

Assessing the Effectiveness of Procurement Systems in Achieving Quality Service in the Public Sector of Ghana

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Abstract

This research aims to evaluate the effectiveness of procurement systems in achieving quality service delivery within Ghana's public sector. Recognising the critical role of procurement in shaping public service outcomes, this study employs a comprehensive approach to assess the various dimensions of procurement systems, including efficiency, transparency, accountability, and adherence to best practices. Quantitative and qualitative methods will collect data from diverse stakeholders, including government officials, procurement practitioners, and service recipients. The findings of this research will contribute to the existing body of knowledge on public procurement in Ghana, offering insights into the strengths and weaknesses of current systems and proposing recommendations for enhancements. The ultimate goal is to inform policymakers and practitioners, fostering the development of procurement frameworks that prioritise quality service delivery, efficiency, and accountability within Ghana's public sector.

Key Words: Procurement Systems | Achieving Quality Service | Public Sector Procurement

1.0 INTRODUCTION

Procurement in every business organisation aims to utilise resources by reducing the spending of the organisation's cash resources for profit maximisation. Dobler et al. (1996) assert that 'the purchasing function within an organisation contributes at least as much to the success of an organisation as other functions in the areas such as marketing, finance and accounting, engineering, and operations. They further stated that organisations can employ efficient and professional purchasing strategies and techniques to maximise profit. In corporate business, procurement professionals embark on a strategy to explore opportunities in the supply market to acquire the right amount of goods and services of the right quality for the right price at the right time in the right place. These acquisitions are done through proactive planning, identification, sourcing, contracting and contract management that an organisation needs or may need to meet its strategic and commercial objectives.

A procurement system can never be effective without employing strategic supply chain management, which consists of all parties directly or indirectly involved through a constant flow of information, materials, and funds between different stages to fulfil a customer or employee request. The supply chain management players include internal and external players in an organisation. They may include manufacturers, suppliers, employees, management, transporters, warehouses, etc. Within each organisation, such as a manufacturer, the supply chain consists of all functions, such as marketing, operations, distribution, finance, procurement, customer service, quality assurance, etc., to fulfil a customer request.

In 2010, the Organization for Economic Cooperation and Development (OECD) report indicated that governments and the international development community are very concerned about how corporate bodies, mainly public ones, apply the effectiveness and efficiency of procurement systems in achieving their procurement and organisational objectives respectfully. Increasing the effectiveness and efficient use of state funds necessitates the existence, implementation and operationalisation of an adequate procurement system by all public entities to achieve the expected goals.

There are several areas of interest within the procurement function to study, such as contract management, supply relationship, inventory control, tendering, and sourcing, to

mention a few that contribute to the expected goal of procurement. This thesis is geared towards another significant procurement area: “effectiveness of procurement systems in achieving quality service in the public sector of Ghana”. Procurement systems are prescribed procedures, measures, and methods organisations use to acquire goods, works, and services to meet operational needs.

2.0 LITERATURE REVIEW

The government uses taxpayers’ money to fund procurement activities to provide for the needs of the citizens. Public procurement is a significant factor for public accountability through which taxpayers’ money can be used judiciously. The judicious use of taxpayers’ money can only be achieved through procurement when effective and efficient systems are implemented and operationalised. The main essence of public procurement is to contribute to national economic growth and poverty reduction towards achieving national development goals. This helps the government to attain its responsiveness and responsibility towards the needs of the citizens. It is, therefore, relevant for a study of this nature to be undertaken to highlight areas of success and challenges which entities and donors can use to assess the quality and effectiveness of procurement systems to support a noble course. This will offer greater effectiveness in operating funds to meet their obligations. It will also help them formulate a capacity development plan and strategies to improve procurement systems. It is anticipated that the findings will add more knowledge to the existing body of knowledge in procurement and service operation and its impact on the performance of service organisations. Finally, the study is also intended to provide value addition by identifying gaps and making recommendations to shrink the gaps in procurement activities for customer satisfaction.

2.1 Concept of Procurement

The term procurement is usually confused with purchasing. Procurement is modern and complex and has a broader term than purchasing. According to Lyson and Farrington (2006), procurement generally includes activities before the purchase, such as identifying and defining a business needs, surveying the market to identify potential suppliers and gathering intelligence. They argue that traditional purchasing definitions are outdated and insufficient regarding what organisational buyers do. They imply that purchasing is reactive, transactional, and tactical, whilst procurement is proactive, relational, and strategic and has an integrated role of the function in modern organisations. Hence, it is adopted in many organisational charts and job titles.

In a nutshell, they defined procurement as a business function or unit or part of an integrated supply chain responsible for acquiring or assisting users to acquire inputs or supplies (goods and services) most efficiently at the right time, quality, quantity and price, and the management of supplies to contribute to the competitive advantage of the enterprise and the achievement of its corporate strategy. From the above explanations, procurement can generally be described as a business function or activity which acquires goods and services at the best total cost of ownership to meet the needs of users in terms of price, quality, quantity, time and location and contribute to the strategic and commercial objectives of the corporate entity.

2.1.1 Importance of Procurement

The procurement function plays a crucial role in the success of every organisation in terms of operation, planning and spending. Musanzikwa (2013) asserts that procurement consumes a more significant proportion of their total expenditure in most business organisations. He recommended that spending officers manage expenditure effectively to realise its optimum value. There are three essential elements or principles that embrace procurement. These include transparency, accountability, and efficiency and effectiveness. The principles of efficiency and cost-effectiveness of procurement relate to ways and means of meeting the ‘six rights’ of procurement (price, time, quality, quantity, place and product. (Caldwell et al., 2009; Musanzikwa, 2013). Benslimane et al. (2005) revealed that procurement rights can be realised to achieve the following objectives and importance.

- a. To bargain and acquire quality organisational inputs (goods and services) economically from suitable sources;
- b. To select capable and efficient suppliers and ensure timely delivery of supplies;
- c. To continuously locate, evaluate and develop economical and reliable suppliers and ensure a steady supply of supplies to avoid interruption of production or operation.
- d. To investigate the availability of new materials and monitor market price trends.
- e. To buy in accordance with the organisation's policies.

2.1.2 Procurement Systems

Every organisation has a set of systems which serve as a source of its foundation, operation and existence. All business functions (marketing, sales, procurement, accounting, research and design, production, human resources, etc.) within an organization have their own specific systems that regulate how they operate and contribute to the organisation's success. One of these is the procurement function, which has a formulated system that regulates procurement activities. An effective procurement system can be a means of problem solving and provide win-win situation to all stakeholders. It has become a nerve centre of performance in both public and private, and therefore, there is a need for a tight system to be adopted and followed. According to Wai-leong (2014) the procurement system would contain the authorization of procurement, drafting tender documents, sending out tender documents, the selection criteria of contractor, getting approval from management and incorporated owners, and finally signing of contract agreement.

