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COLLEGE OF ART AND BUILT ENVIRONMENT

DEPARTMENT OF BUILDING TECHNOLOGY

ASSESSING THE LEVEL OF COMPLIANCE WITHPROCUREMENT PRINCIPLES

BY TELECOMMUNICATIONFIRMS IN GHANA

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(BSc. Building Technology)

,

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**ASSESSING THE LEVEL OF COMPLIANCE WITHPROCUREMENT PRINCIPLES
BY TELECOMMUNICATION FIRMS IN GHANA**

**A Thesis submitted to the Department of Building Technology, Kwame Nkrumah
University of Science and Technology in partial fulfillment of the requirement for the
degree of**

**MASTER OF SCIENCE IN PROCUREMENT MANAGEMENT
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DECLARATION AND CERTIFICATION

I hereby declare that this submission is my own work towards the MSc.Procurement Management and that, to the best of my knowledge, it contains no material previously published by another person nor material which has been accepted for the award of any other degree of the University, except where due acknowledgment has been made in the text.

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ABSTRACT

Compliance to procurement principles before post contract award is crucial in realizing the main objective of the procurement department of a telecommunication firm.

To accomplish this research, the following objectives were pursued:

- To highlight the basic procurement principles in the organisation.
- To assess the importance of the procurement principles to the procurement department of the firm.
- To identify the steps in place to assure complete compliance to the institutions procurement principles.

The survey involved 5 telecom operators and four 4 vendors in the Accra metropolis. Census sampling was adopted for the study and out of the 40 questionnaires, 22 were retrieved for this research. The collated data was principally analyzed using descriptive tools including Relative Importance Index analytical method. The result of the study showed that the procurement method employed by these companies is reliant on cost, quality and proximity to achieve the procurement principle of value for money. The study also showed that the most important principle is Ensuring Cost. One important step for compliance with procurement principles is leaving the sourcing activities in the hands of Qualified and experienced procurement staffs. On the basis of these findings, the study recommends that procurement departments ensure high level of transparency in sourcing activities and also highly rated suppliers should be assisted in career and technical development and financial assistance for them to become strategic partners.

DEDICATION

This Research work is dedicated to the Almighty God who has brought me this far.

It is also dedicated to my lovely wife Anne Asamoah-Bonsu and my son Nigel Asamoah-Bonsu for their love, support and encouragement through it all.

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ABBREVIATIONS

B. C.	Before Christ
C. E. O.	Chief Executive Officer
C. P. O.	Chief Procurement Officer
E - Procurement	Electronic Procurement
G.D.P.	Gross Domestic Product
G.L.S.S.	Ghana Living Standard Survey
I.B.M.	International Business Machine
I.T.	Information Technology
Lab.	Laboratory
M.D.A.	Ministries, Departments and Agencies
N.D.A.	Non-Disclosure Agreement
Ph. D	Doctor of Philosophy
Telecom	Telecommunication
UNCITRAL	United Nations Commission on International Trade Laws
UNDP	United Nations Development Programme
VFM	Value for Money

CHAPTER ONE

INTRODUCTION

1.1 BACKGROUND

In recent times strict monitoring of the procurement principles and objectives has been linked with public institutions. This has become significant because these institutions are only being run by individuals representing the populace. This process has therefore been outlined in the Public Procurement Law 2003 (Act 663) as the procurement rules for public officials to comply. This stipulates clearly the fact that individuals running these entities follow these rules to ensure the basic procurement principles in all dealings.

On the other hand these rules are not applicable in the private sector as each and every firm has a way of implementing the procurement principles.

In recent times procurement principles have become essential to organizations as they have proven to eliminate factors affecting efficiency in sourcing when the task is well planned. The main goal of procurement planning however is to fulfilling the need for goods and services at a reasonable time and cost following a well coordinated and integrated action. To avoid emergency or ill-planned sourcing early and accurate planning is necessary to achieve openness, efficiency, effectiveness and transparency (UNPPH, 2006).

It is of this view that this research tends to outline the level of compliance of the procurement principles in the private sector and to help identify whether these firms have complied with the procurement rules and objectives set by the firm's management.

1.2 STATEMENT OF THE PROBLEM

Strict observation of procurement activities before the post contract award is very crucial in realizing the main objective of the procurement department of the host organization to achieve the basic procurement principles. However, most procurement personnel in the private sector seems to lack the requisite knowledge in the procurement processes of their own organization's resulting in haphazard handling of the processes with little regards to its adherence in the principles of procurement.

Private firms do not comply with Public Procurement Law 2003, Act 663 but clearly follow the rules pertaining in procurement management worldwide. Most private firms have adopted the principles stipulated in the United Nations Procurement Practitioners Handbook which in effect has been the backbone of the procurement practice worldwide.

The research was therefore to assess the level of compliance with procurement principles in the telecommunication industry in Ghana in order to bring to light some of the efficiencies and inefficiencies in the procurement or sourcing activities.

1.3 RESEARCH AIM

The aim of this research was to explore how the procurement principles were complied with in telecommunication firms and to assess the level of compliance of these principles by their procurement departments. The research was to highlight the stages in the procurement processes in which the procurement principles were applied as well as outline its flexibility to the firm and provide insight to the operations of the firm's procurement department.

This research work was, however, to identify the problems facing the procurement department in the telecommunication sector as well as benefits in implementing the procurement principles from the Procurement planning stage to Contract Management stage.

1.4 RESEARCH OBJECTIVES

To accomplish this research, the following objectives were pursued:

1. To highlight the basic procurement principles in the organisation.
2. To assess the importance of the procurement principles to the procurement department of the firm.
3. To identify the steps in place to assure complete compliance to the institutions procurement principles.

1.5 SIGNIFICANCE OF THE STUDY

This research will reveal the best procurement practices and economic benefits to prospective companies, organisations and the country as a whole stands to gain.

It will give us an in-depth insight into reason and importance of compliance to procurement principles and associated challenges. It will also serve as reference and a great knowledge contribution to the existing and growing amount of researches on Public Procurement especially in Ghana.

1.6 RESEARCH QUESTION

The Research questions were as follows:

- Is there the need to follow the basic procurement principles in the procurement processes of the organisation?
- What are the duties of the procurement setup in the organisation?
- What are the roles of the procurement personnel in the organisation in achieving the basic principles of procurement?

1.7 SCOPE OF THE RESEARCH

The scope of the research focused on the simplification of the process involved in gathering information in completing the research work within the acceptable time frame.

The scope of the research is limited to.

- Major Telecommunication infrastructure providers (Vendors) in the Accra Metropolis.
- Telecommunication operators in the Accra metropolis.
- The Procurement departments of the Telecom operators and infrastructure providers.
- The basic principles of procurement practiced by the Telecommunication organization as well as their compliance requirement for companies' audit purposes.

CHAPTER TWO

LITERATURE REVIEW

2.1 DEFINITION OF PROCUREMENT

Thai (2001) traced the history of public procurement from about 2400 and 2800 BC with a procurement order of fifty (50) containers of oil. In those instances evidence adduced is that China and Greek developed close trade and procurement activities especially in silk trade.

Hibberd (1991) defined Procurement as the act of obtaining by care or effort, acquiring or bringing out in building and civil engineering works.

The above definition is accentuated by Lyson (1996), which indicates that the overall purchasing task is aimed at obtaining materials, goods and services either by purchase, lease or contract to satisfy organizational wants by ensuring that these goods are in good standard or specification and quantity, sourced from the right supplier or vendor and delivered to the right location at the right moment. This definition places emphasis on the 'rightness' of the process, the outcome and the significance to the organization.

Juxtaposing these two definitions, this project work defines procurement as carrying out the right sourcing of required works, goods and services with the right prices for the benefit of organizations. This process deals with organizations and individuals both within and without the organization and they have to make the right decisions to effectuate the performance objectives of their procurement units.

The World Bank (2003) indicates amongst others that public international procurement for goods, physical works and consultancy services for Ghana was at six hundred million United States dollars (USD 600 million). This represented about ten percent of Ghana's gross domestic product (GDP). This implication of this is that public procurement is an indispensable function of modern day governments as the huge financial overflows and implications on the socio-economic development of these countries is directly hinged on their GDP and therefore needs stringent management (Thai, 2001). The prudent handling of such procurement activities can therefore not be underestimated as it is directly fundamental to the achievement of socioeconomic objectives of the state.

