ETHICAL CONSIDERATIONS IN PROCUREMENT MANAGEMENT AND IT EFFECTS ON PUBLIC PROCUREMENT

(GREATER ACCRA REGION, A CASE STUDY IN ACCRA METROPOLIS)

BY

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DECLARATION

DECLARATION OF THE STUDENT

I hereby declare that apart from the reference to other people’s work which is duly acknowledged, this project is the result of my own investigation and that no part of it has been presented for another MSc degree in the university or elsewhere.

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DECLARATION OF THE LECTURER/SUPERVISOR

I declare that I have supervised the students in undertaking the research submitted here in and confirm that it is in accordance with the guidance of supervision of project work laid down by the Kwame Nkrumah University of Science and Technology, Kumasi.

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DEDICATION

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ABSTRACT

To deliver public service effectively and efficiently, in addition to achieve value for money for taxpayers, governments of developed and developing countries alike spend a lot on goods and services. In Ghana, the Public Procurement plays a dominant role in the economic activities of the country. Public procurement accounts for about 14% of the country’s GDP. However, the area of procurement is increasingly prone to internal factors which subject the process to many flaws (Trionfetti, 2000). Even though ethics in public procurement has been recognized as one of the contributors to procurement failure, it has not been systematically studied before from the perspective of the factors that influence the ethical considerations in Ghana. The aim of this paper is to present an exploration to the ethical considerations in procurement management and establish their effects on procurement in Ghana’s public sector. By exploring ethical issues from Public sector, this could provide an ethical standpoint for the public project procurement life cycle and could preserve a good affiliation between the Public Sector and the service providers or customers. An extensive literature review was done to obtain secondary data on the subject which gave a good foundation on which the research work was made. The paper employed a case research design. A survey of the selected study population from the Accra Metropolis was carried out by the use of questionnaires through focus group discussions. The sample size of this research was estimated at 40 participants. The findings reveal the complexities of ethical considerations within the Public Procurement process in the country. It highlighted the differences in perceptions of what ethical considerations are; the importance of individual and organizational factors as well as the external factors which comprise the social, political and economic considerations. At the end of the study, it was revealed that ethical considerations in the Public Procurement system are of great significance to the Public Sector as the neglect of this considerations will, if not worsen, give way for increase in adverse ethical issues that
will affect the Procurement Systems in the Public Institutions badly and possibly destroy the numerous efforts made for the introduction of the Public Procurement Act, Act 663 to sanitize the procurement system in the public sector.
CHAPTER ONE

INTRODUCTION

1.1 BACKGROUND

Ethics are the philosophies which define behaviour as right, good and appropriate. Employees in public service are bound to encourage certain values. According to Wassermann (2000), Ethics is not only about behaviour but includes thoughts, language, reasoning, processes and judgment that inform the choices people make in their daily lives that affect their own welfare and that of others. Ruth Chadwick (1998) defines Professional ethics as that which concerns the moral issues that arise because of the specialist knowledge that professionals attain and how the usage of this knowledge should be managed when providing a service to the public. Any attempt to realize personal gain by conduct contradictory with the appropriate discharge of the employee’s duties is a violation of the public trust. The value of the transactions in the procurement process together with pressures to lower costs may possibly result in bribery, corruption and other practices which could be considered unethical. In the public sector where goods and services are financed by public expenditure, it is essential that procurement operates ethically, with impartiality, transparency, and professionalism. Ethical procurement best practice starts with the employees in procurement following an ethical code which directs their behaviour and actions while conducting business. Ethical procurement practices should be extended to all stakeholders in the procurement cycle. Ethical procurement should also include an understanding of suppliers’ operations and the procurement professional should offer guidance and support when improvement is necessary or appropriate.

In Procurement Management, inter-organisational relationships are of the utmost importance. Ethical practice and behaviour is a means for improving inter-organisational relationships by
providing a clear understanding of the rights and obligations of all parties, improving productivity, affecting long-term business dealings, and influencing quality, time and cost. Therefore, the ability to build sustainable relationships grounded in ethical practice is important to procurement management. Establishing ethical standards at the beginning of the procurement process provides an ethical platform for the project life cycle and the relationship between procurers and suppliers/service providers/contractors. Therefore it is important to determine what the ethical considerations are in procurement management in the Public Sector.

Public procurement, as defined by Ghana’s Public Procurement Board, is the act of providing goods, services or awarding work assignments by a state body, organization, institution or some other legal person regarded as a procuring entity in the manner and under the conditions prescribed by a nation’s law. According to Sarfo et al 2011, to make efficient and effective use of the state’s money, public procurement is needed. Public procurement is a practice that is used by public sector organizations to acquire goods, services and works from third parties. “It includes money spent by the public sector to provide key services directly to citizens”

Public procurement systems are central to the effectiveness of development expenditure. Budgets get translated into services largely through the governments’ purchases of goods, services and works. It is estimated that about 19% of the world’s Gross Domestic Product (GDP) is spent through public procurement (Mahmood, 2010). It is further estimated that in developing countries, public procurement accounts for 9% to 13% of the GDP of the economies of developing countries. It is worth mentioning that, in Ghana, public procurement represents about 24% of total imports, accounts for 50%-70% of the national budgets (apart from personal emoluments), and 14% of GDP. Implicitly, public procurement therefore has both social and economic impact on the country (World Bank, 2003a).
However, the area of procurement is increasingly prone to internal factors which subject the process to many flaws (Trionfetti, 2000).

In its attempt to address various weaknesses in the country’s public procurement process since independence, Ghana has passed several financial and legal instruments. These have come in the form of constitutional, legislative instruments, administrative instructions and financial circulars. The latest Law, the Public Procurement Act (Act 663), was enacted in 2003, 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). Osei-Tutu et al., 2010 indicates that the passing of the law further guaranteed the adoption of modern developments in procurement to produce the much needed sanity to the local procurement system which had been flawed by bad procurement practices such as corruption and other malfeasances.

To deliver public service effectively and efficiently, in addition to achieve value for money for taxpayers, governments of equally developed and developing countries spend a lot on goods and services. In the book: “Cost of Production Study for Central Coast”, the Author (Barley 1994), explains that the key objectives of procurement include providing organizations with continuous flow of goods and services, aiding in efficient and effective purchasing and ethically obtaining the best value for money. However, there are many concerns in relation to the difficulties in managing public sector projects due to human behaviours and the conflict that often takes place in projects. This indicates that the objective of ethically obtaining the best value for money is yet to be evident in the procurement systems in the country. According to the OECD (2007), many countries have not been proficient to tackle the integrity issues in public procurement. OECD regards public procurement as the government activity most susceptible to corruption. In this sense, lack of
transparency and accountability are considered as the foremost threats to integrity in public procurement (OECD, 2007).

The World Bank (2010) points out that many countries are yet to develop procedural frameworks that ensure: public procurement procedures are transparent and encourage fair and equal treatment; public resources linked to public procurement are used in accordance with intended purposes; procurement officials’ behaviour and professionalism are in line with the public purposes of their organisation and systems are in place to challenge public procurement decisions, ensure accountability and promote public scrutiny. In Ghana, although there had been numerous researches on the difficulties with the effective implementation of the Public Procurement Act (Act 663), little has been done on the issue of ethical considerations that affect Public Procurement. This study therefore aims to determine the factors that contribute to the ethical considerations in procurement management focusing on the public procurement in the Government Agencies in the Accra Metropolis.