Various Systems of procurement

Islam (2014) asserts that there are various systems of procurement implemented by various organizations. The common systems are centralised and decentralised systems or the hybrid systems. CIPS (2011) mentioned a number of key factors that influence the design of a procurement or supply function as follows:

- a. The size, nature and role of the procurement task in the organization. As the size and specialization grows, additional attention may need to be given to mechanism for control and communication. It may also be a dedicated function, reporting at the highest level of the organization – or it may be a subsidiary function reporting through production, finance or commerce.
- b. The structure and environment within which procurement operates.
The internal organization structure: what function procurement reports to (and at what level); what mechanisms are there to co-ordinate procurement activities with those of other functions; who the internal customers of procurement are; how procurement competence and contribution is perceived and measured in the organization; the impact of corporate policy on procurement roles and responsibilities; and so on.
- c. The external supply market and the organization's supply base: its size, geographical spread, structure, degree of specialization, and critical success factors.
- d. The strategic objectives of the procurement function. For instance if cost reduction is the priority, procurement may be centralized to enable economies of scale. If customer is a priority, it may be decentralized or 'devolved' to allow responsive 'local' decision-making or organized by customer group. If supply performance is a priority, the function may be organized by commodity (for specialization) or supplier group for better relationship management)

Lyson and Farrington (2012) argued that the existence of diversified and / or geographically dispersed multi-divisional organizations raises the issue of whether to centralize or decentralize procurement functions. They further stated that an organization that operates through a number of branches or divisions, perhaps separated by considerable distances, may

consider a single procurement function at the head office (centralization) or separated functions at each division (decentralization).

Centralised Procurement Systems: Dimitri et al. (2006) describe centralized procurement as a system whereby procurement function is controlled at one local location of a firm where key decisions on the purchase of goods and services (what, how and when) are adopted by the central procurement unit. This is done with the aim of meeting the procurement needs of an organization's divisions. CIPS (2012) identified key advantages of centralised procurement:

- a. **Specialization of procurement staff:** It offers practitioners the opportunity to develop knowledge in specialized techniques, procedures or category of procurement.
- b. **Potential for the consolidation of requirement:** Request from the various units can be put together into single, larger orders or contracts for cost reduction (transaction and transportation) and also obtain economies of scale.
- c. **Greater co-ordination of procurement activities:** Uniform procurement policies, procedures and good practice can be introduced and applied, facilitating standardization, variety reduction, and better value for money and improved compliance-and minimizing maverick, adhoc procurements. Staff training and development can also be undertaken more systematically.
- d. **Greater standardization of specifications:** It may facilitate consolidation of orders; reduction of inventory and handling costs; focusing the supplier base and improve quality management.
- e. **More effective control of procurement activity:** Procurement performance can be monitored and compared with defined KPIs; the unit may be viewed as a separate cost centre for closer accountability.

Disadvantages of Centralized Procurement: Cousins et al (2008) identified the following as disadvantages of centralized procurement systems.

- a. **Attitudinal problems and the difficulty of controlling processes remotely:** Even though it may run very excellently, officers at the other centres may criticize the system simply because it is seen as imposed, while one that leads to errors will be grasped with enthusiasm as an opportunity to show dissent.
- b. **Sabotage:** Divisional purchasing staff in other branches or other operating unit who are, in effect, the 'customers' for purchasing services may often feel they have a right to autonomy, since it is they who answer for the performance of their operation. This commonly leads to 'bucking the system'. Once this starts (and it is observed to be a very common practice) the integrity of the centralised system can never be assured. Local knowledge at the divisional level may be very valuable and a system that seeks to suppress this may lead to missed opportunities.

Decentralized Procurement: Many of the advantages of decentralized procurement comes from removing the disadvantages of centralised procurement. (Cousins et al., 2008). Some of the advantages includes:

- a) **Autonomy:** Managers in the other divisions have absolute control over their own purchasing and therefore critical resources must be made available by corporate planners.
- b) **Cross-Deals:** It enhances communications and foster teamwork among staff. This will help operating departments to benefit from user expertise and minimizing maverick buying by users.

- c) **Customer focus:** It makes purchaser to be closer to internal and external customers which enables them to develop a better understanding of user needs and also react to environmental change more promptly.
- d) **Reduce cost and risk of procurement operations.** It offers reduced cost of transportation, transport risk and shorter delivery times due to the direct dealings with local suppliers.

Disadvantages of Decentralized Procurement: Cousins et al (2008). They identified the following as some of disadvantages associated with decentralization.

- ii. Lack of communication and collaboration between divisions
- iii. Duplication of resources
- iv. Difficult to control spending due to maverick purchasing and absence of bulk purchasing

Hybrid systems: This system uses both the centralized and decentralized systems which is common in practice in today's business can be referred as the Matrix structure. (Lyson, 2012). According to CIPS (2012), there are specific hybrid models and approaches that have been developed. The most popular ones are as follows:

- a. **Center Led Action Network (CLAN):** This approach is relative decentralized model and has the following characteristics.
 - o Procurement staff are mainly located in different business units and they primarily report to the local management of their business unit with secondary responsibility to a small procurement centre (generally located at corporate head office)
 - o The role of the procurement centre is to lead and coordinate the network of local buyers, by formulating policy, setting standards and encouraging best practices.
- b. **Strategically-controlled Action Network (SCAN):** This approach is a relatively centralised model
 - o Structurally, it is similar to a CLAN, except that local procurement staff report primarily to the head-office central procurement unit.
 - o The central unit is responsible for strategy, policy, and training and performance management. It also includes centralised category managers, who are responsible for particular categories of goods or services procured across the organisation.

SCAN has overtaken CLAN in many large organizations which want to leverage procurement expertise-although it shares the corresponding disadvantages of centralised operations.

- c. **Lead Buyer Approach:** Is one way in which responsibilities can be devolved in a CLAN. Defined procurement responsibilities are delegated to designated members of user departments, as 'lead buyers' for a particular category of procurement. The lead buyers are not procurement professionals, and may require support from policies, procedures and guidance from a centralized procurement team. However, where it is implemented effectively, it can serve to improve communication and relationships between procurement and user departments and to spread procurement best practices more widely in the organization.
- d. **Business Partnering:** With this approach, a member of the procurement team works within a user department (typically, one in which there is large or complex spend. He/she represents the procurement function, liaises with the user department, and identifies situations where procurement or supply chain expertise can add value.

2.1.3 Private and Public Procurement

Public procurement has progressively be used in both public and private sector due to its significance. The fundamental objectives that underpin procurement practices in private and public institutions often differ as a result of different business environment they operate. Though

both may use similar techniques, their applications may differ due to the fact that they each have different intent. Capgemini (2012) defined public procurement as the use of public funds by government entities (ministries, agencies, departments and other state owned organizations) to acquire or secure goods and services. Public procurement accounts for 50 to 70 per cent of the total government expenditure, representing 14% of Gross Domestic Product (GDP) and accounting for about 24% of import (Hardcastle, 2007; Aduamoah and Campion, 2012).