From above, the issue of malfeasance in a process that involves decision making on the part of individuals is always imminent. To this end, Schapper *et al.* (2006) posited that to enhance transparency and to ward off any malfeasance, technology can be used as a sure tool. Shadrach and Ekeanyanwu, (2003) however affirmed the same position and introduced the concept of electronic commerce (e-commerce). For high procurement values, the framework for authorization throughout the process must be published and key transparent milestones and performance indexes clearly spelt out. The bidding process must adhere to laid down regulations and procedures whereas the need for monitoring and reporting at each stage is emphasized. Records of procurement adverts through to lodgment, progressive analyses of bids, qualification processes and declaration and or award must be clearly indicated.

2.2 PROCUREMENT OF SERVICES

The Physical Works and Professional Services Procurement Process have recognized the critical role of procurement to project implementation and fairness. The same document acknowledges that best practice and procurement are all integral part of the value chain that delivers value for money. Procurement of building construction services is by no means akin to those of other industries even though several differences and peculiarities always crop up. Hibberd(1991) thus defined procurement in the context of building and civil engineering as the act of obtaining by care or effort, acquiring or bringing out in building and civil engineering works, it is basically understood to involve all the processes of acquiring, from the design through the construction, financing and sometimes operation until the client acquires what is required.Services procurement is therefore, the amalgamation of activities undertaken by the client to obtain a perceived output.

2.3 PROCUREMENT PRACTICE IN THE PRIVATE SECTOR

Lynch (2014), created a dichotomy between public and private organizations and their procurement objectives. Whereas they are both designed with structures and frameworks to guide procurement activities, their purposes or objectives for procurement are different. A public body's procurement is geared mostly towards social benefit whilst the private sector is mainly focused on maximizing profit to shareholders. Gavras *et al.* (2005) then averred that procurement can be contextualized in both public and private dimensions.

Public procurement is governed within a framework of rules and regulations and or governmental policies to streamline the procurement process, eliminate hiccups, place responsibilities on public officials and ensure value for money. This is mainly because the funds to be utilized for these procurement activities are mainly from public funds and the government through its officials would be held accountable for how these have been utilized.

According to Lynch (2014), private sector procurement is hinged on company rules and regulations and or shareholder policies. Even though these are not dictated by the law and directly dictated by the company's policies, the rules and processes nevertheless frown on malfeasance.

Thus Dimitiri *et al.* (2011) express worry about achieving efficiency in both public and private procurement. It indicated that the achievement of efficiency is quite an ambitious task mainly due to the market structure, legal framework, the political environment, the scrutiny and authorization processes. They also echoed the key role that efficiency in the

procurement practices of both public and private organization play in modern economies as they reduce waste and enhance value for money.

2.4 BASIC PRINCIPLES OF PROCUREMENT

Strict monitoring of the procurement principles have been linked with public institutions. This has become eminent because these institutions are only being run by individuals representing the populace. These principles have therefore been outlined in Ghana for instance the procurement law, Act 663 as the procurement main objectives for public entities to comply. This stipulates clearly the fact that individuals running these entities follow these principles to ensure transparency, efficiency, effectiveness, accountability and fairness in all their dealings (PPA Annual Report, 2008).

Ghana's public procurement through its ministries, departments and agencies are governed by the Act 663. It is a very comprehensive law which is intended to eliminate all the deficiencies and structural weaknesses in the procurement processes that were inherent in public sector procurement before 2003 (PPA Annual Report, 2008).

However, there is no such law except the commercial laws and the individual company policies which control private sector procurement. Lynch (2014) reiterated that maximizing profits for shareholders is the main objective of any private business and thus their procurement activities are geared towards supporting this objective. Private organizations nevertheless seek social benefits too.

The increase in corrupt activities, wasteful expenditure in procurement, malfeasance and inefficiencies in the public procurement sector necessitated the consultative and collaborative efforts of the Ghanaian government and its development partners to adopt

the Public Procurement Law, Act 663 of 2003 (PPA Annual Report, 2008). This has to a very large extent brought some confidence and investor trust in the transparency and purposefulness of the system.

On the other hand these principles are not enforceable in the private sector as each and every entity has a way of implementing the procurement process (Gavras *et al.*, 2005).

Procurement principles have become essential to public entities as it has proven to eliminate factors affecting timely delivery of works (Lyson, 1996).

The application of the basic procurement principles to all decision making in the Telecommunication companies in the Accra metropolis will therefore increase corporate accountability and increase the economic, social, environmental and sustainable benefits of the country. Gavras *et al.* (2005) have found the usefulness of the UNCITRAL Rules on the procedures aimed at achieving the basic procurement principles in procuring Goods, Construction and services adapted in 1994. This however maximizes the economy and efficiency in procurement.

2.4.1 Accountability

Accountability is also diverse as whether or not it is public or private procurement. Lynch (2014) observed that the private sector procurement officials are responsible and held liable by their management for their activities on procurement of good and or services for their organization and because the main objective is profit making, there are stringent policies which are followed to the letter of the policies.

In the public sector, UNPD (2008) and Gaventa and McGee (2013) both agree on the strengthening of the capacities of local authorities and governments and the need for

accountability and modalities for measuring accountability in the face of multiplicities in the whole procurement processes of governments.

The lack of accountability creates evils of nepotism, favoritism, collusion and widespread corruption which eventually replace the prime objective of commercial criteria, socioeconomic benefit and creates additional costs in the public procurement processes. To make it worse, termination of some of these contracts end up in long legal battles which end up in judgment debts to succeeding governments. In business communities where there is lack of accountability, there is less incentive for any contractor to be spurred to provide highly efficient services and quality works (Brinkerhoff, 2004). The result is that incentives in the market place are distorted which benefits the less efficient contractors and puts the rather efficient contractors at a loss. They are thus unable to remain viable and productive as they are sacrificed for the less efficient ones.

The Ghanaian Public Procurement Law, Act 663 of 2003 modeled on the Procurement of Goods, Construction and Services rules by UNICITRAL guarantees greater transparency, accountability and fiduciary duties on officials in the use of public funds (World Bank, 2003). Further, the laws on causing financial loss to the state have strengthened the resolve of the governments to fight the canker of corruption that has crept into public procurement. Thus accountability plays a pivotal role in any procurement system be it public or private (UNDP, 2010). When accountability and transparency is done without in the procurement process, there is a higher risk of corruption as the vast majority of public funds and resources would be channeled through dubious means to serve the parochial interests of a few. This damages the government's

reputation and pushes away genuine investors who might be afraid their resources would not be likewise protected.

Where even corruption has been controlled and is thus low, procurement audits helps to identify inefficiencies and streamlining the process to increase effectiveness, efficiency and reduce wastage that bring additional benefits to society (Gaventa and McGee, 2013).

In a study, Brinkerhoff (2004) explained and justified the results of the measurement of goals and results; and punishment or sanctions for non-performance as the three key components of accountability.

2.4.2 Transparency

Transparency in procurement is mostly associated with the public sector since the stakeholder is to be well informed on matters concerning public funds. To increase the gains in the participation in an e-market place, Gavras *et al.* (2005) indicated that there is the need to enhance transparency, minimize cost by using best evaluated bids per transaction and open up opportunities for penetration to new markets

In order to achieve efficiency procurement has to be innovative. E-procurement however is one of the most innovative processes to achieve efficiency. Again Gavras *et al.* (2005) have reiterated that more efficient procurement processes initiated by improved market transparency with an improvement in price and quality ratios are the targets benefits that accrue on the buyer side. In procurement even though the buyer seeks to achieve value for money there should always be fairness in that the supplier should also benefit in some way or the other. Greater benefits are connected with easy access to market and transparency at the supplier side (Gavras *et al.*, 2005).

Adjei (2006) has highlighted why the importance of transparency in works, goods and services procurement in the public sector in the Ghanaian economy is critical. He however argued that in recognition of this critical role, the main objective of the Public Procurement Board is to promote transparency and promote professionalism to support individuals, ministries, departments and agencies that are associated with public sector procurement to ensure economics of scale best practices to preserve the resources of the nation and save the public purse from wanton abuse.

The process of procurement has thus been codified to ensure that procurements in the public sector follows these rules, open the procurement process to all eligible suppliers and contractors save for selective procurement. Adjei (2006) further mentioned the requirements of transparency as the creation of the open and fair platforms for all to compete. This encourages and attracts in-country investment, investor confidence, keen competition which yields better results for public expenditure as the public service is seen as a responsible business partner. There is no doubt that one of the best deterrents to corruption is transparency and provides access to a wealth of information to the public.