1.2 PROBLEM STATEMENT

A public procurement law is a set of rules that guide a government’s act of purchasing goods, services, and works (Azeem Vitus, 2007). A reform is made to guide all purchases from small scale to large scale goods, services and works. According to the Public Procurement Authority, corruption has declined owing to potential disciplinary measures such as banning from government contract for five years and any other remedies the court may seek. However the corruption perception index published by Transparency International says otherwise.

The outline for the passing and operation of the Procurement Act in Ghana was to sanitize the processes that lead to the selection of qualified contractors for the delivery of public works
and services. The fundamental nature therefore has a lot to do with the pursuit of value for public funds commitment into contracts. It is important to mention that the practices of some public officials in handling public works are in direct variance with the interest of the state which the Public Procurement Act 663 of 2003 seeks to advocate. However, according to Appiah (2011), no matter how tough the regulation or law on public sector procurement is structured, its effective application and implementation depends largely on trained skilled workforce.

Again, in spite of the legal and institutional reforms executed in the public procurement sector in Ghana, Public Procurement Law has not succeeded in eradicating corruption in the sector (Ware et al., 2007). The main problem cuts across the whole system and endorses what Dorsey (1997) termed or described as the "eternal triangle" of construction, which include the client, consultants and the contractor. The procurement system has other institutional weaknesses that does not only undermine its capacity for carrying out the mandates effectively but also led to a public perception that the public sector is not getting maximum value for money (VfM) spent on procurement. Value for money is the core principle underpinning every Government’s procurement, incorporating ethical behaviour, the ethical use of resources and application of the highest ethical standards will help ensure the best achievable procurement outcome.

With all the above in mind, it is significant to note that procurement is still an underestimated process in the public sector in some economies such as the Ghanaian economy. Stakeholders demands for competition, efficiency, transparency, and accountability in public procurement of works and services as well as more effective and efficient use of public resources leaves much to be desired.
Thus the need to discover the level of ethical compliance in public procurement management in Ghana taking into account the Public Procurement Law, which was apparently instituted to address some of these observed anomalies.

1.3 AIM AND OBJECTIVES OF THE STUDY

Aim

The aim of the study is to investigate the ethical considerations in public procurement management in Ghana.

Objectives

This research attempts to

a. Examine the factors that influence ethical considerations in Public Procurement.

b. Establish the effect of these ethical considerations on Public Procurement.

1.4 SIGNIFICANCE OF THE STUDY

This research will provide essential information to policy makers about the ethical considerations confronting procurement processes in the public institutions. The research result is also important as information on ethical considerations on current public procurement practice in the country is limited. This research will attempt to provide the necessary information to update that literature.
1.5 DELIMITATION OF THE STUDY

The study was confined to the Accra Metropolis in the Greater Accra Region where a number of Public Institutions and industry stakeholders were accessed. Studies were conducted on Procurement activities of the public entities where information regarding various aspects of procurement of works and services were investigated. The respondents involved were professionals mandated to conduct procurement of works in the public entities within the Accra Metropolis. This enabled the investigation, comparisons and data gathered on the research to be related to a common ground.

1.6 LIMITATION OF THE STUDY

The researcher had a challenge in respect of respondents’ unwillingness to cooperate as regards responding to the questionnaires. There was also a great challenge regarding getting the respondents right on time, this is because some of the heads of departments are themselves Department Heads, Managers and Directors who are most of the time engaged in meetings. There is a likelihood that relevant data may not have been captured because of the use of close-ended questionnaire.

1.7 RESEARCH STRUCTURE

This thesis is divided into 5 chapters. The first chapter addresses the background to the study, the research objectives, and the research questions, significance of the study, limitations and the delimitations of the study. The literature review covers the theoretical frame of reference for this thesis’s topic is addressed in Chapter 2. Chapter 3 include the Research Methodology which describes the research academic consideration, the research models, approach,
strategies and types, as well as the research design with its sample selection and data collection. Chapter 4 illustrates empirical data by describing the organizations studied and the information retrieved from the questionnaires and also discusses the analysis, including the findings based on the theoretical reference and the empirical data analysis. And finally, the Chapter 5 includes the discussions and conclusions answering the research questions as well as a description of the contribution that this research makes to the current knowledge. In addition, it also provides suggestions for further study.
CHAPTER TWO

LITERATURE REVIEW

2.1 INTRODUCTION

Government procurement is of substantial importance at both domestic and international level due to the significant proportion of gross domestic product (GDP) it contributes to a country’s economy. A World Bank report estimates that overall government procurement spending accounts for as much as 30 percent of a country’s GDP, on an average, worldwide. At the domestic level, the procurement of goods and services by government agencies provides essential inputs that enable governments to deliver public services and fulfill other duties and catalyse economic growth. Likewise, the opening up of cross-border trade in such market is gaining increasing importance at the international level.

Government procurement could be defined as the procurement activities undertaken by a public authority using public funds to acquire goods, services and technologies essential for it to perform its business. Therefore, public procurement is a fundamental function of governments in both developed and developing countries as the huge financial cashflows that go into it have a great influence on their economies that needs prudent management (Thai, 2001). The quantum of expenditure by a government on procurement varies depending on the extent to which the government involves itself in providing goods, services etc. This expenditure is significantly more in developing and transitional economies. Despite the significant economic implications of government procurement, activities of the government are burdened with political, social and development goals. In the developing countries especially, they have a far deeper effect, as the government is engrossed in everyday lives of its citizen particularly in the development of infrastructure and promotion of industrial sector which are important catalysts for development.
2.2 PROCUREMENT MANAGEMENT IN THE PUBLIC SECTOR

The term “Procurement” may be defined as the process of acquiring goods, works and services, covering both acquisitions from third parties. It involves unconventional appraisal and the vital “make or buy” decision which may result in the provision of goods and services in appropriate circumstances (EFDC, 2012). Public Procurement, therefore, as defined by Azeem, 2007, is the acquisition of goods and services at the best feasible total cost of ownership, in the right quantity and quality, at the right time, in the right place for the direct benefit or use of governments, corporations, or individuals, generally via a contract. According to Republic of Ghana (2007), Public Procurement has a direct impact on the successful delivery of government projects and public services. It also creates a sound public financial management system by achieving value for money in government expenditure, thereby reducing corruption, enhancing more competition, promoting budgetary savings, decreasing debt levels, and encouraging private sector. It could therefore be argued, that aside from the cost of government wage bill, Public procurement constitutes over 50 percent of Government budgets and accounts for the major share of government expenditure.

The Public Service, made up of those employees of the state who are sheltered by national and sub-national civil service regulations, plays an essential function in the sustainable development and good governance of a nation. It runs the programmes that function as the safety net for the most susceptible sections of a society. Given these vital responsibilities, a country expects its public service workers to demonstrate high standards of professionalism and ethics. Ethics in the public service are extensive norms that define how public servants should exercise opinion and discretion in carrying out their official duties. In August, 2011, The Ghanaian Times reported the then Finance Minister, Dr. Kwabena Duffuor to have said that “Public Procurement in Ghana utilizes about 80 percent of national tax revenue, which represents about 24 percent of total tax imports, representing between 50 to 70 percent of the
national non-personnel budget, and accounts for about 17 percent of the country’s Gross Domestic Product (GDP)” It means that over one tenth of the country’s GDP is expended on procurement of goods and services by the government. However, the Minister of finance indicated in his speech that there are some extensive challenges or difficulties facing the government as regards to the procurement of goods and services. These difficulties have come out of the negative activities that are practiced in the Public Procurement systems. Such activities have put the country’s Public Sector in a mixed position in the view of the Ghanaian individual.