2.1.4 Public Procurement Act, 2003 (Act 663) of Ghana

In order to realize the objectives of the procurement function in public institutions, the Government of Ghana (GoG) enacted the Public Procurement Act, 2003, (Act 663) in December, 2003. The Act became operationalized on 27th August 2004 and Public Procurement in Ghana therefore is subject to the Act and its implementing Regulations and Administrative Instructions. The Act and Regulations provide the general rules including standards and procedures governing public procurement in the country.

2.1.5.1 Procurement Structures

a. Public Procurement Authority (PPA)

The Public Procurement Authority (PPA) acts as the statutory advisory and coordinating body on all procurement operations. All Procurement Entities, Tender Committees and Tender Review Boards are required to abide by the technical guidelines and regulatory instructions issued by the PPA. It has responsibility for the overall co-ordination, direction and development of Government procurement practices and procedures. The main objectives of act provides uniform procedures, transparency and accountability for all operations of procurement; ensure consistency with the guidelines of Development Partners where necessary; ensure the consistent application of the provisions of the Act and Regulations. It covers the standard procurement cycle from procurement planning to completion of contracts and general evaluation of procurement performance. Consistent application of the act by public institutions is essential to achieve and improved effectiveness, efficiency, transparency, uniformity of documents and decisions as expected. It also has the tendency of reducing costs of procurement for the Government.

b. Procurement Entity

A Procurement Entity is an organization or person that has legal/administrative mandate for procurement purposes.

c. Head of Procurement Entity

The Head of Procurement Entity is any officer to whom authority is delegated who is responsible and accountable for actions taken and for any instructions with regard to the implementation of the Act. He/she is responsible to ensure that provisions of the Act are complied with. The Head of Entity is required to establish a Procurement Unit to undertake all activities related to procurement within the Entity in accordance with the Act and shall appoint or designate a proficient procurement person with the requisite qualifications, experience and skills as Head of the Procurement Unit to undertake the detailed activities of procurement on behalf of the Procurement Entity. The Head of Procurement Entity's role in procurement processes shall include:

- Review and approval of recommendations for contract awards submitted by the Procurement Unit;
- Participating as the Chairman or a Member in decisions of a Tender Committee [or Tender Review Board as the case may be];
- Review of decisions on complaints submitted under Section 79 of the Act; and Signing contracts on behalf of the Procurement Entity.

The Head of Entity may formally delegate his/her authority to an officer to undertake any of his powers or responsibilities for procurement under the Act or the Regulations.

d. Procurement Unit (PE)

A Procurement Unit is an outfit in a Procurement Entity with the responsibility of superintending procurement. The Head of the Procurement Unit (and his/her team) shall be responsible for undertaking and co-ordinating all detailed procurement activities within the procurement entity.

e. Entity Tender Committee (ETC)

An Entity Tender Committee is required to be established in each Procurement Entity with a structure as defined in Schedule 1 of the Act. In accordance with Schedule 1 of the Act as well as the Regulations, an Entity Tender Committee is responsible for; review and approval of annual Procurement Plans in accordance with Schedule 1 of the Act, and for review and approval of quarterly updates of procurement plans. In considering submissions made by the Procurement Unit or the Tender Evaluation Panel, the Tender Committee may: approve a submission; reject a submission with reasons; or approve a submission, subject to clarifications or minor amendments. The Entity Tender Committee is required to modify a submission, including, in particular recommendations for contract award; or reject any submission without good and justifiable reason.

f. Tender Evaluation Panels

Each Procurement Entity is required to appoint a Tender Evaluation Panel with the required expertise to evaluate tenders and assist the Tender Committee in its work. It is an ad hoc body of not more than five members with skills, knowledge and experience relevant to procurement requirements. To ensure transparency, members of the Tender Evaluation Panel shall not be directly involved in the approval of any award of contract.

2.1.1 Procurement Principles

Public as well as private procurements are subject to overarching principles which in effect achieve the intended purpose of all procurement activities. As stipulated in the Act 663, the principles include professionalism, transparency, value for money, competitiveness, Accountability, fairness, Efficiency, Ethical approach, and Separation of duties.

- a. Professionalism:** Professionalism is the discipline whereby educated, experienced and responsible procurement officers make informed decisions regarding purchase operations. It is in the recognition of this fact that the Procurement Board's object includes 'the professional development, promotion and support for individuals engaged in public procurement and ensure adherence by the trained persons to ethical standards.
- b. Transparency:** To enable the creation of open, fair and transparent procedures this principle applies that same rules apply to all suppliers of goods, works and services and that these rules are publicized as the basis of procurement decisions prior to their use. It encourages inward investment and competitiveness as the public sector is seen as a responsible business partner. Establishment of Procurement Committees has been one of the best ways of ensuring transparency.
- c. Value for Money (Economy):** This is crucial in measuring the effectiveness of procurement process (inputs and outcomes). It is the optimum combination of whole life cost and quality to meet the customer's requirements. It is reflected in the price of the item or service procured. One of the PPA object is 'to secure a judicious, economic and efficient use of state resources in public procurement'.
- d. Competitiveness:** Competitiveness means actively encouraging greater supplier participation in the tendering process through advertising, sourcing reviews, prequalification and transparent procedures. The advantages of competitiveness include potential for cost savings; Increases the potential supplier base; and greater understanding of the Act and confidence in the public sector.

- e. **Ethical Approach:** This is connected with beliefs and principles about what is right and wrong. It governs actions and decisions.
- f. **Separation of Duties:** It is the responsibility of the Head of Entity (HE) and with the assistance of the procurement officer or project manager (in case of projects) to safeguard that the principle of separation of duties is maintained. In situations where there are staff constraints, management should try as much as possible to ensure that one person does not control the procurement process.

2.1.2 Procurement Cycle

Procurement cycle is the road map of the procurement process that establishes the key activities required at every stage of the procurement process. Not only does it give direction and step-by-step approach to the implementation of the procurement activity, it also provides useful benchmark for procurement monitors and evaluators to carry out their duties effectively. The cycle commence with planning through sourcing, contracting, contract management, storage, distribution, disposal and evaluation as captured in the figure below.