2.4.3 Competitiveness

To elicit the best deals from vendors, it is important that there is competitiveness for both the private and public procurement sector. This is because vendor prices are realistic and keenly competitive. This allows for product revolution and innovation which eventually leads to savings and indeed best value for money. To this end, Glendinning (1988) mooted out that tender advertisement, review of sourcing registers, transparency

in tender review and the tender process, prequalification and clarity in criteria for selection are methods by which competitiveness can be achieved.

Glendinning (1988) further posited that this brings added advantage of potential savings for the economy; fair playing ground for vendors elicits response from qualified local vendors and agencies and is a method of developing and building the capacity of the local industries.

This is fully supported by Barrows *et al.* (2003) asserting on the fact that poverty reduction, economic growth and employment depends on competition in procurement. This in turn reduces corruption which would be rife in a non-competitive environment and would be minimized if not avoided completely.

To draw the interconnectivity, Bruun (2003) underscores the importance of competition to be compatible and non-discriminatory principles and urges academic research to bring out the importance.

2.4.4 Value for Money

Most people mistake best value for money to mean low price. Indeed there is a great dichotomy between price and best value for money even though you cannot have best value for money if price is not a factor. Best value for money extends to the benefits that are derived for paying that particular price and includes the best available outcome of the procurement considering the relevant costs and alternatives over the whole procurement cycle (Glendinning, 1998). Procurement organizations and departments are therefore urged to consider as prudent any exercise aimed at considering the benefit that the procuring organization would derive over the long term. This ensures that the total cost of ownership of the procured item is applied in the procuring of goods and services.

When this is done, decision makers would have made well informed decisions which would be of best value for money to the organization (Lyson, 1996).

Most academicians and writers have attributed this basic procurement principle to the optimum combination of life cycle cost and quality of products and or services that meet the differing consumer request and the procurement organization. Thus the need to compare various alternatives enhances the assessment of value for money. The factors largely taken into consideration are governmental policy contributions and contributing factors such as the life cycle cost, cost of transaction, and fitness for purpose; service and support and sustainability considerations. For that purpose, Glendinning (1988) indicated that the everyday assessment of value for money largely laid in not paying more than required to meet product quality that serves the purpose for which it is procured. This translates into cost minimization, output maximization and full attainment of intended results.

Public spending stands to benefit as the implication is a concern for our economy, efficiency and effectiveness.

Kinyeki (2012) however, reiterated that procurement professionals must endeavor to document very appropriately and without vagueness, the precise selection and requirement criteria with which results can be compared. This encourages the adoption of rules and methods of measuring these values for confirmation or otherwise of the benefits that have accrued from the procurement undertaken.

Adjei (2006) has squarely put the onus on the Public Procurement Board when he asserted that their aim as enshrined in the law setting them up include inter alia the harmonization of the public sector procurement processes so as to secure economic and

efficient use of the Ghanaian public purse during any public procurement. This is done in the private companies through formulating the right policies and implementing them to the letter.

2.4.5 Fairness

Impartiality and fairness should be present in contract award decisions. Fairness is among the relevant principal factors to ensuring successful procurement (Gaventa and McGee, 2013).

In the procurement process, fairness should be paramount from planning stage through to the award of contract. This should be executed by treating all bidders equally as far as the conditions stipulated in the tender document are concerned.

Empowering bidders in public sector procurement to have the courage and determination to initiate investigation into any likelihood of unfair treatment during public bidding is essential. The basis of the investigation would be the report of any circumvention of the processes that have been outlined in the procurement or tender invitation and instructions. The reporter must ensure that he has documented evidence of the shortfall and breach of the process to aid in the investigation (Gaventa and McGee, 2013). Officials found to be culpable must be severely dealt with to stem any corrupt practices.

However in the private sector the level of fairness lies on the onus of the firm but this has to be linked to the information indicated in the tender document. To ensure this, Fisher and Lovell (2009), advise companies to establish as a matter of urgency to have a history of fairness and equal opportunity hiring policies. This instills investor and

customer confidence in the company which yields tremendous benefits for corporate image and branding.

2.4.6 Effectiveness and Efficiency

Savings and cost control are key issues in public and private procurement (Dimitriet *et al.*, 2011). In most Telecom companies procurement activities are centralized to achieve the efficiency. The former CPO of IBM, Gene Richer, commenting on the book “Who Says Elephants Can’t Dance” by Lou Gerstner, favours centralized procurement for large organisations: To be able to significantly minimizing a division’s purchase costs and still be responsive to a division’s need to a world-class source (Dmitri *et al.*, 2011).

2.4.7 Ethical

Corruption is common both in public and private organizations as can be witnessed from various cases being prosecuted in Court of laws from time to time. Majority of the cases involving malpractices especially with international organizations are dealt with silently and within the organizations as a way of avoiding bad publicity and lack of support (Kinyeki, 2012).

Osei-Tutu *et al.* (2009) has reiterated that, corruption occurs throughout the procurement process and project cycle, contractors, suppliers, consultants, and public servants through their actions and inactions.

Heady *et al.* (1996) joined the fray of opinion that argue that upholding moral principles involves leading clean lifestyles even within the professional domain allowing good conscience, patriotism and the thought of posterity to guide their actions and thoughts. This was accentuated by the assertion of Schapper *et al.* (2006) that ethical standards

and considerations are an integral part of the procurement system for the following reasons:

- a) Procurement personnel interface with suppliers and are seen as the direct reflection of their organizations in a principal-agent relationship thus any impression created by the procurement staff indirectly affects the company image too
- b) A procurement officer who exhibits high moral conduct and follows ethical standards and rules laid down by their organization enhance good buyer and supplier relation which inures to the economic advantage of their company
- c) When properly trained and qualified procurement officers are employed by organizations, they tend to act more ethically than most other employees who may be put into such positions

Wee (2002) gives good comments here that ethical behavior promotes the reduction in the cost of managing risks that are attributable to fraud, corruption, financial malfeasance, unethical behavior and enhance public confidence in public administration. Mamic (2005), draws a linkage between the general application of sourcing, purchasing and procurement ethics. He averred that the mode of goods or service acquisition through regulated suppliers and vendors in a controlled manner taking into account the manner and states under which such good and or services are made and delivered would promote ethical purchasing. Fisher and Lovell (2009) thus concur that any procurement conducted with due regard for ethics is a valuable tool to combat the problem of ethics in procurement. This primarily extinguishes the question of who to deal with as everyone follows the rules.

In Kenya for instance, Graafland (2002) reported that procurement remains a key sector that has and continues to facilitate the acquisition of goods and or services for both public and private entities and because ethical considerations are high, there have been smooth running of both public and private institutions. This he referred to as ethical purchasing and ethical sourcing.

2.5 PROCUREMENT PRACTICES IN THE TELECOM INDUSTRY

Gavras *et al.*(2005) observed that there are mainly four levels that procurement is regarded in the telecommunication sector. The increasingly complex nature, revolution in technology and innovation in the telecom sector that makes it integrated across national and international boundaries can lead to the misuse of different networks to perpetuate fraud in procurement.

The state of innovation in technology to aid the provision of essential utility services such as telecommunication, gas and electricity require continuous innovation and high volumes of procurement. What this implies is that in order to innovate and institute cost effective services and utilities, the service providers must follow strict procurement procedures that are basically hinged on the laws of public procurement bodies to create transparency and supervision of the process. This has further necessitated the advent of new models of procurement including the electronic procurement and electronic auctions. These according to Gavras *et al.* (2005) come with their own problems as they bring more complexity into an already complex procurement environment.

The performance of procurement has caught the attention of the majority of practitioners, academicians, politicians and authors due to the massive non-

performance and malfeasance directly attributed to the procurement rules and regulation non-adherence. Performance measurement in procurement provides feedback information and basis for ascertaining the progress of organizations towards their predetermined objectives. It also helps in the identification of areas of strength and weaknesses and points to methods and policies to be adopted to improve on the overall performance of the organization (Mamic, 2005).

Gelderman *et al.*, (2006); and Lange, (1999) see the comparison of the regulators conduct to the equivalent legal obligation that the regulator must comply with as a great measure of compliance. Thus social and political regulators consider compliance as a prescribed process of eliminating or avoiding risk normally associated with public procurement systems.

CHAPTER THREE

RESEARCH METHODS

3.1 INTRODUCTION

This chapter describes the research design, the population, the sample and sampling procedure. It also describes the research instruments, the procedure for data collection and methods that are used for the data analysis.