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). This new Act was constituted after years of foul play and abuse as far as procurement was concerned in the country. However, public procurement is yet to attain the expected level of effectiveness, transparency and efficiency. This necessitated investigations into the issues or factors preventing the effective transparent and efficient operation of the Public Procurement Act in the Public Institutions. Unfortunately, almost all the studies in this country have not given enough attention to the ethical considerations practiced in the Public Procurement system. This has resulted in continuous persistent requests from stakeholders in the country for better measures that would ensure competition, efficiency, transparency, and accountability in the Public Procurement Systems. Conversely, researches in other countries, such as Kenya, Tanzania, Malaysia etc, have indicated that ethical behaviours are principal accomplices to the obstructions facing the smooth implementation of the procurement regulations and achieving the goal of fairness, transparency and non discrimination. This research seeks to outline the ethical considerations faced by the public sector in the course of procuring goods and services
2.3 ETHICS IN PROCUREMENT MANAGEMENT

2.3.1 Definition of Ethics

Ethics may be literally defined as the set of moral principles that distinguish what is right from what is wrong. It is a normative field because it prescribes what one should do or abstain from doing. Philosophically, it is the branch that investigates morality and the ways of thinking that guide human behaviour. It evolved originally from the religion by the Judeo-Christian tradition. Ethics entails examining moral standards of society and questioning how these standards relate to our lives and whether these standards are reasonable or unreasonable. Thus ethics scrutinizes the moral standards of society, assesses their reasonableness or not, and evaluates the impact of these standards upon lives of individuals. Embedded in this is the notion of the common good, which is one of the factors that establish whether an act is right or wrong (Ross cited in Vee & Skitmore).

Business ethics, referred to as management ethics or organizational ethics, simply limits its frame of reference to organizations. According to Delbridge et al (2000), Ethics constitutes a system of moral principles by which human actions and proposals may be judged good or bad, or right or wrong; as well as the rules of conduct recognized in respect of a particular class of human actions and moral principles as of an individual. Calhoun and Wolitzer, 2000, also indicate that Ethical codes alone are inadequate to ensure ethical conduct and they need to be complimented with the assignment of functional responsibility (Ethical Officer) and employer training.
2.3.2 Ethical behaviour in Procurement Management

Ethics in procurement management has been discussed and debated extensively by procurement practitioners and researchers. And one of the areas that they focus on is public procurement. The area of Public Procurement has been acknowledged as one of the major areas in procurement management that has contributed to ethical issues during the acquisition and operation of projects. Extensive literature reviews by scholars, researchers and writers have showed that there has been a lack of focus on ethical issues in public sector procurement particularly in the pre-stage of project procurement. Due to the substantial amount of money and the huge number of companies involved with the procurement process for big contracts, there exists the possibility for ethical considerations in each of the stages in the procurement process.

Ethics is not merely about behaviour but includes thoughts, language, reasoning, processes and judgement that inform the preferences people make in their daily lives that affect their own welfare and that of others (Wassermann, 2000). It is not only about the way we behave, think or act. There are other factors that influence the way we act either ethically or unethically that consequently persuade the decision making process as illustrated in the integrated model for understanding ethical behaviour in business organizations adopted by Stead et. al., 1990, and shown in Figure 1. Ethical behaviour originates internally from the organizational culture. There is a remarkable impact of organizational culture on the ethical behaviour of people within the organization they work and these indirectly can control the ethical behaviour of people involved in the planned procurement. According to Bowen (2004), all of these elements have an effect on ethical decision making through factors such as the level of autonomy for communication in issue decision making, the relationship of the top communicator to the dominant coalition and how the moral analyses of individuals were communicated about in issues management meetings.
Models contribute new insights and lay a tangible foundation for micro/descriptive research in business ethics. The models in business ethics influence ethical decision-making processes in an organizational context (Ferrell & Ferrell, 2010). There are several models that explicate ethical decision-making in a business environment. Hegarty & Sims, 1978; Trevino, 1986; Trevino & Youngblood, 1990, all reveal another personality variable that has a significant effect on ethical behaviour; **Locus of control.** It is the causes to which individuals attribute their successes and failures. An individual who has external focus of control believe that ethical issues are beyond their control and for those who have internal focus of control believe that they control the things around them and are willing to take responsibility for their behaviour (Forte, 2004 & Trevino, 1986). In addition to personality, **position or status** could also have an effect on the ethical decision making of an individual owing to the amount of responsibility and power an individual may have. **Demographics** have also been used to forecast moral reasoning in other studies. They include **age, gender, education level and background.** Some other variables are also related to the **confidence and personal convictions** of the individual decision maker. Ego strength is related to strength of conviction or self-regulatory skills (McDevitt *et. al.*, 2006).

The Trevino, 1986 model speculates that ethical decision-making in an organization is clarified by the interaction of individual and situational components. The individual responds to ethical impasses with cognitions determined by his or her moral cognitive development stage. The individual’s cognitive moral development stage determines how an individual deliberates on ethical dilemmas, their process of deciding what is right or wrong in a condition. In this model, the procurement manager is influenced by **individual factors, situational surroundings** and **organizational culture** in his/ her decision-making matrix. The personal factors include **ego strength, field reliance and locus of control** whereas the situational surroundings constitute immediate job context factors such as **fortification and**
work-associated pressures. In this sense, the ethical standards of procurement professional are influenced by the three factors. The organizational culture comprises of the normative structure, referent others, obedience to authority and responsibility for consequences.

Figure 1: An integrated model for understanding ethical behaviour in business organizations

Source: Stead et. al., 1990

According to Badenhorst (1994) Procurers are the major spenders in the organization and are frequently enticed to accept gifts and prevailing double standards within the company. In this sense, they occasionally succumb to unethical behaviour. The procuring environment thus creates an atmosphere favourable to unethical behaviour. The OECD, 2007 reveals that Procurers are persuaded by suppliers and this creates an ambience of dishonesty and, hence, it is inevitable that procurers are sometimes guilty of unethical behaviour. Mathenge (2012)
states that the current Kenya procurement management is deficient of ethical inclination and should employ ethical consideration to re-invent itself. According to Gikonyo (2010), the most relentless barrier to combating corruption is the culture of secrecy in public procurement and related government functions.

Unethical behaviour in public procurement, which includes conflict of interest and corruption, is a concern since it may dent relations within the procuring department, the relationship with other departments in the company, and with suppliers (Badenhorst, 1994). Unethical practices in public procurement leads to loss of public resources and consequently contributes to suffering of the poor (Gikonyo, 2010). According to the World Bank (2010), the practice gnaws away Africa’s resources and destabilizes development. It demeans the long-standing interests of the deprived (World Bank, 2010). Unethical procurement practices deny citizens, and also private entities, of the economic benefits of their taxes and natural resources (Transparency International, 2010). According to Pidaparthi (2006), although unethical practices in procurement has attracted the attention of policy makers of both the developed and developing world, little progress has been achieved in addressing the problem.

2.4 EFFECTS OF ETHICAL CONSIDERATION ON PUBLIC PROCUREMENT

There are many effects of ethical considerations in public procurement systems. In Malaysia, researchers have been able to show the effect of unethical behaviour to the procurement of construction quality (Rahman et. al, 2007). These researchers identified several instances of unethical misconduct arising out of the ethical considerations taken by public officials responsible for procurement. Most of these unethical conducts are in the project procurement process. In numerous research reports, more than 70% of the respondents gave the same feedback regarding the Malaysian construction industry whereby this industry is tainted with
unethical conducts among the construction players, including the public sectors as the main clients of construction industry.

The researchers identified the following Unethical Conducts as some of the effects of ethical considerations in Public Procurement.

