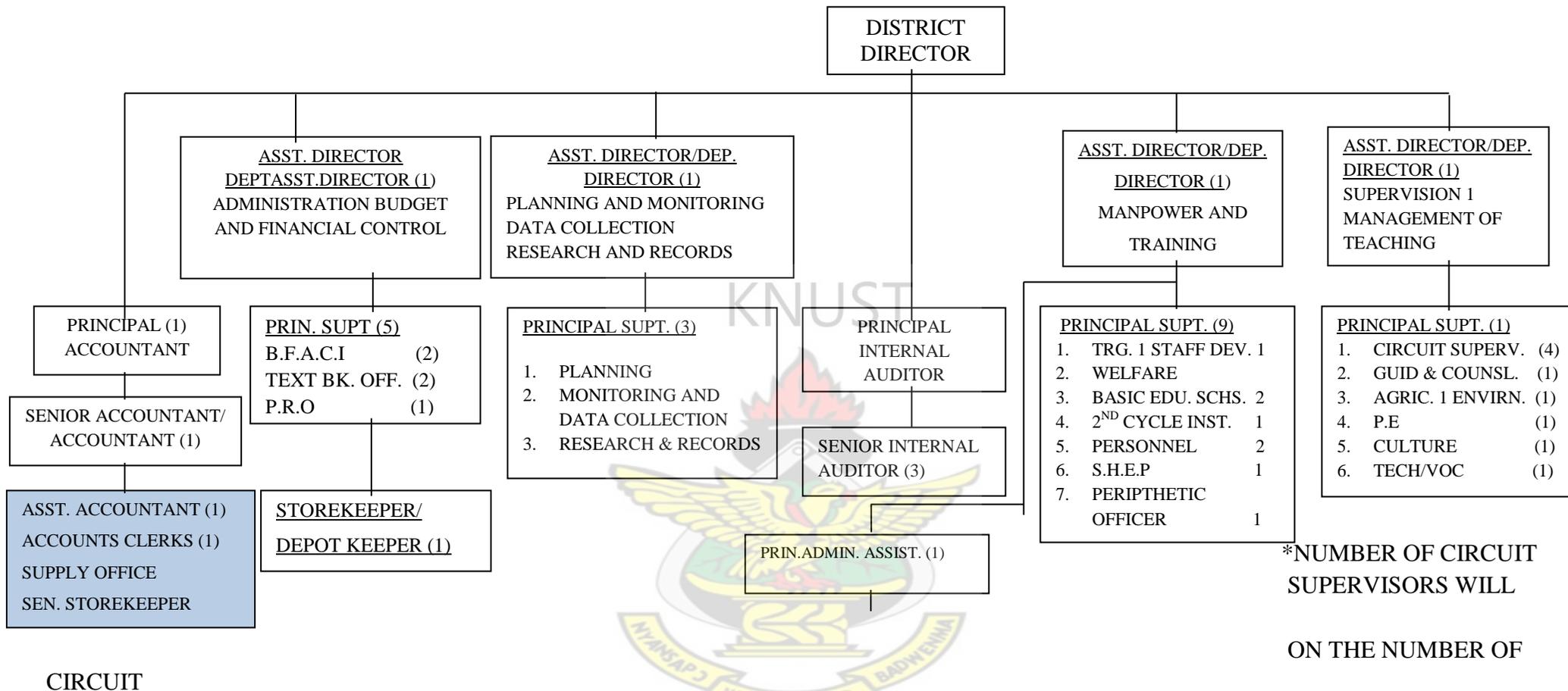
REGIONAL EDUCATION OFFICE ORGANISATION CHART





(Source: Ghana Education Service)