Collis and Hussey (2003), describes research methods as the overall approach to research design process from the theoretical underpinnings to the gathering and collection of data and analysis of the data which was asserted by Naoum (1998)

Research methodology has two main categories. This rather confirms or refutes the theory.

Anderson and Nylander (1999) however re-asserts that for statistical comparison and comparing series of data to be possible the quantitative approach is more likely to succeed, and;

It derives conclusions based on investigation guiding the project using quantitative data which then increases the understanding of case studied since it can penetrate deeper into each case.

The research was helped into position by the literature review whilst relevant information from preliminary questionnaires from respondents helped to compliment the main questions. Procurement departments of the firms under the research scope were involved in the data collection in the survey.

3.2 THE STUDY AREA

The study area consists of procurement departments of the five (5) telecom operators and four (4) telecom vendors recognized by National Communication Authority (NCA), Ghana. These companies have their head offices located in Accra, Ghana. MTN, Vodafone, Tigo, Airtel and Glo which are telecom operators under the study area covers most part of the Ghana with offices in all the regions of the country according to NCA. Ericson, Huawei, Alcatel Lucent and ZTE are however telecom vendors with their main offices in Accra but operate nationwide providing services to the telecom operators in one way or the other.

3.3 POPULATION

The target population of this study covered the employees of five (5) telecommunication operators and four (4) vendors located in the Accra metropolis involved in the procurement process. The target population of this study comprised procurement professionals in the procurement departments of the study area. At the time of the study, target population was forty (40) employees of the study area.

3.4 SAMPLE AND SAMPLING PROCEDURES

According to Bryman and Bell (2007), the ideal sample should be large number to serve as adequate representatives of the population and small enough to be selected economically, that is in terms of subject availability. The sampling technique that was adopted was census sampling.

With the census sampling, it is whereby the researcher try to get information from every member of the group or population who are ready to provide information in certain criteria designed by the researcher (Saunders, *et al*, 2007).

The research was limited to these five (5) telecommunication operators and four (4) vendors located in the Accra metropolis. All focal persons and employees directly involved in the procurement departments in the study areas in this case forty (40) employees were considered as the sample size. This method created an enabling environment that promoted fair and reliability of the data since many company employees have signed Non-Disclosure Agreement (NDA) with their employers.

3.5 APPROACH AND SURVEY DESCRIPTION

This section addresses the techniques of collecting data, methods, and procedures. It provides detailed explanations to each of the methods adopted and how it addresses the aims, objectives and research questions. The survey instruments details as well as methods and data collection is considered in this section.

The study investigates the procurement principles in use in the telecom sector and analyses the level of compliance to these principles of procurement.

The data collection covers the procurement methods and principles in place in these organisations in implementing different sizes (cost) of purchases or services.

3.5.1 Design, Development and Administering of Structured Questionnaire

The research instrument used for the study was a questionnaire comprised of open and closed questions. The questionnaire was developed from the literature review based on research questions proposed for the study and covered three objectives.

The first part of the questionnaire indicated background data of respondents. The second part indicated the basic principles whilst the third part examined procurement principles,

and the final parts identified the importance of the procurement principles and steps in place to ensure complete compliance of procurement principles.

The staffs of the procurement department of the telecom organisations are personally identified and questionnaires given to them. This approach was chosen because of the fact that the questions can be adapted easily since it is suitable to the exploratory stages of the research.

The questionnaire consisted of both open ended and close-ended questions. Thus, in some cases, respondents were to choose the option that best reflected their opinions. The questionnaire afforded respondents much flexibility and privacy in answering the questions without any undue influence. The questionnaire was in simple and unambiguous language and as such, did not pose any problem as regards interpretation. The respondents were also assured that the information would be kept confidential. Out of the forty (40) questionnaires twenty-two (22) questionnaires were filled and returned by the respondents giving us a responsiveness of fifty-five percent (55%) within the expected timeframe of three (3) weeks set aside for data collection for the study.

3.5.2 Analysis of Result

The completed questionnaires were edited to ensure completeness, consistency and readability. Once the data had been checked, they were arranged in a format that enabled easy analysis. Quantifiable data from the questionnaires was coded into the software for analysis. Statistical Package for Social Sciences (SPSS 20.0) and Microsoft excel were then used to analyse the data because it was considered to be user-friendly.

Frequency tables, percentages, bar charts and other descriptive were used to analyse the results. Respondents are required to provide answers by marking a number on a 5-point Likert Scale in order to make it easier for them. The five-point Likert scale scoring system mentioned earlier formed the basis of calculating the mean score for each of the factors; the relative ranking of the factors by all respondents, was then determined by comparing the individual mean score.

The collected data was analysed using quantitative methods. Information from the responses to the administered questionnaire, helped in explaining whether there is total adherence to organisations basic procurement principles.

CHAPTER FOUR

RESULTS AND DISCUSSIONS

This chapter presents and discusses the result of the study in an attempt to address the objectives of the research work. The significant areas this chapter discusses include respondent's background; the basic principles of procurement in the telecom industry; the importance of the basic procurement principles in the procurement process; and the steps in place to assure complete compliance to the institutions procurement principles.

4.1 Socio Demographic Characteristics

This section discusses the gender, age, educational, working experience and business classification and elaborates on socio demographic characteristics of the respondents. The result is presented in Table 4.1.

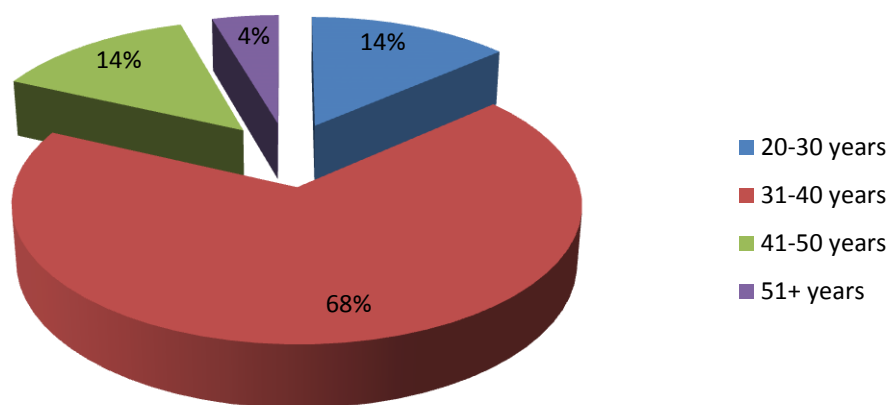


Figure 4.1a Age of Respondents

Table 4.1: Socio Demographic Characteristics

Variable	Category	Frequency	Percent
Gender of respondent	Male	17	77.3
	Female	5	22.7
Total		22	100
Age of respondent	20-30 years	3	13.6
	31-40 years	15	68.3
	41-50 years	3	13.6
	51+ years	1	4.5
	Total	22	100
Educational status	Diploma	4	18.2
	First Degree	13	59.1
	Master's Degree	5	22.7
	PhD	0	0.0
	Total	22	100
Working experience	Below 2 years	1	4.5
	3-5 years	3	13.6
	6-8 years	13	59.1
	9-11 years	3	13.6
	12+ years	2	9.1
	Total	22	100
Business classification type	Telecom operator	12	54.5
	Telecom vendor	10	45.5
Total		22	100