1. Under bidding, Bid Shopping, Bid Cutting
2. Bribery, Corruption
3. Negligence
4. Front loading, Claims game
5. Payment Game
6. Unfair & dishonest conduct, Fraud
7. Collusion
8. Conflict of Interest
9. Change order game
10. Cover pricing, withdrawal of tender
11. Compensation of tendering cost

In his research on ethics to the project procurement processes, Guth (2009) exposes a few of the issues that can occur out of ethical considerations:

- issues of influence – behaviours or actions that may negatively influence or appear to influence, procurement decisions (such as seller gifts, entertainment or outright bribes)
- perceived impropriety – the intent and appearance of unethical or compromising conduct in relationships, actions and communications
- conflict of interest – personal, business or other activities that conflict with the lawful interests of the employer
confidential and propriety information – violations of confidentiality, non-disclosure and proprietary rights

reciprocity – improper reciprocal agreements

applicable laws, regulations and trade agreements – violations of Law

A conflict of interest exists when an individual has the opportunity to make a decision which advances his or her own interest rather than that of the organization (Walker, et al., 2008). Conversely, bribes, gifts, personal payments have diverse connotation in different countries. In western countries, all of these are regarded as a probable conflict of interest. On the other hand, in China, there is a term called “guanxi” whereby this is to establish rapport and trust with business associates that is deemed different to bribery. In Chinese culture, gift giving is an accepted dynamic of any relationship. It shows that a relationship is valued and is a means of communicating respect and honour for the other person (Tian, 2008). Honesty and fairness is needed in business ethics and so with project procurement.

Corruption in African countries has progressively put on an “African face.” Defined as the abuse of public office for private gain or basically the exploitation of public resources for personal profiteering, public procurement and corruption are trite in the majority of the African public sector acquisition practices. Procurement reforms were undertaken, fairly to enhance transparency and accountability of the public procurement systems. Viewed as bureaucratic and a breeding ground for corruption, the old procurement systems were projected to be turned around into sound public procurement systems that highlighted ethical and professional management. However, even in a new system with the highest degree of ethical conduct, corruption can emerge. Corruption in public procurement occasionally manifests as bribery, rent-seeking, contractor-client payoffs, kick-backs as shown in the Vicious Circle of Corruption in Public Procurement. A recent study by the World Bank,
shows that Corruption costs the African Continent about $148 billion approximately 25 percent of its Gross Domestic Product (GDP) and usually results in the execution of shoddy contracts which have far reaching and most debilitating effects on society as a whole, Republic of Ghana (2013). In all African countries, strong legal and institutional frameworks have been put in place with the anticipation of addressing corruption. But the systems are fundamentally redundant because of the failure of the political leaders to castigate public officials who have clearly misused public money. The general lack of political determination and commitment to fight corruption has encouraged other public officials to engage in the same practice, (Thai, 2009, p.149)

In many countries, bribery and corruption are regarded as unethical behaviour and those found guilty of giving or accepting bribes are penalised. In Malaysia for instance, culprits are punished under the Malaysian Anti Corruption Act 2009. Under this act, offenders are penalised with maximum 20 years imprisonment and a fine of five (5) times the value of the gratification or RM 10,000 (USD 3,125) whichever is higher. A report by The Star, in 2008, revealed that the Anti-Corruption agency (ACA) had apprehended an engineer working with the Alor Gajah Municipal Council and a contractor for suspected graft involving RM 47,100 (AUD$ 15,700). These are examples of ethical behaviour that occur in public sectors that involved corruption and conflict of interest. All these must be overcome to avoid the tendency of them getting worse.
CHAPTER THREE
METHODOLOGY

3.1 Introduction

This chapter presents the study area, population and sampling techniques as well as analytical procedures. The chapter further dealt with the presentation of data gathered, instruments for data collection and sources of data, as well as scope and limitations of the methodology. The study continued with the development of an interpretive research methodology together with a review of the objective of the research. A multiple research approach which includes the review of pertinent literature, exploratory interviews, administering of survey questionnaires and analyses of documents available at the procurement entities were conducted.

3.2 The Study Area

The study area for this research is Accra the capital city of Ghana in the Greater Accra Region. It consists of public procurement stakeholders within the Region. This region is located in the south-east belt of the Ghana. The region shares boundaries with three of the ten political regions, Eastern Region to the north, Volta Region to the east, Central region to west. The Greater Accra Region is the largest of the 10 administrative regions in Ghana and the most densely populated, occupying a total land surface of 1,236 square kilometres of the total land area of Ghana. In terms of population, however, it is the second most populated region with a population of about 4million inhabitants in 2010, accounting for 16.30 per cent of Ghana’s total population (GSS 2010). However, Accra has certainly not ceased to be the hub of the country’s economy, commerce and ‘power’; coupled with its highest population, it naturally enjoys the benefits of being the fulcrum of the nation. It is a relatively ‘built – up’
environment with many infrastructures like roads, bridges, skyscrapers, estates, government establishments, all kinds of private developments, schools, hospitals, theatres, cinemas, shopping malls to mention a few. Accra harbours over 350 Public Entities made up of Ministries, MMDAs, Government Departments, Health Institutions, and Educational Institutions etc. As such there cannot be a better place to obtain data for this study.

3.3 Population

A research population can be described as the totality of a distinct collection of individuals or objects that have a common, binding characteristics or features. The population for this study comprised of all those who are involved in public procurement activities within the Greater Accra Region, specifically the Accra Metropolis. The main reason for using this grouping of people is that their activities directly or indirectly has a demeanour on public procurement within Greater Accra Region which is the scope for the study. The research covers a population of over one thousand five hundred (1500) direct stakeholders and over three hundred and fifty (350) public entities in the Greater Accra Region.

Table 3.1 Sample Frame selected from the Population

<table>
<thead>
<tr>
<th>Sample Frame</th>
<th>No. of Person</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff of Ministry of Roads &amp; Highways</td>
<td>10</td>
</tr>
<tr>
<td>Staff of Accra Metropolitan Assembly (AMA)</td>
<td>10</td>
</tr>
<tr>
<td>Staff of Ghana Highway Authority</td>
<td>10</td>
</tr>
<tr>
<td>Suppliers, Contractors and Consultants in the Private Sector</td>
<td>10</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>40</strong></td>
</tr>
</tbody>
</table>

*Source: Researcher’s Fieldwork*
3.4 Sample and Sampling Techniques

In research study activities, testing every individual in the entire population is practically impossible, time-consuming and expensive too. Therefore it is realistic to choose a smaller portion of a unit sample to represent the applicable attributes of the whole of the units (Graziano & Raulin, 1997). The sample size was calculated with recourse to the deVaus proportion approach (deVaus, 2002).

The statistical formula used in determining the sample size is Yamane (1967:886).

It states that: 

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

Where 

- $n$ = Sample size 
- $N$ = Population Sample Frame 
- $e$ = level of precision.

Number of Respondents

$$n = \frac{40}{1 + 40(0.1^2)} = 28.57 \approx 29 no.$$ 

From the Yamane (1967:886) formula, not less than 29 respondents are to be served with questionnaires.

However, a sample size of 40 respondents was considered appropriate and representative enough for the study as indicated in the Sample frame in Table 3.1 above. The study purposively targeted selected public entities to represent procurement activities in the Accra Metropolis. The study involved members of entity tender committees, tender evaluation panel, procurement and management staff of Public Entities (PEs) as well as suppliers,
contractors and consultants who supply goods, perform work contracts and provide consulting services to this public entities.

3.5 Data Collection

Using more than one data collection instrument strengthens and gives credibility to the study. The use of more than one data collection instrument portrays a true picture of the case under study, Patton (2002).