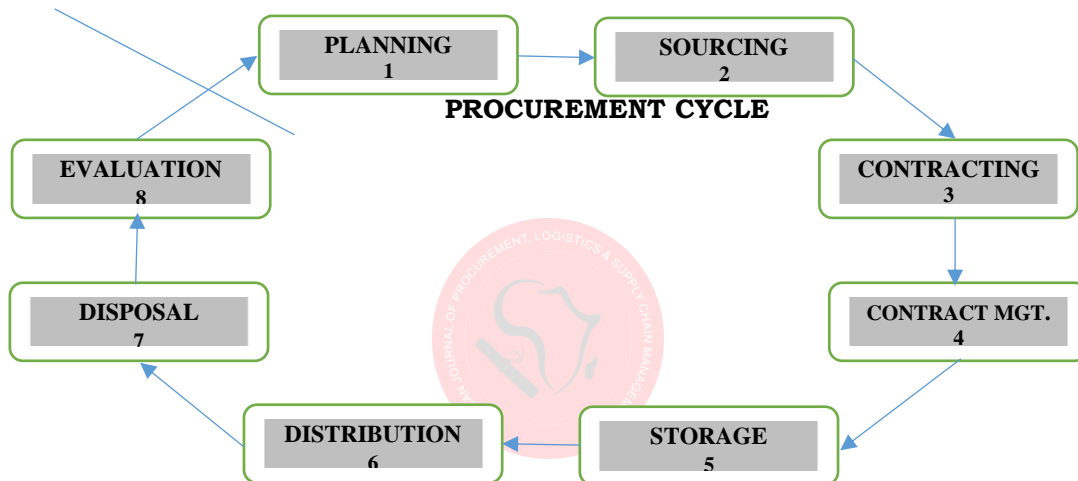


Fig 2.1: Procurement Cycle

- a. **Planning:** Section 21 of the Act requires Procurement Entities to prepare a procurement plan for each fiscal year and quarterly updates for approval by the Tender Committee. Planning is the first stage of the procurement process, where the user determines and specifies procurement requirements. The act stipulates that the plan for each Procurement Entity shall include:
 - a. a detailed breakdown of the goods, works and services required;
 - b. a schedule of the delivery, implementation or completion dates for all goods, works and services required;
 - c. the source of funding;
 - d. aggregation of common items into single;
 - e. estimate of each procurement package value;
 - f. details of any committed or planned procurement expenditure under existing multi-year contracts.

The PU is expected to be subject to the instructions and commence the preparation process for the Annual Procurement Plan following the approval of the Annual Budget. This is done in full consultation with Heads of departments, units, projects and programmes, reviewing the Procurement Plan according to service priorities at least four months before the start of the next Financial Year.

- b. Sourcing:** At this stage, the appropriate process for the selected procurement method is determined. The activities to be undertaken at this stage include; pre-qualification of potential suppliers, preparation and issue of tender documents, requests for quotation or requests for proposals, evaluation of responses and the selection of the successful tenderer.
- c. Contracting:** Before contract award will be made, formal contract document will be drawn up, using the agreed terms and conditions, and signed by both parties. Simpler requirements may use a purchase order or where already framework contracts exist, contracting may consist of placing a call-off order under the existing contract.
- d. Contracts Management:** The awarded contract must then be managed, to ensure that both the buyer and supplier perform their contractual obligations. Activities may include expediting delivery, arranging inspection or freight forwarding, checking bank guarantees, establishing letters of credit, making arrangements for receipt and installation of goods, verifying documentation and making payments.
- e. Storing:** Where goods are not being used immediately, there is often a need to store them, ensuring that no damage or loss occurs. The value of stock can be high and timely availability can be crucial to an organisation's operations. Goods may require particular storage conditions or have limited shelf life, so effective storage, handling and management of stock levels are essential.
- f. Distribution:** Goods in storage need to be delivered to their final destination, under customer requirements. Distribution may involve complex in-country supply chains, with delivery to multiple regional stores facilities or end-user sites. There may be a need to respond to varying user demands and transport goods through difficult environments with poor infrastructure.
- g. Disposal:** Unserviceable, obsolete or surplus stocks need to be disposed of. Depending on the nature of the goods and their condition, they may be sold by public tender or auction, transferred to another public organisation or destroyed. Appropriate adjustments must be made to accounts to reflect the value of the goods disposed and any income received.
- h. Evaluation:** Controlling the performance of the purchasing function and ensuring its efficiency and effectiveness is essential to the management of the procurement process. It is vital to evaluate how well the procurement process has gone, identify any weaknesses or problems and agree actions to prevent similar problems in the future. Evaluation may include a formal procurement audit.

2.1.3 Procurement Methods

The various procurement methods stipulated in the act include the following:

- a. Competitive Tendering:** The International Competitive Tendering (ICT) or National Competitive Tendering (NCT) is the preferred method for Government procurement and the use of alternative methods is strictly limited to the provisions of Part IV of the Public Procurement Act.

International Competitive Tendering (ICT): This method is appropriate for high value or complex procurements, or where the supply of goods by their nature or scope, is unlikely to attract adequate local competition, as stated in Schedule 3.

National Competitive Tendering (NCT): NCT is appropriate for lower value procurements, where the goods by their nature or scope would not be favourable to foreign competition, or where there are justifiable reasons for the Procurement Entity to restrict tendering to

domestic suppliers. The Act permits the use of NCT for procurement of goods valued at the thresholds stated in Schedule 3.

- b. Restricted Tendering:** Restricted Tendering is a tendering process by direct invitation to a shortlist of pre-qualified, pre-registered or known suppliers, and is subject to a specific approval by PPA. It is an appropriate method of procurement where:
- i. the requirement is of a specialized nature or has requirements of public safety, or public security which make an open competitive tender inappropriate;
 - ii. due to the urgent nature of the requirement, an open competitive tender is not practical;
 - iii. the number of potential suppliers is limited; or
 - iv. an open competitive tender has failed to bring an award of contract.
- c. Two-Stage Tendering:** Two-stage Tendering is an infrequently used procurement process in which a Procurement Entity invites tenderers in the initial stage to contribute to the detailed specification of the goods. Following review and consultations, new detailed specifications are prepared and a restricted tender issued in the second stage to all participants who were not rejected in the first-stage. It is an appropriate method of procurement when it is not feasible for the Procurement Entity to formulate detailed specifications for the goods, to identify their characteristics, or the character of the goods is subject to rapid technological advances.
- d. Single Source:** This method of procurement is without competition and is subject to PPA approval. It may be appropriate when:
- i. the purchase is for urgently needed products; or
 - ii. the physical, technical or for policy reasons the requirement can gotten from; or
 - iii. when national security (non-economical) considerations are paramount.
- e. Request for Quotations (RFQ):** This is also known as “shopping” and undertaken by comparing price quotations obtained from three to six suppliers. This is done to ensure competitive pricing. It is usually used when the estimated value of the goods which are of low value and readily available in the supply market.

2.1.4 Award of Contract

In awarding contracts, heads of Procurement Unit of public institutions are expected to ensure availability of funds; prepare a Purchase Order for signature by the Head of Procurement Entity; and issue the Purchase Order to the selected Supplier.

2.1.5 Receipt and Inspection of Goods

The Stores Department is responsible for the receipt of goods with assistance from the Procurement Unit and the User Department representatives.

3.0 METHODOLOGY

Research methodology is describe as the process used in collecting information and data for the purpose of making business decisions. The methodology may include publication research, interviews, surveys and other research techniques, and could include both present and historical information. (BusinessDictionary.com, 2016). This discusses the techniques used in conducting the research. These include the research design, population, sampling size, method and procedure, sources of data and data collection instruments such as questionnaire, interviews and observation.