REGIONAL EDUCATION OFFICE ORGANISATION CHART

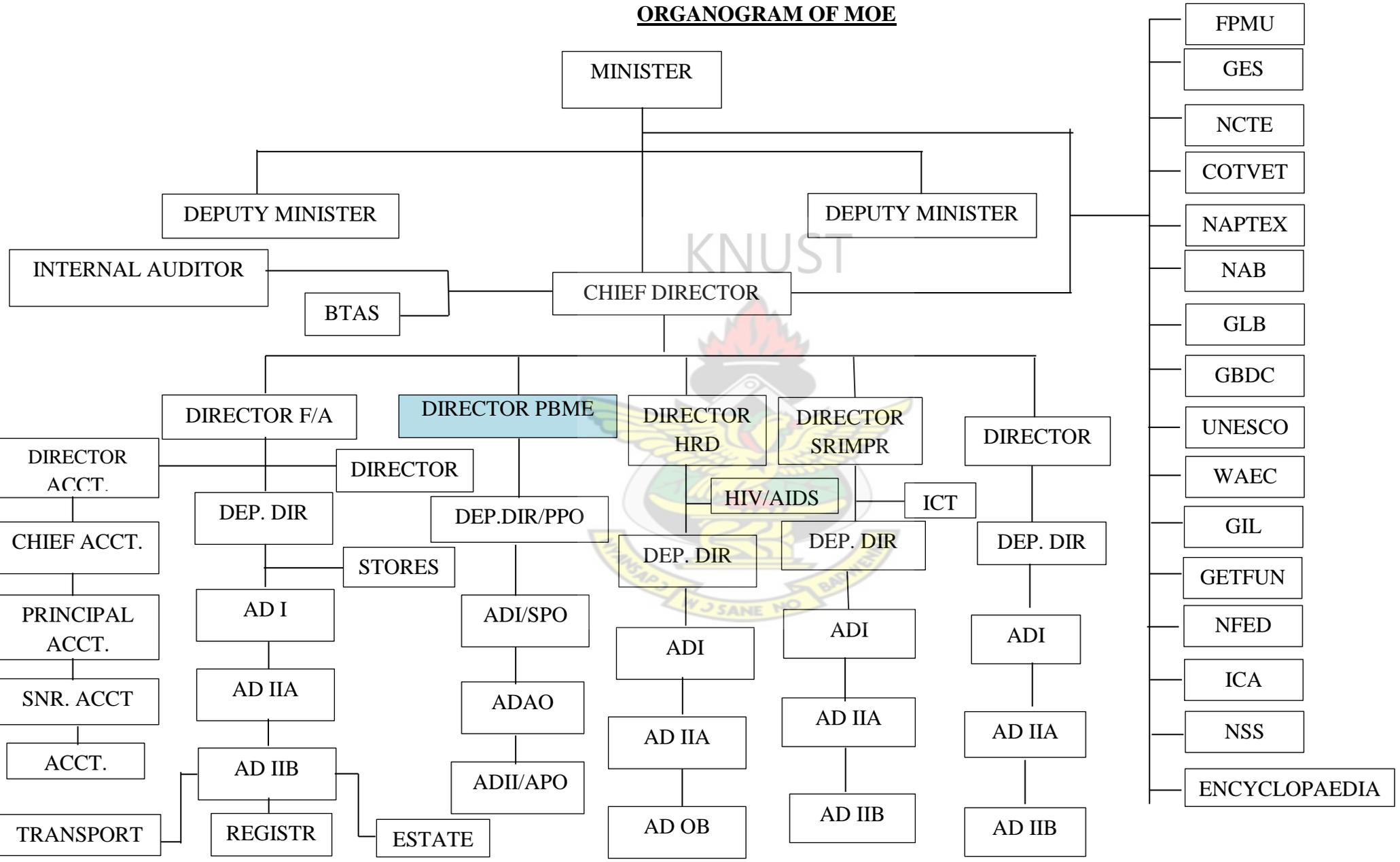


CIRCUIT

(Source: Ghana Education Service)