Two sets of data were identified as being relevant to the effective conduct of this research namely primary and secondary. This approach was used because it revealed issues that could not be raised in using only one data collection instrument.

**Primary data** which refers to field data were obtained through the use of well-structured questionnaire, interviews and field observation. This was done with the focus on the objectives set in the study. The primary data were collected from the selected respondents within the sample frame in the research population. The analysis of the study was substantially based on this data.

**Secondary data** through the review of various relevant literatures were also used in the course of carrying out the research. It was obtained from various research publications of Local and Foreign Origin, books, articles, journals, newspapers, reports obtained from libraries, PPA, Public Entities, and the internet on the subject in order to answer the questions set in the problem definition. From the secondary data examined, a clearer framework of this research was established.
3.6 Questionnaire Design

The research questions were developed by the researcher and were reviewed by some experts in academia and in procurement practice. Generally, the questionnaire was designed to collect general data from stakeholders in the public entities and the private sector. These questions were grouped in categories to collect data on nature of procurement systems, factors influencing ethical considerations, as well as the effect of the ethical considerations on public procurement systems on entities in the Accra Metropolis.

All issues or factors were rated by participants on a five-point Likert scale. The instrument consisted of the following sections: Section A; solicited personal and general information from the participants using objective test. Section B; solicited information on respondent’s perception on the factors that influence ethical considerations in public procurement. In section C each item was scaled from 1-5 with the statement: Strongly Agree, Agree, Neutral, Disagree, and Strongly Disagree respectively. Questions in this section solicit data on the impact/effect of the ethical considerations.

3.7 Questionnaire Administration

The preliminary questionnaire developed were pilot tested with 3 respondents each at the 3 sectors of the public entities to ensure that the questions were clear and not ambiguous, such that responses would be reliable for the purpose of the study. Few questions were reviewed as a result of non response from the respondents of the pilot study. This was done to improve the reliability and validity of the questionnaire. The questionnaires were self administered on one-to-one basis to the respondents willing to fill or provide answers to the questionnaire at the entities premises. The completed questionnaire was taken by the researcher on the same
day. The primary data collected was reviewed by the researcher to ensure utmost precision, legibility, totality, reliability and to reduce ambiguity.

3.8 The Research Design

According to De Vaus, 2001, a research design is not just a work plan. It is a tool that enables the researcher to ensure that the data obtained answer the questions under investigation in a research, as explicitly as possible. There are three main research approaches: qualitative, quantitative and mixed approach that can be adopted for a study. The researcher settled on the mixed approach which combines the two approaches (qualitative & quantitative). The basis for choosing the mixed approach to this research was determined by considering these three conditions: type of research question, the researcher’s control over actual events of public procurement, and degree of focus on contemporary events.

Thus, in order to answer the questions under investigations in this research credibly, it was necessary to obtain relevant evidence to test the theory of the factors that contribute to ethical considerations in public procurement, to appraise the influence they make on the procurement professionals, or to precisely depict the effect of the ethical considerations.

To do this an exploratory research was carried out among procurement practitioners involved in public procurement of works, goods and services. Both structured and unstructured questionnaires, observations and in-depth interviews were used to collect primary data. All the data (both primary and secondary) collect was analyzed using mixed approach (both qualitative and quantitative analysis). According to Cresswell, 1994, Quantitative analysis method uses standardized instruments, so that the varying viewpoints and experiences of people can fit a limited number of predetermined response categories, to which numbers, pie
chart, bar chart etc are assigned and measured statistically. Conversely, qualitative data are often expressed verbally in order to understand a social or human problem through pictures and words in a natural setting. Therefore, both qualitative and quantitative research methods were used in this study.

3.9 Data Analysis

The Statistical Package for Social Sciences (SPSS version 16.0) and Microsoft Office Excel software’s were used for data entry and analysis of the data collected. Data preparation was the initial stepped to translate raw data into structured format that was more appropriate for the analysis. Responsibilities in this stage included data editing, data coding and data entry, frequency distributions, percentages, and descriptive analysis of assessing the effect of the ethical considerations on the public procurement system on the Public Entities in the Accra Metropolis of the Greater Accra Region.

Data collected were assembled and analyzed using a variety of quantitative statistical models such as tables, bar chart and pie chart to illustrate the results. The findings were seriously examined to ensure consistency with the research objective.

3.10 Limitations and Scope of Research

The major limitation faced during the research was the issue of respondents not providing honest and true detailed answers to the questions. Since most of the respondents work in the public sector, they were reluctant to answering the questions because they thought that the answers they provided might be used against them. Numerous explanations and assurances hand to be made for them to accept to answer the questions. The researcher had to conduct
the interview at the convenience of the respondent. This created a lot of inconveniences for the researcher who had to do numerous visits to their offices until the interviews are conducted. Time and lack of financial resources were also problems encountered in the research. Thus the research concentrated only on participants within the Accra Metropolis.
CHAPTER FOUR

PRESENTATION AND INTERPRETATION OF RESULTS & FINDINGS

4.1 INTRODUCTION

In this chapter the data collected from the field is analyzed and discussed. The analysis and the discussion were aimed at achieving the objectives set for the study. Generally, the questions asked required quantitative answers using a 5-point scale, typical of the “Likert Scale” of 1 for “not frequent”; 2 for “less frequent”; 3 for “frequent”; 4 for “more frequent” and 5 for “most frequent”. The data generated were analyzed using descriptive statistical tools such as percentages, mean/averages, frequencies and mean score ranking respectively.

The data collected for the study consisted of primary data collected via structured questionnaire administered on construction professionals and technicians (Procurement Managers, Procurement Officers, Department Heads, Quantity Surveyors, Consultants and Service Providers; Contractors) as well as Procurement personnel working in and for Three (3) randomly selected Public Institutions (Ministry of Roads and Highways, Ghana Highway Authority and the Accra Metropolitan Assembly) in the Accra Metropolis.

4.2 DEMOGRAPHIC CHARACTERISTICS OF RESPONDENTS

The opening section of the questionnaire relays to the demographic background of all the respondents. For the reliability of data, the researcher classified the respondents according to age, gender, educational level, Public Institution within the institution and the period respondents had worked for the Institution.
4.2.1 Age composition of the respondent

The respondents were grouped using a class interval of 10 years to be able to determine the fairness and effectiveness in the presentation.

From Table 1, 40% of the respondents were between 31 to 40 years, 30% of the respondents were below 30 years, 20% were between 41 to 50 years and 10% aged above 50%. This indicates that the Public Sector employs mature people in relation to their work setting that requires mature people.

Table 1: Respondents Age

<table>
<thead>
<tr>
<th>Age</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Below 30 years</td>
<td>12</td>
<td>30</td>
</tr>
<tr>
<td>31-40 years</td>
<td>16</td>
<td>40</td>
</tr>
<tr>
<td>41 - 50 years</td>
<td>8</td>
<td>20</td>
</tr>
<tr>
<td>Above 50</td>
<td>4</td>
<td>10</td>
</tr>
<tr>
<td>Total</td>
<td>40</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: primary data

4.2.2 Gender composition of the respondents

The researcher classified the respondents according to their gender for the case of their gender presentation as indicated in the figure below. From the figure, 67% of the respondents were Male, and 33% were Female. This implies that the Procurement work done in the Public Sector favours mostly the Male than the Female by the work setting.
4.2.3 Composition of respondents according to their education level

The researcher classified the respondents’ education level by HND, Degree, Master’s and Doctorate. The findings are presented below;

![Diagram showing the composition of respondents by education level]

Figure 1: Gender composition of the respondents.