3.1 Study Area

Sarandakos (1993) defines study site of any research work as the area/place (town, community, organization, school, market and many more where the primary data for the study is collected. The study aimed at assessing the effectiveness of procurement systems in achieving quality service in the public sector where some selected public institutions were used as the case study area. The institutions include Ghana Broadcasting Corporation (GBC), Ghana Statistical

Service (GSS), Ghana Irrigation Authority (GIDA), Lands Commission (Survey and Mapping Division), Management Development and Productivity Institute (MDPI), and the National Disaster Management Organization (NADMO).

3.2 Research Design

Oppenheim (1992) asserts that 'the basic plan or strategy, and logic behind any research is the Research Design. Research design is used to structure the research, to show how all of the major parts of the research work - the samples or groups, measures, treatments or programs, and methods of assignment - work together to try to address the central research questions (Trochim, 2006; Nantege, 2011). Research process however addresses data collection instruments, methods, and procedures. It provides detailed explanations to each of the methods employed and how the methods adopted are used to address the aims, objectives and research questions (Manchi, 2014).

The study was carried out mainly using quantitative approach of research. This helps to establish a clear and objective orientation, a vigorous, disciplined and systematic procedure, and a reality bound methodology. It also enable researchers to arrive at a theory that is free from vague and speculative thoughts about reality assumptions (Stergios1991; Vlahos, 1984: Nantege, 2011).

3.3 Population of the Study

According to Cardwell (1999) population refers to 'a group of people who are the focus of a research study and to which the results would apply'. The population of the study were sample of officers from various departments of the selected institutions that plays a significance role in procurement activities. Both sexes, thus male and female employees would be considered for the study because the findings are to be representative of the organization's gender diversity. The reason for choosing these institutions was to help the researcher solicit views from public officers in different entities on how the procurement activities are operationalized in achieving quality service in the public sector.

The target population included procurement practitioners, officers from stores, finance, audit, store officers, administration, IT and others. The target population under study was sixty (60) employees in the selected institutions.

3.4 Sampling Design and Procedure

Sekaran (2003) defined sampling as the process of choosing the research units of the target population, which are to be included in the study. Sampling techniques was used to determine the sample size. In other words, purposive sampling technique was adopted in conducting this study to gain an insight into the phenomena. According to Welman & Kruger (2005) purposive sampling is the most convenient collection of members of the population that are near and readily available for research purposes. The exact sample size were fifty-one (51) from key functional areas within the institutions selected that plays a major role in procurement activities. They include staff of procurement unit, stores, finance, human resource, audit, IT, and general service / estates department.

3.5 Data Collection Instruments

A research becomes stronger, more credible and represents a true picture when more than one data instrument is used (Patton, 2002). The research used both the primary and secondary data.

3.5.1 Primary Data

According to Sarantakos (2005), a questionnaire is a method of survey data collection in which information is gathered through oral or written questionnaires. Oral questioning is known as interviewing; written questioning is accomplished through questionnaires which are administered to the respondents by mail or handed to them personally by the researcher. A self-administered questionnaires were the main research instruments used to gather information from respondents within the sample frame in the research population. The questions were both

closed and open ended questionnaires (structured and unstructured) used in collecting information from respondents. The open-ended questionnaire provided respondents room to formulate answers at their own convenience without feeling pressurized or coerced.

3.5.2 Secondary Data

The researcher also fell on journals, reports, manuals, and others to solicit information pertaining to the problem questions.

3.5.3 Administration of Questionnaire

In order to detect and eradicate potential vagueness and achieve a uniform response with the purpose of the study, the researcher prepared a preliminary questionnaire and pilot tested with five (5) respondents. Few questions were revised to improve the validity and reliability of the questionnaire. A complete set of questionnaires were administered in person to respondents in the various institutions with a help of known friends in each institution. Adequate time were allowed for respondents to conveniently respond to the questions and made them ready for collection.

3.6 Data Analysis

The completed and collected questionnaires were edited to ensure completeness, consistency and readability. They were then grouped in a format that ensured easy analysis. Quantifiable data from the questionnaires was coded into the software for analysis. Statistical Package for Social Scientists (SPSS V 20) and Microsoft Excel were then used to analyze the data because it was considered to be user-friendly. The data was interpreted and analyzed using frequency tables, percentages, pie charts, bar charts and other descriptive statistics methods. Respondents were required to provide answers by marking a number on a 5-point Likert Scale and others in order to make it easier for them. The five-point Likert scale scoring system formed the basis of calculating the mean score for each of the reasons; the relative rating of the factors by all respondents, was then obtained by comparing the individual mean score and the standard deviation for each criterion.

4.0 RESULTS AND DISCUSSIONS

This presents the results of the data collected based on the sequence of information gathered from the survey questionnaire to accomplish the aim of the research. The primary aim was to assess the effectiveness of procurement systems in achieving quality service in the public sector of Ghana. The questionnaire was divided into eight main sections. Section 'A' concerns the demographic data of the respondents which include place of work, gender, position held by respondents, age, qualification and length of service held in respective institutions. Section 'B' also comprises the kind of procurement systems practiced by the selected institution being it centralized, decentralized or hybrid (both). Section 'C' focus on how institutions applies' the procurement principles for free and transparent operation in achieving value for money. Section 'D' also concerns how institutions plan for their procurement activities or acquisitions and challenges confronting it.

Section 'E' and 'F' of the questionnaire relates to procurement monitoring and controls, and pertinent challenges affecting the overall procurement activities. Section 'G' concerns the procurement knowledge base of stakeholders and the overall effectiveness of the procurement processes towards service quality. The last section, which is 'H' also focused on procurement factors that helps to achieve service quality for maximum user/employee satisfaction and the link between procurement and service quality. Generally, a five-point and three point Likert Scale was used for the coding where appropriate, where: Strongly Disagree = 1; Disagree = 2; Neutral = 3; Agree = 3; and Strongly Agree = 5.

Percentages, Mean Scores, and Standard Deviation of the responses were sued in interpreting views of the respondents. A criterion is considered significant if it had a mean of 3.5 or more based on the five-point Likert scale rating. Again where two or more criteria have the same mean, the one with the lowest standard deviation is assigned the highest significance ranking". Standard deviation values of less than 1.0 shows uniformity in agreement among the

respondents of the stated level of results (Ahadzie, 2007). Standard deviations greater than 1 predicts the level of inconsistencies in the responses.

A set of 10 of the survey questionnaires were distributed to staff of six distinct public institutions which were randomly selected. Out of the 60 survey questionnaires distributed, 51 were retrieved and adjudged responsive representing 85.0% response rate as displayed in table 4.1 below.

Table 4.1 : Institutions and Response Rate

Name of Institution	No. of Questionnaire Distributed	Retrieved Questionnaire	Percent	Cumulative Percent	Response Rate
GBC	10	8	15.7	15.7	85%
GIDA	10	8	15.7	31.4	
GSS	10	9	17.6	49.0	
Lands Commission	10	9	17.6	66.7	
MDPI	10	10	19.6	86.3	
NADMO	10	7	13.7	100.0	
Total	60	51	100.0		

Source: Field Data, 2016

4.1 Profile of Respondents

The background of the respondents were meant to ascertain their credibility and the answers provided. The personal data of the respondents gathered includes their age, place of work, department, position highest level of education, and length of service.