Source: Field Survey, 2015

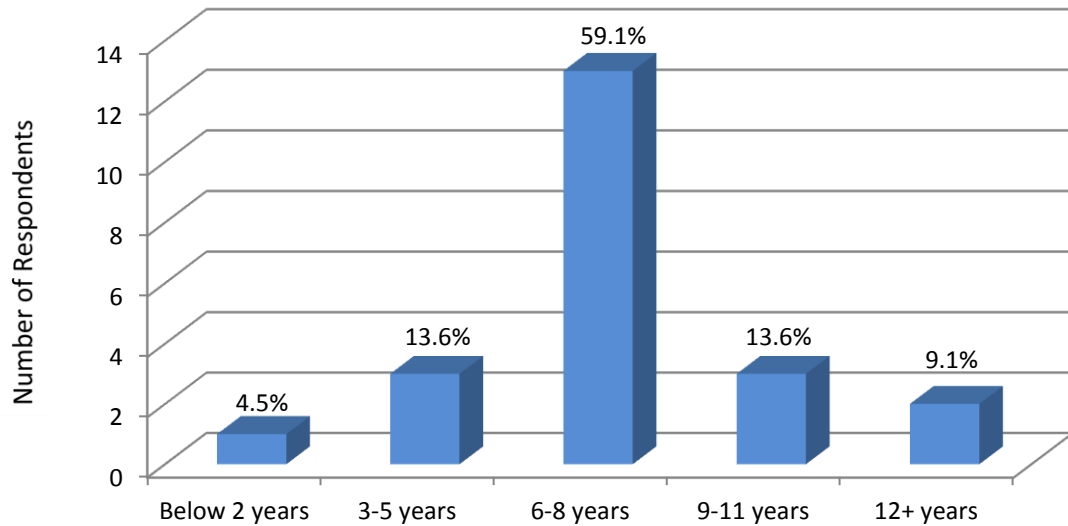


Figure 4.1b Work Experience of Respondent

From Table 4.1, the majority (77.3%) of the surveyed respondents from the procurement departments of the telecom companies and vendors were males. This result is not consistent with the sex distribution of the working population that shows that females and males constitute 52.3 percent and 47.1 percent of Ghana's working-age population respectively. However, it should be emphasized that this trend is attributed to the size of the informal labour market. The majority (68.3%) of the surveyed respondents were between the age category of 31 and 40 years (Fig. 4.1a). However, 13.6% of the respondents were also within the age category of 20 and 30 years. These age categories is cohort recognized officially in Ghana as the youth population that also constitute the majority of the working Ghanaian population. This group constitutes 62 percent of the working-age population (GLSS, 2010). The highest educational level of the majority (59.1%) of the surveyed respondents from the sampled telecom companies and vendors was first degree. The working experiences of the majority (59.1%) of the surveyed respondents are predominantly between the categories of 6 to 8 years. out of the total

surveyed respondents, the majority (54.5%) were telecom operators whereas 45.5% were telecom vendors.

4.2 Basic Principles of Procurement in the Telecom Industry

The basic principles of procurement practiced by the surveyed telecom operators and vendors is presented and discussed in this section of the study. The section discusses the purchases, the types of sourcing, and procurement methods employed by the telecom operators and vendors. Basic procurement principles of the companies in terms of professionalism, transparency, efficiency and value for money, competitiveness, accountability and ethics and compliance with regulatory framework are further discussed in this section of the study. The result of the section is presented in both Tables 4.2A and 4.2B.

Table 4.2A: Basic Principles of Procurement

Category	Description	Frequency	Percent
Company purchases	Raw materials	16	72.7
	Capital equipment	5	22.7
	Others	1	4.5
Total		22	100
Type of sourcing practices	Single sourcing	2	9.1
	Multiple sourcing	4	18.2
	Both	16	72.7
Total		22	100
Procurement method is attributed to	Cost	1	4.5
	Quality	2	9.1
	Proximity	2	9.1
	All the above	17	77.3
Total		22	100

Table 4.2A Continued: Basic Principles of Procurement

Category	Description	Frequency	Percent
Source of information on potential suppliers	Visit to the supplier	6	27.3
	Importers	3	13.6
	Third party agents	12	54.5
	Commercial attaches	1	4.5
Total		22	100
Perform supplier performance rating	Yes	18	81.8
	No	4	18.2
Total		22	100
Conditions under which suppliers are changed	Defective materials	17	77.3
	High price	3	13.6
	Others	2	9.1
Total		22	100
Sourcing procedure used	Manual	6	27.3
	IT	16	72.7
Total		22	100
Standardize items bought	Yes	18	81.8
	No	4	18.2
Total		22	100
If yes, form of standard company uses	Company standard	15	68.2
	National or industrial standard	2	9.1
	International standard	1	4.5
Total		18	81.8
Type of inspection conducted on purchases	Batch inspection	4	18.2
	100% inspection	17	77.3
	Lab. Inspection	0	0
	Others	1	4.5
Total		22	100

Source: Field Survey, 2015

From Table 4.2, out of the total surveyed respondents from the various procurement departments of the telecom companies, the majority (72.7%) perceived their respective companies to purchase raw materials from suppliers. Other materials perceived to be procured by the telecom companies are capital equipment as indicated by 22.7% of the respondents. The surveyed telecom companies predominantly practices both single and multiple sourcing as indicated by 72.7% of the respondents. These forms of procurement methods adopted by the telecom companies are attributed to cost, quality and proximity requirements of the purchased goods as indicated by the majority (77.3%) of the surveyed respondents. the telecom companies are perceived by the majority (54.5%) of the surveyed respondents to source their purchasing information on potential suppliers from third party agents. Other sources of information on potential suppliers include visit to the suppliers, importers, and commercial attaches. The telecom companies are perceived by the majority (81.8%) of the surveyed respondents to perform supplier performance rating to ensure the right quality, price and cost are met. The majority (77.3%) of the surveyed respondents believe that suppliers of the telecom companies are changed on the basis of defective materials; whereas 13.6% believe is based on high prices. The sourcing procedure employed by the surveyed telecom companies based on the perception of the majority of the surveyed respondents was Information Technology (IT). The telecom companies surveyed have an available IT platform for carrying out effective procurement activities. The majority (81.8%) of the respondents believe that the telecom companies have standardized procurement procedures for purchasing items. The form of procurement standard employed by the telecom companies in the procurement procedures is principally believed to be company standards as indicated by 68.2% of the surveyed respondents. Lynch (2014) has therefore reiterated that private

sector procurement activities are for supporting the principal business of a company, which is to make profit. The type of inspection conducted on purchases of the telecom companies is 100% inspection as indicated by 77.2% of the respondents.

Table 4.2B: Basic Principles of Procurement

	1	2	3	4	5	Mean
Professionalism						
Procurement staff are qualified and experienced to handle Procurement process	0(0.0)	0(0.0)	1(4.5)	2(9.1)	19(86.4)	4.82
Procurement officers and committee members make informed decisions regarding procurement operations	0(0.0)	0(0.0)	2(9.1)	3(13.6)	17(77.3)	4.68
Tender Evaluation is conducted by competent persons	0(0.0)	0(0.0)	1(4.5)	3(13.6)	18(81.8)	4.77
Transparency						
There is transparency in the procurement process	0(0.0)	0(0.0)	1(4.5)	19(86.4)	3(13.6)	4.27
Procurement opportunities are advertised using the appropriate medium	0(0.0)	0(0.0)	16(72.7)	6(27.3)	2(9.1)	3.72
Contract awards are posted online or Published	0(0.0)	16(72.7)	6(27.3)	2(9.1)	0(0.0)	2.64
There is effective monitoring and auditing of procurement activities by oversight bodies	0(0.0)	0(0.0)	0(0.0)	4(18.2)	18(81.8)	4.82
Unsuccessful bidders are debriefed within reasonable time	0(0.0)	0(0.0)	18(81.8)	2(9.1)	2(9.1)	3.27

Efficiency and Value for Money						
There is effective contract management and reporting by the procurement department	0(0.0)	0(0.0)	18(81.8)	2(9.1)	2(9.1)	3.27
There is value for money in the companies procurement process	0(0.0)	0(0.0)	0(0.0)	4(18.2)	18(81.8)	4.82
Projects are completed on schedule and within cost	0(0.0)	0(0.0)	2(9.1)	3(13.6)	17(77.3)	4.68
Competitiveness						
More companies compete for contracts	0(0.0)	0(0.0)	1(4.5)	2(9.1)	19(86.4)	4.82
Increased trust and confidence in procurement among stakeholders	0(0.0)	4(18.2)	16(72.7)	2(9.1)	0(0.0)	2.91
Accountability						
Procurement practitioners are held accountable for their actions	0(0.0)	0(0.0)	2(9.1)	3(13.6)	17(77.3)	4.68
There are sanctions against procurement entity or staffs for non-compliance	0(0.0)	0(0.0)	2(9.1)	2(9.1)	18(81.8)	4.77
Ethics and Compliance with Regulatory Framework						
Procurement department applied appropriate procurement methods for appropriate thresholds in procurement	0(0.0)	0(0.0)	2(9.1)	3(13.6)	17(77.3)	4.68
Departments used Standard Tender Documents set by company	0(0.0)	0(0.0)	1(4.5)	3(13.6)	18(81.8)	4.77
Contract award decisions is fair and impartial	0(0.0)	0(0.0)	1(4.5)	4(18.2)	17(81.8)	4.86

Percentage in parenthesis

Source: Field Survey, 2015

From Table 4.2B, the majority (86.4%) of the surveyed respondents from the telecom companies strongly agreed that their procurement staff as qualified and experienced to handle the procurement process of the telecom companies and vendors. The majority (77.3%) of the surveyed respondents strongly agreed that the procurement officers and committee members of the surveyed telecom companies and vendors make informed decisions regarding procurement operations of the companies. Tender evaluation within the telecom companies is conducted by competent persons as indicated by 81.8% of the respondents that strongly agreed to the statement. This therefore indicates high level of perceived professionalism in terms of adherence to procurement principles by the surveyed telecom companies and vendors.