Source: Primary data

Figure 2: Showing the Education level of the respondents.

Source: Primary data
From the figure above, 45% were BSc. holders, 30% were at MSc. Level, 20% of the respondents were HND holders and 5% were at the PhD level. This indicates that Public Sector employs qualified personnel in relation to its work of Procurement Management.

4.2.4 *Period for which correspondents had worked with or for the Public Sector*

The researcher was to analyze the respondents’ experience with Public Sector in their work and results of the findings are as follows.

**Table 2: Period for which respondents had worked with Public Sector**

<table>
<thead>
<tr>
<th>Number of years</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Below 5 years</td>
<td>14</td>
<td>35</td>
</tr>
<tr>
<td>6-10 years</td>
<td>16</td>
<td>40</td>
</tr>
<tr>
<td>11-15 years</td>
<td>8</td>
<td>20</td>
</tr>
<tr>
<td>More than 15 years</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td>Total</td>
<td>40</td>
<td>100</td>
</tr>
</tbody>
</table>

*Source: Primary Data*

From the table above, 40%; the majority of the respondents had worked between 6 to 10 years, 35% for a period not more than 5 years, 20% between 11 to 15 years and 5% of the respondents had worked with Public Sector for a period above of 15 years. This implies that the respondents working terms and Conditions with Public Sector are favourable.
4.2.5 Designation of the Respondents in the Public Institution

Table 3: Positions/Designations of the Respondents

<table>
<thead>
<tr>
<th>Positions/Designations</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Procurement Manager</td>
<td>3</td>
<td>7.5</td>
</tr>
<tr>
<td>Project Manager</td>
<td>6</td>
<td>15</td>
</tr>
<tr>
<td>Procurement Officer</td>
<td>10</td>
<td>25</td>
</tr>
<tr>
<td>Quantity Surveyor</td>
<td>8</td>
<td>20</td>
</tr>
<tr>
<td>Materials Manager</td>
<td>3</td>
<td>7.5</td>
</tr>
<tr>
<td>Private Consultant</td>
<td>3</td>
<td>7.5</td>
</tr>
<tr>
<td>Supplier</td>
<td>3</td>
<td>7.5</td>
</tr>
<tr>
<td>Contractor</td>
<td>4</td>
<td>10</td>
</tr>
<tr>
<td>Total</td>
<td>40</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Primary Data

Respondents on this study are mostly management members or supporting staff with a lot of knowledge and experience in Procurement Management within the Public Sector. Majority of the respondents were Procurement Officers representing 25% of the respondents. Quantity Surveyors (representing 20% of the respondents) were next, followed by Project Managers (15%), then the Contractors (10%), and concluding were the Procurement Managers, Material Managers, Private Consultants and the Suppliers (each representing 7.5% of the respondents).
4.3 ETHICAL CONSIDERATIONS IN PUBLIC PROCUREMENT

4.3.1 Factors that Influence Ethical Consideration

The researcher has listed the factors into the three factors; Individual Factors, Organizational Culture and External Forces.

*Table 4: Individual Factors that Influence Ethical Consideration*

<table>
<thead>
<tr>
<th>Nr.</th>
<th>Identified Factors</th>
<th>SA</th>
<th>A</th>
<th>Nu</th>
<th>D</th>
<th>SD</th>
<th>N</th>
<th>Σ FX</th>
<th>Mean Score</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Personality</td>
<td>X=5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>Ego Strength</td>
<td>F</td>
<td>21</td>
<td>11</td>
<td>2</td>
<td>6</td>
<td>0</td>
<td>40</td>
<td>167</td>
<td>4.18</td>
</tr>
<tr>
<td>3.</td>
<td>Locus of Control</td>
<td>F</td>
<td>4</td>
<td>2</td>
<td>20</td>
<td>9</td>
<td>5</td>
<td>40</td>
<td>111</td>
<td>2.78</td>
</tr>
<tr>
<td>4.</td>
<td>Field reliance</td>
<td>F</td>
<td>9</td>
<td>14</td>
<td>7</td>
<td>6</td>
<td>4</td>
<td>40</td>
<td>134</td>
<td>3.35</td>
</tr>
<tr>
<td>5.</td>
<td>Socialisation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6.</td>
<td>Religion</td>
<td>F</td>
<td>15</td>
<td>12</td>
<td>5</td>
<td>6</td>
<td>6</td>
<td>40</td>
<td>156</td>
<td>3.90</td>
</tr>
<tr>
<td>7.</td>
<td>Gender issues</td>
<td>F</td>
<td>18</td>
<td>10</td>
<td>6</td>
<td>4</td>
<td>2</td>
<td>40</td>
<td>158</td>
<td>3.95</td>
</tr>
<tr>
<td>8.</td>
<td>Work Experience</td>
<td>F</td>
<td>25</td>
<td>6</td>
<td>0</td>
<td>6</td>
<td>3</td>
<td>40</td>
<td>164</td>
<td>4.10</td>
</tr>
</tbody>
</table>

*Source: Primary data*

Mean item score

5 = Strongly Agree (SA); X = Mean item score (MIS);
4 = Agree (A); \[ \text{F} = \text{Frequency/Respondents’ score;} \]

3 = Neutral (Nu); \[ \text{N} = \text{Total Number of Respondents (87)} \]

2 = Disagree (D); \[ \Sigma \text{FX} = \text{Weighting} \]

1 = Strongly Disagree (SD)

From the Table 4, the analysis revealed that about 84% of the respondents strongly agree that the Ego Strength, with a mean score of 4.18 points, is the major individual factor that influences Ethical considerations in the Public procurement system. Work experience is the second individual factor with a mean score of 4.10 points representing 82% of the respondents, followed by Gender issues with a mean score of 3.95 points representing 79% of the respondents. The next is Religion with a mean score of 3.90 points representing 78% of the respondents; Field reliance is at 5th position with a mean score of 3.35 points representing 66% of the respondents. The least agreed individual factor that influence Ethical considerations in the Public procurement system is the mean score of 2.78 points representing 56% of the respondents.

**Organizational Factors that Influence Ethical Consideration**

From the Table 5 below, the Characteristics of Job was strongly agreed upon by most of the respondents as the highest organisational factor that influence Ethical considerations in the Public procurement system and was ranked first based on the mean item score (4.48) on the table which is very close to 5.00 meaning “strongly agree” on the 5 - point rating interval scale used. Second is Obedience to Authority with a mean score of 4.18 points, followed by Work-Associated Pressures (3.98 points), Managerial Behaviour (3.68 points), Reinforcement Systems (3.60 points) and Responsibility for Consequences (3.55 points).
Table 5: Organizational Factors that Influence Ethical Consideration

<table>
<thead>
<tr>
<th>Nr.</th>
<th>Identified Factors</th>
<th>SA</th>
<th>A</th>
<th>Nu</th>
<th>D</th>
<th>SD</th>
<th>N</th>
<th>ΣFX</th>
<th>Mean Score</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Characteristics of Job F</td>
<td>25</td>
<td>12</td>
<td>0</td>
<td>3</td>
<td>0</td>
<td>40</td>
<td>179</td>
<td>4.48</td>
<td>1</td>
</tr>
<tr>
<td>2.</td>
<td>Managerial Behaviour F</td>
<td>10</td>
<td>19</td>
<td>3</td>
<td>8</td>
<td>2</td>
<td>40</td>
<td>147</td>
<td>3.68</td>
<td>4</td>
</tr>
<tr>
<td>3.</td>
<td>Responsibility for Consequences F</td>
<td>8</td>
<td>17</td>
<td>8</td>
<td>3</td>
<td>4</td>
<td>40</td>
<td>142</td>
<td>3.55</td>
<td>6</td>
</tr>
<tr>
<td>4.</td>
<td>Obedience to Authority F</td>
<td>15</td>
<td>21</td>
<td>0</td>
<td>4</td>
<td>0</td>
<td>40</td>
<td>167</td>
<td>4.18</td>
<td>2</td>
</tr>
<tr>
<td>5.</td>
<td>Reinforcement Systems F</td>
<td>6</td>
<td>14</td>
<td>18</td>
<td>2</td>
<td>0</td>
<td>40</td>
<td>144</td>
<td>3.60</td>
<td>5</td>
</tr>
<tr>
<td>6.</td>
<td>Work-Associated Pressures F</td>
<td>17</td>
<td>12</td>
<td>5</td>
<td>5</td>
<td>1</td>
<td>40</td>
<td>159</td>
<td>3.98</td>
<td>3</td>
</tr>
</tbody>
</table>