Table 4.2.a: Cross tabulation of Characteristics of Respondents

GENDER			DEPT			AGE			HIGHEST EDUCATION			LENGTH OF SERVICE		
NO.	No.	%	Name	No.	%	Range	No.	%	Qualification	No.	%	Range	No.	%
Male	33	64.7	Proc. Unit	19	37.3	20-30yrs	25	49.0	HND/DIP	6	11.8	1-5yrs	23	45.1
			Finance Dept.	12	23.5	31-40yrs	11	21.6	Degree	34	66.7	6-10yrs	14	27.5
			Stores	7	13.7	41-50yrs	10	19.6	Masters	11	21.6	11-20yrs	7	13.7
Female	18	35.3	Audit Unit	6	11.8	51 and above	5	9.8	-	-	-	>20yrs	7	13.7
			Admin.	4	7.8	-	-	-	-	-	-	-	-	-
			Tech. Unit	3	5.9	-	-	-	-	-	-	-	-	-
Total	51	100.0	Total	51	100.0	Total	51	100.0	Total	51	100.0	Total	51	100.0

Source: Field Data, 2016

Table 4.2.b: **Workplace / Department Cross Tabulation**

INSTITUTION	Department						TOTAL
	PROCUREMENT UNIT	STORES	FINANCE	AUDIT UNIT	TECHNICAL	ADMIN.	
GBC	3	0	3	1	1	0	8

GIDA	3	2	1	1	0	1	8
GSS	4	2	1	1	0	1	9
Lands Comm.	5	2	1	0	1	0	9
MDPI	2	1	3	1	1	2	10
NADMO	2	0	3	2	0	0	7
Total	19	7	12	6	3	4	51

Source: Field Data, 2016

From Table 4.2.a above, it was revealed that majority of the respondents were males representing 64.7% whilst the females were 35.3%. Among the departments, most of the respondents were from the procurement units representing 37.3%. The finance department and the stores also had a response rate of 23.5% and 13.7% respectively. The audit unit had 11.8%, administration 7.8% and the technical unit which comprises staff from the general services and IT departments had the least response rate of 5.9%. The responses from these departments especially procurement units, finance, stores and the audit units were really relevant to the research work since they play a significant role in procurement operation through teamwork, monitoring and evaluation. Their background and knowledge made it easy to understand and respond simply to the information in the survey questionnaire to realize the aim of the research work.

Forty-nine percent (49%) of the respondents fell between the age brackets of 20-30 years followed by 31-40 years which attained a percentage of 21.6%. Respondents between the age brackets of 41-50 years also attained 19.6% whilst those with years 51 and above had the least percentage of 9.8%. This means that most of the respondents were between the ages of 20-50 years which are full of strength, experience and maturity. With regards to highest education attained by the respondents, it can be deduce from the table that majority of them were first degree holders which had 66.7% followed by holders of masters' degree which also had 21.6%. It was surprising to realize that just 11.8 percent of the respondents were HND and other diploma holders. These findings affirms that respondents were personnel with good educational background to give the right responses expected of them to realize the objectives of the research work.

The table also revealed that majority of the respondents representing 45.1% had spent not more than five years in their institutions followed by those spending between 6-10 years which represents 27.5%. Those who had stayed on the job from 10-20 years and above 20 years all attained 13.7% each. These give a clue that respondents had adequate knowledge and experience in their profession and high level of experience that makes responses from them more reliable and realistic for the study.

4.1 Procurement Systems Practiced / Procurement Structures

It was relevant to sought from respondents the kind of particular procurement system practiced in their respective institutions and their views on the effectiveness. They were also asked about the kind of the procurement system they would have preferred. A follow-up question was then asked to rate their preferred procurement system over the other with regard to some variables. A five-point Likert scale rating from 1 to 5 was used to rate their responses where: Strongly Disagree = 1; Disagree = 2; Neutral = 3; Agree = 3; and Strongly Agree = 5.

It was supposed that information of this kind would offer a basis to realize how these variables affects the choice of a particular procurement system.

Table 4.3: Procurement Systems Practiced in Institutions

VARIABLE	FREQUENCY	PERCENT	CUMULATIVE %	MEAN	STD. DEVIATION	VARIANCE
Centralized	34	66.7	66.7	1.5490		.693
Decentralized	6	11.8	78.4			

Hybrid (both)	11	21.6	100.0		.83220	
Total	51	100.0	100.0			
Effectiveness and Efficiency of Procurement Systems Practiced						
	FREQUENCY	PERCENT	CUMULATIVE %	MEAN	STD. DEVIATION	VARIANCE
No	11	21.6	21.6	2.5294	.83314	.694
To some extent	2	3.9	25.5			
Yes	38	74.5	100			
Total	51	100.0				
Preferred Procurement Systems						
VARIABLE	FREQUENCY	PERCENT	CUMULATIVE %	MEAN	STD. DEVIATION	VARIANCE
Centralized	30	58.8	58.8	1.6275	0.82367	0.678
Decentralized	10	19.6	78.4			
Hybrid (both)	11	21.6	100.0			
Total	51	100.0				

Source: Field Data, 2016

From table 4.3 above, majority of the respondents (66.7%) were of the view that their institutions practice centralized procurement system. Whilst 21.6% indicated that they use hybrid system, 11.8% of them said they use the decentralized system. On the effectiveness of the centralized system procurement, 38 of the respondents representing 74.5% revealed that is very effective and efficient with a mean score 2.5294 and standard deviation of 0.83314. This is supported by the variables captured in the table 4.4 below.

Table 4.4: Perception of Preferred Procurement Systems (Centralized System)

	Ease of Use		Suitability		Optimum Cost		Time Saving / Speed		Dispute Avoidance		Mini. Risk		Enhance Quality	
	Fre q.	%	Fre q.	%	Fre q.	%	Fre q.	%	Freq.	%	Fre q.	%	Fre q.	%
Disagree	-	-	3	5.9	3	5.9	1	2.0	1	2.0	1	2.0	3	5.9
Neutral	1	2.0	1	2.0	6	11.8	6	11.8	10	19.6	12	23.5	5	9.8
Agree	28	54.9	24	47.1	18	35.3	33	64.7	31	60.8	26	51.0	27	52.9
Strongly Agree	22	43.1	23	45.1	24	47.1	11	21.6	9	17.6	12	23.5	16	31.4
TOTAL	51	100	51	100	51	100	51	100	51	100	51	100	51	100
Mean	4.4118		4.3137		4.2353		4.0588		3.9412		3.9608		4.0980	
Std. Dev.	.53578		.78715		.88517		.64535		.67563		.74728		.80635	
Variance	.287		.620		.784		.416		.456		.558		.650	
Range	2		3		3		3		3		3.00		3.00	

Source: Field Data, 2016

From table 4.4 above, a five-point Likert scale was used to ascertain the benefits of a preferred procurement system (Centralized system) over the other. Most of the respondents agreed with mean scores ranging from 3.9412 to 4.4118 that the centralized system of

procurement is most preferred and more easy to use, suitable, cost saving, speedy, avoid disputes, low risk and enhances quality operation.