The majority (86.4%) of the surveyed respondents fairly agreed that there is transparency in the procurement of their respective telecom companies and vendors. The procurement opportunities of the telecom companies and vendors are believed to be advertised using the appropriate medium as indicated by 72.7% of the respondents that fairly agreed to the statement. The contracts of the telecom companies and vendors are not posted online or published as shown by the majority (72.7%) of the respondents that disagreed with the statement (Table 4.2B). However, the majority (81.8%) of the surveyed respondents strongly agreed that the telecom companies and vendors have effective monitoring and auditing system for procurement activities by oversight bodies. The surveyed companies are fairly agreed by the majority (81.8%) of the respondents to ensure that unsuccessful bidders for contracts are debriefed within reasonable time. This therefore indicates a perceived fairly high level of transparency in the procurement system of the telecom companies and vendors. Adjei (2006) mentions that transparency

requires the creation of open and fair method of acquisition of goods, works and services and these elements are evident in the procurement processes of the surveyed telecom operators and vendors.

From Table 4.2B, there is fairly effective contract management and reporting by the procurement departments of the surveyed telecom companies as 81.8% of the respondents fairly agreed to the statement. The majority (81.8%) of the surveyed respondents strongly agreed to the statement that there is value for money in the surveyed telecom companies and vendors procurement process. Projects of the telecom companies and vendors are perceived to be completed on schedule and within cost as 77.3% of the respondents strongly agreed to the statement (Table 4.2B). Moreover, majority (86.4%) of the surveyed respondents strongly agreed that the telecom and vendor company's offer contracts that are competed by more companies. The majority (72.7%) of the respondents however fairly agreed that there is increased trust and confidence in the procurement process among stakeholders. There is therefore high level of competitiveness in the procurement process of the telecom and vendor companies as more companies are allowed to compete for contracts. The telecom operators and vendors are therefore perceived to operate under fairly competitive procurement procedures and therefore meet Glendinning's (1988) description of competitiveness in procurement that is believed to be achieved through advertising of tenders, sourcing reviews, prequalification and the adoption of transparent procedures in the procurement systems. Barrows *et al.* (2003) posit that competitiveness in procurement eventually leads to economic development and poverty reduction because corruption and frauds in procurements are avoided or at least minimized.

From Table 4.2B, it is envisaged that the procurement practitioners of the telecom and vendor companies are held accountable for their actions as indicated by 77.3% of the respondents that strongly agreed to the statement. There are available sanctions for the procurement practitioners that flout procurement rules or staffs that are non-compliant as 81.8% of the surveyed respondents strongly agreed to the statement. Consistent with this finding, Lynch (2014) showed that under the private sector procurement, procurement practitioners answer only to management and are responsible for their actions.

The procurement departments of the telecom and vendor companies applied appropriate procurement methods for appropriate threshold in procurement as indicated by 81.8% of the respondents that strongly agreed to the statement (Table 4.2B). The procurement departments of the telecom companies also use standard tender documents prepared by the company mostly using the UNICITRAL as a guide in the procurement process and ensure that contract award decision is fair and impartial as indicated by 81.8% of the respondents. Schapper *et al.* (2006) reiterated that ethical standards and considerations are very important for good buyer-supplier relationship in the procurement system; increase confidence in public administration hence reducing risks associated with fraud, theft, corruption, and other improper behavior.

The general findings of this section are therefore consistent with the study of Gavras *et al.* (2005) that showed that the UNCITRAL Model Law on Procurement of Goods, Construction and Services of 1994 which indicates procedures aimed at achieving the basic procurement principles and objectivity in the procurement process,

therefore increasing efficiency in procurement also adopted by the various telecom operators and vendors in Ghana.

4.3 Importance of the basic procurement principles in the procurement process

This section of the study assesses the importance of the basic procurement principles of the telecom operators and vendors in the procurement process. To achieve this, the respondents were presented with ten (10) possible importance of the basic procurement principles in the procurement process identified in literature to indicate their level of agreement to them by choosing from ‘strongly disagree’ [1] to ‘strongly agree’ [5]. After the information for this section was collated, the relative importance index (RII) was used to rank the importance of the basic principles. Table 4.3 therefore presents the frequencies of the respondents, weight, RII and by extension the ranks of the possible impact.

Table 4.3: Importance of the basic procurement principles in the procurement process

Importance	Frequency of Ranking					RII		
	1	2	3	4	5	Weight	RII	Rank
Ensure cost efficiency	0	0	2	2	18	104	0.945	1
The available procurement rules facilitate the achievement of our organization objectives	0	0	2	3	17	103	0.936	2
Removes many forms of corruption in the procurement process	0	0	3	2	17	102	0.927	3
Reduces all forms of favoritism and nepotism	0	0	2	4	16	102	0.927	4
Enhance transparency	0	1	2	3	16	98	0.891	5
Get value for money	0	1	2	3	16	98	0.891	6
More efficient working and purchase processes	0	2	3	6	13	98	0.891	7
Opportunity for penetration to new markets	0	1	2	4	15	97	0.882	8
Improved price/quality ratio in procurement	0	2	2	3	15	93	0.845	9
Cross-border collaboration	0	1	3	6	12	93	0.845	10

Rank: [1-strongly disagree, 2-disagree, 3-fairly agree, 4-agree and 5-strongly agree]

Source: Field Survey, 2015

From Table 4.3, a critical observation of the ranked measures reveals the following results in terms of the importance of the basic procurement principles in the procurement process in the descending order of rank. From the study, cost efficiency was ranked first with a RII of 0.945; availability of procurement rules to facilitate the achievement of the

telecom operators and vendors objectives was ranked second with a RII of 0.936; remove many forms of corruption in the procurement process was ranked third with RII of 0.927; reduction of all forms of favouratism and nepotism was ranked fourth with a RII of 0.927; transparency enhancement was ranked fifth with RII of 0.891; get value for money was ranked sixth with a RII of 0.891; produce more efficient working and purchase process was ranked seventh with a RII of 0.891; opportunity for penetration to new markets was ranked eighth with a RII of 0.898; and improved price/quality ratio in procurement was ranked ninth with RII of 0.845. However, the least ranked significance of the basic procurement principles in the procurement process of the telecom operators and vendors was cross-border collaboration with RII value of 0.845. Savings and cost control are key issues in private sector procurement (Dimitri *et al.*, 2011). In most Telecom companies procurement activities are centralized to achieve the efficiency and the surveyed telecom operators and vendors are no exception. The study revealed that the telecom operators and vendors have centralized procurement and so be able to significantly minimizing a division's purchase costs and still be responsive to a division's need to a world-class source (Dimitri *et al.*, 2011).

4.4 Steps in Place to Ensure Complete Compliance to the Institutions Procurement Principles

The various steps and measures put in place by the surveyed telecom operators and vendors to ensure complete compliance to the procurement principles and procedures are discussed in this section of the study. The result is presented by Tables 4.4A and 4.4B.