Source: Primary data
Table 6: External Forces (Factors) that Influence Ethical Consideration

<table>
<thead>
<tr>
<th>Nr.</th>
<th>Identified Factors</th>
<th>SA</th>
<th>A</th>
<th>Nu</th>
<th>D</th>
<th>SD</th>
<th>N</th>
<th>ΣFX</th>
<th>Mean Score</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Economic Situation</td>
<td>F</td>
<td>22</td>
<td>18</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>40</td>
<td>182</td>
<td>4.55</td>
</tr>
<tr>
<td>2</td>
<td>Political Interference</td>
<td>F</td>
<td>25</td>
<td>15</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>40</td>
<td>185</td>
<td>4.63</td>
</tr>
<tr>
<td>3</td>
<td>Multiple Stakeholders</td>
<td>F</td>
<td>7</td>
<td>12</td>
<td>12</td>
<td>6</td>
<td>3</td>
<td>40</td>
<td>134</td>
<td>3.35</td>
</tr>
<tr>
<td>4</td>
<td>Societal Conditions</td>
<td>F</td>
<td>9</td>
<td>16</td>
<td>5</td>
<td>4</td>
<td>6</td>
<td>40</td>
<td>138</td>
<td>3.45</td>
</tr>
<tr>
<td>5</td>
<td>Gifts &amp; Hospitality</td>
<td>F</td>
<td>21</td>
<td>14</td>
<td>18</td>
<td>2</td>
<td>0</td>
<td>40</td>
<td>144</td>
<td>3.60</td>
</tr>
</tbody>
</table>

**Source: Primary data**

From the Table 6, the analysis revealed that about 93% of the respondents strongly agree that the Economic Situation, with a mean score of 4.63 points, is the most high-ranking organisational factor that influences Ethical considerations in the Public procurement system. Societal Conditions is the second position with a mean score of 4.55 points representing 91% of the respondents, followed by Gifts & Hospitality with a mean score of 3.60 points representing 72% of the respondents. The next in line is Societal Conditions with a mean score of 3.45 points representing 69% of the respondents. The least agreed individual factor that influence Ethical considerations in the Public procurement system with the mean score of 3.35 points representing 67% of the respondents.
4.4  EFFECTS OF ETHICAL CONSIDERATIONS IN PUBLIC PROCUREMENT

Table 7: Unethical Behaviours Practiced in the Public Procurement System

<table>
<thead>
<tr>
<th>Effects of Ethical Considerations</th>
<th>Respondents’ Score</th>
<th>Mean Score</th>
<th>%</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>X 5 4 3 2 1 N ΣFX</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Under bidding, Bid Shopping, Bid Cutting</td>
<td>F 16 15 8 1 0 40 166</td>
<td>4.15</td>
<td>83</td>
<td>3</td>
</tr>
<tr>
<td>Bribery &amp; Corruption</td>
<td>F 24 16 0 0 0 40 184</td>
<td>4.60</td>
<td>92</td>
<td>1</td>
</tr>
<tr>
<td>Negligence</td>
<td>F 12 13 10 5 0 40 152</td>
<td>3.80</td>
<td>76</td>
<td>6</td>
</tr>
<tr>
<td>Front loading, Claims game</td>
<td>F 14 11 12 3 0 40 156</td>
<td>3.90</td>
<td>78</td>
<td>4</td>
</tr>
<tr>
<td>Payment Game</td>
<td>F 8 7 10 9 6 40 122</td>
<td>3.05</td>
<td>61</td>
<td>10</td>
</tr>
<tr>
<td>Unfair &amp; dishonest conduct, Fraud</td>
<td>F 10 17 5 4 4 40 145</td>
<td>3.63</td>
<td>73</td>
<td>7</td>
</tr>
<tr>
<td>Collusion</td>
<td>F 15 12 9 1 3 40 155</td>
<td>3.88</td>
<td>77.6</td>
<td>5</td>
</tr>
<tr>
<td>Conflict of Interest</td>
<td>F 16 19 5 0 0 40 171</td>
<td>4.28</td>
<td>86</td>
<td>2</td>
</tr>
<tr>
<td>Change order game</td>
<td>F 9 12 8 9 2 40 137</td>
<td>3.43</td>
<td>69</td>
<td>8</td>
</tr>
<tr>
<td>Cover pricing, withdrawal of tender</td>
<td>F 5 13 18 0 4 40 135</td>
<td>3.38</td>
<td>68</td>
<td>9</td>
</tr>
<tr>
<td>Compensation of tendering cost</td>
<td>F 2 5 3 13 17 40 82</td>
<td>2.05</td>
<td>41</td>
<td>11</td>
</tr>
</tbody>
</table>

Source: Primary data

The analysis in Table 7 indicates the most significant effect of ethical considerations in the Public Procurement Management system is Bribery & Corruption with a mean score of 4.60
points representing 92% of the total respondents used for the research work. Conflict of Interest is ranked as the second effect with a mean score of 4.28 points representing 86% of the total respondents. This was followed by Under bidding, Bid Shopping, Bid Cutting which accumulated 4.15 points representing 83% of the respondents, then Front loading & Claims game with 3.9 points representing 78% of the respondents. Collusion was next have attained the mean score of 3.88 points representing approximately 78% of the respondents. Unfair & dishonest conduct and Fraud, Cover pricing & withdrawal of tender, Payment Game and finally Compensation of tendering cost followed in that order with a mean scores of 3.63, 3.38, 3.05 and 2.05 points representing 73%, 68%, 61% and 41% of the total respondents respectively in the order as stated.
CHAPTER FIVE

SUMMARY OF FINDINGS, DISCUSSIONS AND CONCLUSIONS

5.1 INTRODUCTION

This Chapter tries to attend to the Ethical considerations explored, how they relate to the Public Procurement and their effect on the Public Sector

In Procurement Management, inter-organisational relationships are of the utmost importance. Ethical practice and behaviour is a means for improving inter-organisational relationships by providing a clear understanding of the privileges and responsibilities of all parties, improving productivity, affecting long-term business dealings, and influencing quality, time and cost. Therefore, the ability to build sustainable relationships grounded in ethical practice is important to procurement management.

5.2 SUMMARY OF FINDINGS

It was discovered that ethical considerations in the Public Procurement system are of great significance to the Public Sector as the neglect of this considerations will, if not worsen, give way for increase in adverse ethical issues that will affect the Procurement Systems in the Public Institutions badly and possibly destroy the numerous efforts made for the introduction of the Public Procurement Act, Act 663 to sanitize the procurement system in the public sector. If not properly checked the consequential effect of unethical behaviours will result in damaging the trust build in the Public Sector by Ghanaians after the introduction of the PPA, Act 663.
5.2.1 Ethical Considerations in Public Procurement

Although there may exist numerous ethical considerations to procurement management, this research looked into the 3 major factors that contribute to ethical considerations in the public procurement. They include the Individual, Organisational and External Factors.