The variable with the highest mean was “Ease of Use” which scored 4.4118 and a Standard Deviation of 0.53578 whilst “Avoidance of Disputes” had the least mean score of 3.9412 and a standard Deviation of 0.67563. With these responses, it can be conceded that there was consistency among the respondents as the standard deviations score attained by the variables were all less than 1. This revelation is in line with CIPS (2012) advantages on centralized procurement system.

It indicated that the centralized system is characterized with greater standardization of specifications; potential for consolidating requirements; and a high degree of co-ordination and effective control in procurement activities. The least mean score of 3.9412 for “Dispute Avoidance” supports the disadvantages asserted by Cousins et al (2008) that even though the system may run very excellently, officers at the other centres or branches may criticize the system simply because it is seen as imposed, while one that leads to errors will be grasped with enthusiasm as an opportunity to show dissent. Again, the integrity of the system can never be assured since it commonly lead to “bucking the system”. This is because divisional purchasing staff in other branches or other operating unit who are in effect the ‘customers’ for purchasing services may often feel they have a right to autonomy.

4.2 Procurement Structures

The researcher sought to know the existence of internal structures such as Procurement Units, Entity Tender Committee (ETC), Evaluation Panel, and adequate and qualified procurement personnel to man procurement activities in institutions. Hundred percent (100%) of the respondents indicated that their institutions has in existence Procurement Units (PU), Entity Tender Committees and an adhoc Evaluation Panel as supported with a mean score of 3 an a standard deviation of 0.

It was also revealed that there were procurement personnel occupying procurement units but the mean score of 2.6471 suggests that they were enough. Training on the implementation of the Public Procurement Act, 2003 (Act 663) by key stakeholders were very encouraging. They attained mean scores of 2.6471 and 2.5686 respectively. The above information is displayed in table 4.5 below.

Table 4.5: Procurement Structures

	Existence of Procurement Unit		Existence of Entity Tender Committee (ETC)		Existence of Evaluation Panel		Enough Qualified Procurement Officers		Stakeholders Training on PPA	
	Freq.	%	Freq.	%	Freq.	%	Freq.	%	Freq.	%
No	-	-	-	-	-	-	6	11.8	10	19.6
To Some Extent	-	-	-	-	-	-	6	11.8	2	3.9
Yes	51	100	51	100	51	100	39	76.5	39	76.5
TOTAL	51	100	51	100	51	100	51	100	51	100
Mean	3.0000		3.0000		3.0000		2.6471		2.5686	
Std. Dev.	0		0		0		.68771		.80635	
Variance	0		0		0		.467		.650	

Source: Field Data, 2016

These findings are in line with the rules and regulations enshrined in the Public Procurement Act, 2003 (Act 663) which provides that each procurement entity is expected to establish a Procurement Unit with qualified personnel to superintend procurement activities. As defined in Schedule 1 of the Act, entities are also required to establish Entity Tender Committee (ETC) to review and approve, annual Procurement Plans in accordance with schedule 1. The ETC's are also mandated to approve a submission; reject a submission with reason; or approve a submission subject to clarification or minor amendments to submissions by the Procurement Unit or the Tender Evaluation Panel.

4.3 Application of Procurement Principles

Procurement activities are expected to be guided by principles to achieve its intended purpose. These principles include professionalism, transparency, and value for money, competitiveness, accountability, fairness, efficiency, ethical approach, and separation of duties. The views of the respondents were implored to ascertain how far these applications are being realized. A five-point Likert scale rating from 1 to 5 was used. Responses gathered revealed that though suppliers compete for tenders and that there is free and transparency in procurement processes, most public entities are not achieving value for money for their procurement activities as captured in table 4.6 below. From the table, most of the respondents agreed with a mean score of 3.9020 and a standard deviation of 1.02479 that there is transparency in procurement processes. They also indicated that competition among suppliers for procurement of goods, services and works in public institutions are very encouraging which attained an agreed mean score of 4.0392 and a standard deviation of 0.84760.

This revelation can be said to be good since it serves as a basis for increasing potential supplier base and creating confidence in the public sector. They were of the view that procurement activities do not achieve value for money by supporting it with a mean score of 3.3529 and a standard deviation of 1.07375. Though the standard deviation shows some level of inconsistencies in the responses, it is crucial in measuring the effectiveness of procurement process since is the optimum combination of whole life cost and quality to meet customer's requirements as it is reflected in the price of the item or service procured. Besides the above, respondents were of the view that there are separation of duties with a mean score of 3.9608 and standard deviation of 0.74728 but there were inconsistencies in their responses to the question whether only Procurement Officers do purchases. Even though the mean score was 3.7451 which meant "agree" the standard deviation value of 1.23034 proved that there were inconsistencies in the responses as displayed in the table below.

Table 4.6: Application of Procurement Principles

	Free and Transparent Procurement Processes		Achievement of Value for Money for All Procured Items		Enough Competition among Suppliers		Segregation of Duties among officers		Only Procurement Officers do purchases	
	Freq.	%	Freq.	%	Freq.	%	Freq.	%	Freq.	%
Strongly Disagree	1	2.0	2	3.9	-	-	-	-	1	2.0
Disagree	6	11.8	12	23.5	3	5.9	2	3.9	11	21.6
Neutral	5	9.8	8	15.7	8	15.7	9	17.6	7	13.7
Agree	24	47.1	24	47.1	24	47.1	29	56.9	13	25.5
Strongly Agree	15	29.4	5	9.8	16	31.4	11	21.6	19	37.3

TOTAL	51	100	51	100	51	100	51	100	51	100
Mean	3.9020		3.3529		4.0392		3.9608		3.7451	
Std. Dev.	1.02479		1.07375		.84760		.74728		1.23034	
Variance	1.050		1.153		.718		.558		1.514	
Range	4		4.00		3.00		3.00		4.00	

Source: Field Data, 2016

There is a great concern for procurement activities not achieving value for money because generation of monetary savings have been the main purpose of public procurement which directly has a great impact on the total costs of public institutions. Serpytis et al (2011). As captured in the report of Public Procurement Authority in 2009, the government loses a significant percent of annual budget through ineffective procurement practices in most government organizations because according to Knight (2007) “the public sector represent about 40-50% of many economies in the developed world in terms of spend on providing services and procuring from the private sector”