Table 4.4A: Steps in Place to Ensure Compliance to Procurement Rules

Steps to ensure Compliance	1	2	3	4	5
Only those familiar with procurement rules in this office are allowed to carry out procurement tasks	0(0.0)	0(0.0)	3(13.6)	3(13.6)	16(72.7)
Procurement work functions in this office is done only by practitioners with academic or professional qualifications	0(0.0)	13(59.1)	2(9.1)	3(13.6)	4(18.2)
Applicable procurement rules are clearly stated and easily understood	0(0.0)	0(0.0)	1(4.5)	6(27.3)	15(68.2)
Training programs are frequently organized for the staff of this office on procurement related courses	0(0.0)	0(0.0)	2(9.1)	6(27.3)	14(63.6)
Staff of this office frequently participate in procurement training programs to increase our knowledge of the rules and regulations of procurement as stipulated by Company	0(0.0)	1(4.5)	3(13.6)	4(18.2)	14(63.6)
We provide extensive information regarding our procurement practice to our supervisors	0(0.0)	1(4.5)	2(9.1)	4(18.2)	15(68.2)
We focus our reports along established rules and regulations as stipulated by Company	0(0.0)	0(0.0)	1(4.5)	6(27.3)	16(72.7)
We are frequently asked to report our procurement performance	0(0.0)	0(0.0)	2(9.1)	3(13.6)	17(77.3)

Rank: [1-strongly disagree, 2-disagree, 3-fairly agree, 4-agree and 5-strongly agree]

Percentage in parenthesis

Source: Field Survey, 2015

From Table 4.4A, out of the total surveyed respondents of 22 from the telecom companies and vendors, the majority (72.7%) strongly agreed that only persons familiar with procurement rules in the procurement office are allowed to carry out procurement task. The procurement work functions in the procurement department are not done by practitioners with academic or professional qualification only as indicated by 59.1% of the respondents that agreed to the statement (Table 4.4B). The applicable procurement rules are clearly stated and easily understood as strongly agreed by the majority (68.2%) of the surveyed respondents. training programs are frequently organized by the telecom companies and vendors for the staff of the procurement department as strongly agreed by 63.6% of the surveyed respondents. Staff of the procurement office frequently participates in procurement training programs to increase their knowledge in the rules and regulations of procurement as stipulated by the Company as strongly agreed by 63.2% of the surveyed respondents. The staff of the procurement office provides extensive information regarding the procurement practices of the telecom companies and vendors to their supervisors as strongly agreed by 68.2% of the surveyed respondents. The procurement departments of the telecom companies and vendors are required to focus their reports along established rules and regulations as stipulated by Company as strongly agreed by 72.7% of the surveyed respondents. The staff at the procurement departments of the surveyed telecom companies and vendors is frequently asked to report their procurement performance as strongly agreed by 77.3% of the respondents.

Table4.4B: Steps in Place to Ensure Compliance to Procurement Rules

Steps to ensure Compliance	1	2	3	4	5
We frequently receive directives as to how to carry out our procurement duties	0(0.0)	0(0.0)	1(4.5)	3(13.6)	18(81.8)
We are frequently inspected to see if we adhere to the established procurement rules as stipulated by Company	0(0.0)	0(0.0)	2(9.1)	4(18.2)	16(72.7)
Our supervisors ensure that we follow and comply with the established rules in our day-to-day procurement functions	0(0.0)	0(0.0)	2(9.1)	4(18.2)	16(72.7)
We are assessed based on the reported procurement performance	0(0.0)	1(4.5)	3(13.6)	3(13.6)	15(68.2)
Proforma invoice is used to make purchases	0(0.0)	0(0.0)	2(9.1)	3(13.6)	17(77.3)
Purchases are made only after being approved by the relevant authorities	0(0.0)	2(9.1)	2(9.1)	4(18.2)	14(63.6)
We keep record of goods and services received without delay	0(0.0)	13(59.1)	2(9.1)	3(13.6)	4(18.2)
We apply proper storage methods to prevent damage and pilfering	0(0.0)	0(0.0)	1(4.5)	6(27.3)	15(68.2)
workers in our organization are usually sanctioned for not complying with procurement rules	0(0.0)	0(0.0)	2(9.1)	6(27.3)	14(63.6)
Sanctions are usually effected immediately after the violation of the rules are detected	0(0.0)	1(4.5)	3(13.6)	4(18.2)	14(63.6)

Rank: [1-strongly disagree, 2-disagree, 3-fairly agree, 4-agree and 5-strongly agree]

Percentage in parenthesis

Source: Field Survey, 2015

From Table 4.4B, it was revealed that the staff of the procurement department frequently receives directives as to how to carry out their procurement duties as strongly agreed by the majority (81.8%) of the surveyed respondents. the staff of the procurement department are frequently inspected to see if they adhere to the established procurement rules as stipulated by Company as strongly agreed by 72.7% of the surveyed respondents of the study. the supervisors of the staff of the procurement department ensure that they follow and comply with the established rules in their day-to-day procurement functions as shown by 72.7% of the surveyed respondents that strongly agreed to the statement. The staff of the procurement department is assessed based on their reported procurement performance as strongly agreed by 68.2% of the surveyed respondents of the study. Purchases are made by the procurement departments of the various telecom companies and vendors using proforma invoices as strongly agreed by 77.3% of the surveyed respondents. The purchases of the telecom companies and vendors are made only after been approved by the relevant authorities as indicated by 63.6% of the surveyed respondents that strongly agreed to the statement (Table 4.4B). The staff of the procurement departments of the telecom operators and vendors do not keep prompt records of goods and services received as disagreed by 59.1% of the surveyed respondents of the study. However, proper storage methods are applied by procurement departments of the telecom companies and vendors to prevent damage and pilfering as strongly agreed by the majority (68.2%) of the respondents. The workers at the telecom companies and vendors are usually sanctioned for not complying with procurement rules as strongly agreed by 63.6% of the surveyed respondents of the study. The sanctions are usually applied immediately after the violation of the rules is detected by the authorities

as indicated by the majority of the respondents who agreed strongly to the statement (Table 4.4B).

CHAPTER FIVE

CONCLUSIONS AND RECOMMENDATIONS

5.0 INTRODUCTION

This chapter presents the findings of the survey from which conclusions are drawn and for which recommendations are made to key actors in public procurement. The findings are outlined indirect response to the specific objectives. Recommendations have been provided to improve the procedures and performance of procurement with the overall aim of improving on the level of compliance by telecom firms. The study limitations and directions for future research are also presented. The objectives of the study include:

- To highlight the basic procurement principles in the organisation.
- To assess the importance of the procurement principles to the procurement department of the firm.
- To identify the steps in place to assure complete compliance to the institutions procurement principles.

These research objectives served as guidelines in achieving the stated aim of the study. The research results are discussed in relation to the objectives of the study.

5.1 SUMMARY OF FINDINGS

From the analyses conducted preliminary findings revealed that, majority of the respondents were male, indicating male dominate the profession and are at their youthful stage. Also it was refreshing to note that all the respondents were educated at least up to the tertiary level and most of the respondents have also received formal training in procurement.

5.1.1 Basic Procurement Principles in the Organization

The procurement method employed by these companies is reliant on cost, quality and proximity to achieve value for money. The information on potential suppliers is predominantly obtained from third party agents and through visit to the suppliers. These telecom operators and vendors perform performance rating of the numerous suppliers, and suppliers are often changed on the basis of defective materials and non-performance creating an atmosphere of fairness and competitiveness. To achieve efficiency and effectiveness the telecom companies rely on Information Technology (IT) in sourcing or purchasing from suppliers.

Decisions regarding procurement operations in these companies are carried out by procurement officers and committee members showing a. There are oversight bodies that are effectively monitoring and auditing the procurement activities of the telecom companies. However, these telecom companies rarely advertise procurement opportunities, and contracts awarded are not posted online or published. High levels of efficiency are achieved throughout the procurement process of the surveyed telecom operators and vendors. There is effective contract management and reporting by the procurement department of the telecom companies. The procurement process exhibit principles of competitiveness since more companies are allowed to compete for contracts. Also, procurement practitioners of the telecom companies are held accountable for their actions and sanctions are metered out to non-compliant staff.

The Telecommunication firms however rely on the basic principles of procurement such as Value for Money, Accountability, Fairness, Efficiency and effectiveness, Professionalism and Competitiveness in descending order, but hardly considers Transparency in their day to day dealings.

5.1.2 Importance of the Procurement Principles to the Procurement Department

The study reveals in ranking order the importance of the principles of procurement to the procurement department of the firm in descending order of rank using relative importance index. Ensuring Cost efficiency was ranked first with availability of procurement rules to facilitate the achievement of the company's objectives ranked second. Remove many forms of corruption in the procurement process was ranked third whilst reduction of all forms of favoritism and nepotism was ranked fourth. Transparency enhancement and value for money were ranked fifth and sixth respectively. Producing more efficient working and purchase process was ranked seventh. Opportunity for penetration to new markets was ranked eighth with improved price/quality ratio in procurement ranking ninth. However, the least ranked significance of the basic procurement principles in the procurement process of the telecom operators and vendors was cross-border collaboration.

5.1.3 Steps in Place to Ensure Complete Compliance to the Institutions Procurement Principles

Steps put in place by the surveyed telecom operators and vendors to achieve high level of procurement compliance included leaving procurement activities in the hand of practitioners and professionals. The applicable procurement rules are also clearly stated to ensure high level of comprehension among officers. Training programmes are frequently organized for the staff of the procurement departments. Moreover, the procurement activities carried out by the procurement officers were sternly supervised to ensure compliance to the stipulated procurement principles of the company. Staff that

failed to comply with procurement rules were sanctioned immediately after violations is detected.