The findings showed that the complexities of ethical considerations within the Public Procurement process in the country. It highlights the differences in perceptions of what ethical considerations are; the importance of individual and organisational factors as well as the external factors which comprise the social, political and economic considerations. The research disclosed that though work experience, work-associated pressures, obedience to authority and managerial behaviour contribute to the ethical considerations that are eminent in the public procurement system, Ego strength, the Characteristics of the job and Economic situations are the most influencing factors that aid ethical considerations in procurement processes. It also reveals the effects of these influences on ethical considerations to be the unethical behaviours evident within the public procurement systems. Whilst Under bidding, Bid Shopping, Bid Cutting, Front loading & Claims game, Collusion, Unfair & dishonest conduct and Fraud and lack of transparency featured strongly amongst the list of concerns the more significant concerns related to Bribery & Corruption as well as Conflict of interest.

5.3 Recommendations

The Public Procurement Authority and the Government therefore need to be very concerned about ethical considerations. To that end significant attention must be directed to the development of codes of ethics as a tool to develop an ethical culture with the procurement industry. Given that the nature of the public procurement system makes it difficult to monitor
behaviour on individual level it seems that the codes of ethics for practice are the most feasible way to change behaviour. Of themselves, the codes cannot change the practices, but further research may improve their effectiveness.
REFERENCE


Dato' Shaziman bin Abu Mansor (Works Minister of Malaysia - 2009), Opening speech at the "Seminar on Integrity in Construction Industry 2009". Kuala Lumpur


The Star (2008). ACA nabs contractors and engineers

The Star (2006), Move to Curb Contractor Abuses


TOPIC: Ethical Considerations in Procurement Management and Its Effect on Public Procurement.

Introduction

This study is being undertaken by a post-graduate Student of the Department of Building Technology of the Kwame Nkrumah University of Science and Technology, studying for a Master of Science Degree in Procurement Management, and under the supervision of Dr. Ayirebi Dansoh, a Lecturer of the department.

The research is purely for academic purposes and the questionnaire attached seeks to gather information on the Ethical Considerations practiced in Public Procurement Management and their effect on Public Procurement. The researcher believes that your participation is very significant to the success of this research and the development of the industry as a whole. The information provided will be considered highly confidential and will not be shown to any other individual except the researcher and the supervisor. As a participant of this survey, a summary of findings may be delivered to you at your request.

THANK YOU IN ANTICIPATION OF YOUR COOPERATION
**Section A: General Information**

Please tick the most appropriate answer to each of the question. Please tick one/more if necessary. Please state your answer in the blank spaces provided for the questions without multiple choice.

**Demographic Characteristics of Respondents**

1. Please indicate the Age grouping you belong to
   a. Below 30 years [ ]
   b. 31 to 40 years [ ]
   c. 41 to 50 years [ ]
   d. Above 50 years [ ]

2. Gender
   a. Male [ ]
   b. Female [ ]

3. What is your Educational Qualification?
   a. MSc [ ]
   b. BSc [ ]
   c. HND [ ]
   d. CTC [ ]
   e. PhD [ ]

4. What type of Institution are you working in or for?
   a. Ministry [ ]
   b. MMDA [ ]
   c. Government Department [ ]
   d. Private Consultancy [ ]

5. How long have you been working in the Public Sector?
   e. Below 5 years [ ]
   f. 6 to 10 years [ ]
   g. 11 to 15 years [ ]
   h. Above 15 years [ ]
6. What is your designation in the institution?
   
a. Procurement Manager [ ]
   b. Quantity Surveyor [ ]
   c. Project Manager [ ]
   d. Procurement Officer [ ]
   e. Materials Engineer [ ]
   f. Private Consultant [ ]
   g. Supplier [ ]
   h. Contractor [ ]

Section B: Ethical Considerations in Public Procurement

Factors that Influence Ethical Considerations in Public Procurement

7. Please indicate (tick - √) how you assess the following Individual factors that influence ethical considerations in public procurement.

   *Most Significant (5), Very Significant (4), Significant (3), Less Significant (2), Not Significant (1)*

<table>
<thead>
<tr>
<th>Identified Individual Factors</th>
<th>1</th>
<th>2</th>
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<th>4</th>
<th>5</th>
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</thead>
<tbody>
<tr>
<td><strong>Personality Factors</strong></td>
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<td>Ego Strength</td>
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<td>Locus of Control</td>
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<td>Field reliance</td>
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<td><strong>Socialisation</strong></td>
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<td>Region</td>
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<td>Gender Issues</td>
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<tr>
<td>Work-Associated Pressures</td>
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</tbody>
</table>
8. Please indicate (tick - \( \sqrt{ } \)) how you assess the following Organisational factors that influence ethical considerations in public procurement.

\textit{Most Significant (5), Very Significant (4), Significant (3), Less Significant (2), Not Significant (1)}

<table>
<thead>
<tr>
<th>Identified Organisational Factors</th>
<th>1</th>
<th>2</th>
<th>3</th>
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<th>5</th>
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</thead>
<tbody>
<tr>
<td>Characteristics of Job</td>
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<td>Managerial Behaviour</td>
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<td>Responsibility for Consequences</td>
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<td>Obedience to Authority</td>
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<td>Reinforcement Systems</td>
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<td>Work-Associated Pressures</td>
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9. Please indicate (tick - \( \sqrt{ } \)) how you assess the following External factors that influence ethical considerations in public procurement.

\textit{Most Significant (5), Very Significant (4), Significant (3), Less Significant (2), Not Significant (1)}

<table>
<thead>
<tr>
<th>Identified Unethical Behaviours</th>
<th>1</th>
<th>2</th>
<th>3</th>
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<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic Situation</td>
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<td>Political Interference</td>
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<td>Multiple Stakeholders</td>
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<td>Societal Conditions</td>
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<td>Gifts &amp; Hospitality</td>
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</tbody>
</table>
Effects of Ethical Considerations in Public Procurement

10. Please indicate (tick - √) how you assess the following effects of Ethical Considerations in public procurement.

   *Most Significant (5), Very Significant (4), Significant (3), Less Significant (2), Not Significant (1)*

<table>
<thead>
<tr>
<th>Identified External Factors</th>
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<th>2</th>
<th>3</th>
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<th>5</th>
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<tbody>
<tr>
<td>Under bidding, Bid Shopping, Bid Cutting</td>
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<tr>
<td>Bribery &amp; Corruption</td>
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<td>Negligence</td>
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<td>Front loading, Claims game</td>
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<td>Payment Game</td>
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<td>Unfair &amp; dishonest conduct, Fraud</td>
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<td>Collusion</td>
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<td>Conflict of Interest</td>
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<tr>
<td>Change order game</td>
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<td>Cover pricing, withdrawal of tender</td>
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<td>Compensation of tendering cost</td>
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</table>

11. Please indicate below any recommendation you may have for the researcher on the factors that influence ethical considerations and the effects on public procurement.

   ........................................................................................................................................
   ........................................................................................................................................
   ........................................................................................................................................
   ........................................................................................................................................
   ........................................................................................................................................
Please return or direct any enquiries to:

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P.O Box YK 1041,
Kanda-Accra, Greater Accra Region,
Ghana West Africa

Tel: +233-208214807

Email: daapetico@yahoo.com

THANK YOU FOR TAKING TIME TO FILL OUT THIS QUESTIONNAIRE