4.4 Issues Concerning Procurement Planning

Table 4.7: Findings of Issues Concerning Procurement Planning

	Planning for Procurement Process Every Year		Definition of Needs by Responsible Personnel		All Purchased Items Captured in Annual Budget		Tender Committee Decides on What to Procure		Full Commitment by Top Mgt. on Procurement Planning		Most Items Bought on Schedule in a Fiscal Year	
	Freq.	%	Freq.	%	Freq.	%	Freq.	%	Freq.	%	Freq.	%
Strongly Disagree	1	2.0	-	-	1	2.0	7	13.7	-	-	-	-
Disagree	1	2.0	-	-	4	7.8	4	7.8	1	2.0	21	41.2
Neutral	5	9.8	9	17.6	15	29.4	13	25.5	13	25.5	7	13.7
Agree	17	33.3	22	43.1	20	39.2	21	41.2	25	49.0	23	45.1
Strongly Agree	27	52.9	20	39.2	11	21.6	6	11.8	12	23.5	-	-
TOTAL	51	100.0	51	100.0	51	100.0	51	100.0	51	100.0	51	100.0
Mean	4.3333		4.2157		3.7059		3.2941		3.9412		3.0392	
Std. Dev.	.88694		.72976		.96528		1.20489		.75926		.93725	
Variance	.787		.533		.932		1.452		.576		.878	
Range	4.00		2.00		4.00		4		3.00		2.00	
Overall Mean Score =3.7549												

Source: Field Data, 2016

From the table above, the study revealed that institutions general weighted mean from all the planning variables was 3.7549 which was a positive response and was above the basic scale mean of 3.0. They agreed that their procurement planning processes are good. However, critical analysis of variable to variable indicated that Entity Tender Committee (ETC) do not always decide on what to procure and that most of the items are not bought on schedule within

a particular fiscal year. Decisions by ETC on purchases attained a mean score of 3.2941 and the question of most items bought on schedule scored a mean of 3.0392.

4.7 Monitoring and Controls of Procurement Activities

Table 4.8: Monitoring & Controls of Procurement Activities

	Evaluation Team Different from Personnel Receiving Tenders		Received Goods always checked against Invoices Waybills		Stores Personnel different from Procurement Officer(s)		Annual Audit by PPA influence Procurement Compliance by Procurement Officers	
	Freq.	%	Freq.	%	Freq.	%	Freq.	%
Strongly Disagree	-	-	1	2.0	1	2.0	-	-
Disagree	7	13.7	1	2.0	-	-	2	3.9
Neutral	11	21.6	4	7.8	11	21.6	6	11.8
Agree	14	27.5	22	43.1	20	39.2	16	31.4
Strongly Agree	19	37.3	23	45.1	19	37.3	27	52.9
TOTAL	51	100.0	51	100.0	51	100.0	51	100.0
Mean	3.8824		4.2745		4.0980		4.3333	
Std. Dev.	1.07046		.85037		.87761		.84063	
Range	3.00		4.00		4.00		3.00	

Source: Field Data, 2016

In establishing whether there is independent Evaluation Panel that evaluate tenders and are different from procurement / personnel receiving tenders, results from the survey disclosed that 37.3% strongly agreed, 27.5% agreed, 21.6% neutral whilst 13.7% disagreed. There was a mean score of 3.8824 and a standard deviation of 1.07046 which supports the responses that indeed there are independent Evaluation Panel that assesses tenders. Members are also different from personnel that receives tenders as depicted in table 4.7 above. There was also positive and high response that store officers are different from procurement officers and that they check goods that are received against waybills, invoices and local purchase orders as 37.3% and 39.2% of the respondents strongly agreed and agreed respectively. Neutral responses was 21.6% whilst 2% strongly disagreed. The mean score was 4.0980 and standard deviation of 0.87761.

Again, the researcher sought to know views from respondents whether the annual procurement audit (inspection) conducted by Public Procurement Authority practitioners have influenced the behavior of officers to comply with the rules and regulations. From the data, 52.9% and 31.4% of the respondents strongly agreed and agreed respectively that there has been a positive influence on procurement operations. Eleven point eight percent (11.8%) were neutral whilst 3.9% disagreed. In strengthening the procurement process, responses revealed that annual procurement audit by the Public Procurement Authority (PPA) is enhancing the procurement processes in institutions through recommendations, monitoring practices, planning, and training for all procurement stakeholders unlike when things were done haphazardly some years back.

5.0 CONCLUSION

It can be concluded from the summary findings above that, there is positive relationship between procurement and quality service. With proper procurement management the expected

quality service in institutions will be affected and where inefficient procurement management is exhibited, then the expected quality service is negatively affected. Variables with strong points, institutions can highlight them to serve as springboard for achieving excellent service delivery whilst variables with weak points must be worked on. Areas that need to work on include encouraging team work among members, full commitment from top management and other internal procurement stakeholders to ensure that the work ETC and other established structures are effective.

In general, the existence procurement structures and application of the principles, planning, and monitoring and controls are very strong since most of the variables was above the scale mean of 3.5 but the challenges identified from the findings are major concern for all because procurement is now a contributing factor for the success for every organization. It was revealed from the findings that public institutions must see the need to improve their procurement operations to contribute to the greater portion of excellent service delivery. This can be done by identifying the weak points as revealed in the study.

The following suggested recommendations may go a long way to mitigate the challenges facing procurement operations to achieve the intended quality service when implemented by institutions in a timely manner. Heads of Entities must ensure that their procurement units are staff with more qualified, skilled and knowledgeable officers to manage procurement activities to achieve value for money and to reduce procurement weaknesses. In building a good spirit for team work, there should be effective communication, coordination and cooperation among the various units, division or department in institutions. This will help achieve departmental or functional objectives including procurement and the organization in general. It will also enable the procurement processes to be faster and help contracts awarded to be delivered in a timely manner.

The government must ensure that budgetary allocations or funds are readily and adequately available. They should be disbursed on time to respective institutions to implement their various procurement activities effectively and efficiently. Heads of Institutions must liaise with or solicit support from donor partners for funds projects since the monies disbursed from the government are insufficient. Top management and directors must exhibit total commitment for procurement processes to ensure that principles and policies for procurement operations and the procurement act are strictly adhered to. This will help realize the essence of procurement performance on quality service in institutions.

Management can also apply the Kaizen Continuous Improvement model which is the best Japanese thinking and management system practices to improve and make procurement operation more productive, efficient, quality and, in general business excellence. It is a gradual means and continues progress, increase of value, intensification and improvement. The application process of Kaizen Method basically consists of definition of the improvement area; analysis and selection of the key problem; identification of the cause of improvement; planning the remedial Centre measures; implementation of the improving project; measuring, analyzing and comparison of the results; and standardization. Therefore, management can apply the PDCA cycle by establishing and planning for implementing areas for improvement. They then check determining whether the implementation has brought the planned improvement. Finally they must act to set standards to prevent recurrence of the original problem or setting goals for the new improvement.

Finally, these should be proactive planning, identification of need and, sourcing, contracting and contract management that an organization need or may need to meet its strategic and commercial objectives.

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