5.2 CONCLUSIONS

On the basis of these findings, it is imperative to conclude that the level of compliance of the procurement principles by telecom operators and vendors spelt out in general procurement practice has proven to reduce cost and ensured in the achievement of company objectives. However, these companies fail to ensure greater level of transparency through the posting of contracts awarded online and advertising procurement opportunities through the appropriate medium. Therefore, there are still numerous measures that can be instituted by telecom operators and vendors to further enhance the transparency, competitiveness, efficiency and the professionalism elements within the procurement process. Considering this, several recommendations have been made in the subsequent section.

5.3 RECOMMENDATIONS

Based on the findings of the study telecom operators and vendors fail to post awarded contracts online or publishing procurement opportunities using the appropriate medium, it is essentially recommended for the companies to ensure that these procurement activities are carried out by the procurement departments to ensure high level of transparency in the procurement process.

Selected suppliers after supplier performance rating should be considered as the extension of their organisation and offer these employees of the suppliers trainings,

career development exercise, financial assistance and any form of assistance to be appall and stay focused on the main objective reducing total lead-time, supply cost, rate of rejection, etc. in the long run for them to become strategic partners to the firm.

The telecom operators and vendors should endeavour to train its procurement officers to be informed with the modern methods of procurement beyond company standards to international standards. This can be achieved through institutions like Chartered Institute of Procurement and Supply (CIPS), seminars on procurement etc.

Moreover, since the telecom operators and vendors employ IT procurement procedures, it is essential for these companies to have adequate system protection against data errors, computer crime and breaches of security.

5.4 LIMITATIONS OF THE STUDY

The current study is limited in its setting. The questionnaires were administered to procurement professionals in the procurement departments of the five (5) telecom operators and four (4) vendors in the Accra metropolis, which are more likely to comply than other departments of the companies. Due also to time constraints and logistical complexities not all the procurement staff of the telecom operators and vendors in Ghana was fully covered and therefore out of sample size of forty (40), twenty-two (22) questionnaires were responded.

5.5 SUGGESTIONS FOR FURTHER STUDY

Transparency in the Procurement Process in Telecommunication Firms in Ghana.

Future research could be carried out on compliance issues such as: the percentage of open bidding procedures publicly advertised; percentage of contracts awarded; average number of days between invitation to bid and bid opening; percentage of responsive bids and the percentage of contracts awards publicly disclosed as this research relies on the perceptions of respondents.

This is because these metrics are very important indicators of the following:

- Advertisement of bid opportunities;
- Publication of awards;
- Time for preparation of bids;
- Bid acceptance, method of procurement which is measurable indicators of compliance

It could also include a sample of other kinds of respondents such as suppliers and civil society organizations concerned with corruption and transparency.

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APPENDIX 1

QUESTIONNAIRE

STAFF OF THE PROCUREMENT DEPARTMENT

Dear Respondent,

Please read this short survey about the Investigation into the adherence to Procurement Principles by Telecommunication Firms in Ghana. Read each question carefully before responding, and then circle or tick the appropriate answer in the designated space. Please answer to the best of your ability. You are rest assured that the study is for only academic purposes; all and every information provided will therefore be treated with the needed confidentiality. Thank you for your help.

Socio Demographic Characteristics

Gender: Male ☐ Female ☐

Age: 20-30 years ☐ 31-40 years ☐ 41-50 years ☐ 51+ years ☐

Educational status: Diploma ☐ First Degree ☐ Master's Degree ☐ PhD ☐

Others (Please specify).....

Working experience: below 2 years ☐ 3-5 years ☐ 6-8 years ☐ 9-11 years ☐
12+ years ☐

Business classification type: Telecom operator ☐ Telecom vendor ☐

Basic Principles of Procurement in the Organisation

What does your outfit often purchase?

Raw Materials ☐

Capital equipment ☐

Others (Specify).....

What type of sourcing do you practice?

Single sourcing ☐

Multiple sourcing ☐

Both ☐

The procurement method employed by the company was attributed to

Cost ☐

Quality ☐

Proximity ☐

What are your sources of information on potential suppliers?

Visit to the supplier ☐

Importers ☐

Third party agents ☐

Commercial attaches ☐

Other (Specify).....

Do you do supplier performance rating

Yes ☐ No ☐

b. If yes, what impact does it have on your suppliers?

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

Upon what measures do you change your supplier?

Defective materials ☐

High price ☐

Other (specify).....

What are the purchasing procedures used in the procurement processes?

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

What procedures do you use when sourcing?

Manual ☐

IT ☐

What are your reasons for your choice above?

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

Do you standardize items bought into your company?

Yes ☐ No ☐

If yes what form of standard does your company use?

Company standard ☐

National or Industry standard ☐

International standard ☐

What type of inspection do you conduct on goods?

Batch inspection ☐

100% inspection ☐

Lab. Inspection ☐

Other (Specify)

Please indicate your level of agreement to the underlisted statements with regards to your outfits adherence to the basic procurement principle rules by choosing from a scale of 1 (strongly disagree) to 5 (strongly agree). (1-strongly disagree, 2-disagree, 3-fairly agree, 4-agree and 5-strongly agree)

Professionalism	1	2	3	4	5
Procurement staff are qualified and experienced to handle Procurement process					
Procurement officers and committee members make informed decisions regarding procurement operations					
Tender Evaluation is conducted by competent persons.					
Transparency					
There is transparency in the procurement process?					
Procurement opportunities are advertised using the appropriate medium.					
Contract awards are posted online or published					
There is effective monitoring and auditing of procurement activities by oversight bodies					
Unsuccessful bidders are debriefed within reasonable time					

Efficiency and Value for Money					
There is effective contract management and reporting by the procurement department					
There is value for money in the companies procurement process					
Projects are completed on schedule and within cost					
Competitiveness					
More companies compete for contracts					
Increased trust and confidence in procurement among stakeholders					
Accountability					
Procurement practitioners are held accountable for their actions					
There are sanctions against procurement entity or staffs for non-compliance					
Ethics and Compliance with Regulatory Framework					
Procurement department applied appropriate procurement methods for appropriate thresholds in procurement					
Departments used Standard Tender Documents set by company					
Contract award decisions is fair and impartial					

The importance of the basic procurement principles in the procurement process

Please indicate your level of agreement to the underlisted factors as importance of the basic procurement principles practiced by your telecom company on the procurement process by choosing from a scale of 1 (strongly disagree) to 5 (strongly agree). (1-strongly disagree, 2-disagree, 3-fairly agree, 4-agree and 5-strongly agree)

	1	2	3	4	5
Ensure cost efficiency					
Removes many forms of corruption in the procurement process					
Reduces all forms of favoritism and nepotism					

Enhance transparency					
Opportunity for penetration to new markets					
Cross-border collaboration					
More efficient working and purchase processes					
The available procurement rules facilitate the achievement of our organization objectives					
Improved price/quality ratio in procurement					
Get value for money					

Steps in Place to Ensure Complete Compliance to the Institutions Procurement Principles

Please indicate your level of agreement to the underlisted statements with regards to steps in place to ensure complete Compliance to the institutions procurement principles by choosing from a scale of 1 (strongly disagree) to 5 (strongly agree). (1-strongly disagree, 2-disagree, 3-fairly agree, 4-agree and 5-strongly agree)

	1	2	3	4	5
Only those familiar with procurement rules in this office are allowed to carry out procurement tasks					
Procurement work functions in this office is done only by practitioners with academic or professional qualifications					
Applicable procurement rules are clearly stated and easily understood					
Training programs are frequently organized for the staff of this office on procurement related courses					
Staff of this office frequently participate in procurement training programs to increase our knowledge of the rules and regulations of procurement as stipulated by Company					
We provide extensive information regarding our procurement practice to our supervisors					

We focus our reports along established rules and regulations as stipulated by Company					
We are frequently asked to report our procurement performance					
We frequently receive directives as to how to carry out our procurement duties					
We are frequently inspected to see if we adhere to the established procurement rules as stipulated by Company					
Our supervisors show much interest to see if we are complying strictly with the established rules and regulations					
Our supervisors ensure that we follow and comply with the established rules in our day-to-day procurement functions					
We are assessed based on the reported procurement performance					
Proforma invoice is used to make purchases					
Purchases are made only after being approved by the relevant authorities					
We keep record of goods and services received without delay					
We apply proper storage methods to prevent damage and pilfering					
workers in our organization are usually sanctioned for not complying with procurement rules					
Sanctions are usually effected immediately after the violation of the rules are detected					