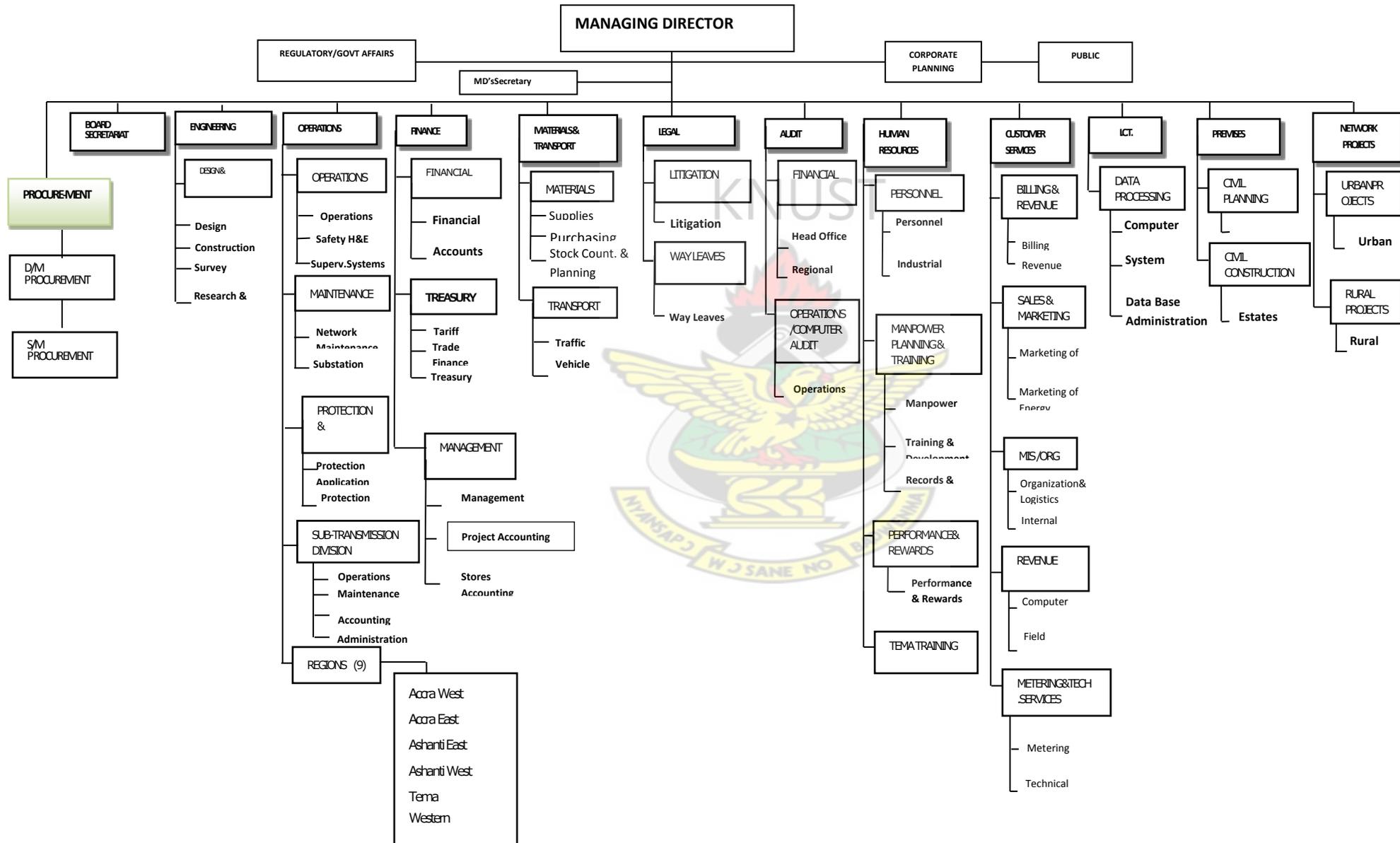
ESTABLISHMENT	
TEACHING	38
NON TEACHING	<u>23</u>
TOTAL	<u>61</u>

ORGANOGRAM OF MOE



(Source: Ministry of Education –Ghana)

THE ORGANISATIONAL STRUCTURE OF ELECTRICITY COMPANY OF GHANA



(Source: Electricity Company of Ghana)

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