

Level of professionalism in public procurement: A survey of selected districts in Uganda

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ABSTRACT

One of the key recommendations coming from the reforms of the Country Procurement Assessment Report (2004) was to establish a procurement cadre in the civil service and restoring professionalism in the procurement function. Since then, public procurement has undergone a series of reforms in most developing countries including Uganda which has shaped the professional way of handling the purchasing activity from merely being operational in nature to becoming a strategic function. The recognition that procurement is a truly professional function that requires trained and qualified staff that constitutes a professional procurement cadre started being embraced in Uganda ever since the reforms were embraced. In that regard, avenues for professional career advancement in the procurement field started being provided by a number of training institutions of higher learning in Uganda, so as to enable the procurement system to attract and retain qualified and experienced personnel. The environment in which procurement professionals operate today has thus undergone rapid and dramatic change over the past few years. This paper investigated the current state and future direction of how professionalism can be embraced in the procurement system in Uganda. The methodology used was a survey of five (5) selected public procuring entities where numerous cases of unethical behaviour, specifically corruption had been reported most. The survey therefore zeroed around the greater Kampala area comprising of Districts of Kampala, Wakiso, Mukono, Kayunga and Buikwe. The study reveals that there is still a loophole with attaining higher levels of professionalism, where the indicators used to gauge this are still lacking and skills required for full attainment are not well developed among stakeholders. This paper concludes by making key recommendations that would lead to the development of new procurement skills and competencies that focus on the uplifting of the professionalism in the purchasing function.

Keywords: Professionalism, procurement.

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INTRODUCTION

Various professions have always been linked with the notion of service and a profession has been described as a group of people organized to serve a body of specialized knowledge in the interest of society (Appelbaum and Lawton, 1990). All professions like medicine, law, engineering, architecture, project management, marketing, among others have a duty to protect the professionalism demanded of those professions. Procurement too, is one of the new and interesting professional disciplines with an ethical code to

protect; but the profession is still in its infancy. Unlike other professions, procurement borrows heavily from other professions to make it comprehensive, for example; it borrows from law, business management, management, organization behaviour and human resources, finance, marketing and others.

According to Lysons (2000), the evolution of professionalism in purchasing has been largely influenced by the establishment of institutions concerned with the concept of promoting professional purchasing

and the creation of various associations of specified purchasing knowledge and techniques. Procurement associations like the *NEVI Perspective* (Netherlands) the Chartered Institute of Purchasing and Supply (CIPS) UK, The American Institute of Supplies Management (ISM) and the International Federation of Purchasing and Materials Management (IFPMM) to mention but a few have spread across with branches all over the entire world .

Looking at the latest trend of professionalism levels and their impact on corruption cases, the Retired High Court judge, John Bosco Katutsi as quoted by Kiggundu in "The Observer" newspaper of Wednesday, 14 September 2011 summarised it perfectly. The Judge noted that the level of graft in the country has gone out of hand to the point that some public officials are out-competing one another in the "game of shame". He branded Uganda the "grand seat of corruption". He was quoted as having said further that disparities in pay between the police (who are the investigation officers), the Inspector General of Government (prosecuting) and judges (who preside over the cases) need to be addressed in order to strengthen the fight against graft. "You pay the IGG a whopping Shs 18 million, a police officer Shs 200,000 and a judge Shs 4 million monthly and you think you are fighting corruption?" Katutsi queried.

UNDERSTANDING PROCREMENT PROFESSIONALISM

Professionalism is an issue that has recently engaged thinkers in almost all disciplines. It has always been argued that professionalism is assumed to be desirable and valuable in its own right (Steiner, 2001). Professionalism in public procurement allows for functionality, transparency and significant savings in public expenditure and this partly explains why it should be given due attention.

There is a number of indicators that clearly guide the path to professionalism and these include legislative framework, Institutional framework, professional staff transparency and modernisation procedures like use of information and communications technology among other adequacies. It is therefore important that all the stakeholders involved in the procurement system fully understands and coordinates work easily.

Internationally, there are recognised bodies that have championed professionalism in various related disciplines. These include the Chartered Institute of Purchasing and Supply (CIPS), Chartered Institute of Logistics and Transport (CILT), The Dutch Association for Purchasing Management (NEVI) among others. According to the following website: www.wisegeek.com, a procurement professional is responsible for the purchasing activity of a business or organization, and for one to become professional, candidates must have a combination of education and work experience in procurement.

In Uganda, procurement reforms intended to increase the levels of procurement professionalism have been implemented in the country since the enactment of the procurement Act Cap 2003. The reforms commenced with the National Public Procurement forum held in Entebbe at the request of the Ministry of Finance and Economic Development. By 2000, the implementation of the reforms commenced with the cabinet endorsing the procurement reforms, its report and recommendations; and in 2003, the PPDA Act and regulations was enacted. With this important achievement, it has not been easy to embrace change as new organisational governance structures were being put in place like the Procurement and Disposal Unit, several abolished, and roles and responsibilities entrusted in various committees like Evaluation, Negotiation and Contracts Committee to ensure smooth execution of the procurement function. Since then, several capacity building initiatives have been undertaken by the Directorate of Training and Capacity Building of PPDA, one responsible for training and capacity building facilitation for all government ministries and departments. This was further emphasized during a training workshop on public procurement thus: "You should make public procurement better by imbibing and demonstrating principles of transparency, accountability, professionalism and impartiality," said Anguyo (2014), as quoted by the New Vision (2014).

The increasing development of professionalism in procurement has been largely influenced by the establishment of institutions and professional associations among of which include the Chartered Institute of Purchasing and Supply (CIPS) Uganda chapter, IPPU (Institute of Procurement Professionals of Uganda, Chartered Institute of Logistics and Transport (CILT) among others. At the moment, the Chartered Institute of Purchasing and Supply (CIPS) is the leading body representing the field of purchasing and supply chain management. CIPS promotes and develops high standards of professional skills, ability and integrity among those engaged in purchasing and supply chain. The IPPU is a professional body that aims at building professional capacity in procurement where the graduates of procurement. It invites and recruits new members every year through annual subscriptions. According to the outcome of the press conference at PPDA offices in Kampala in September 2009, the chairman IPPU emphasized the need for starting of recruitment exercise for procurement cadres aimed at registering over 300 new members by the end of the year 2010.

The development of code of ethical behaviour by Public Procurement and Disposal of Public Assets Authority in 2010 was achieved through implementation of stepwise procedures among which included enactment of a law to replace the statutory instrument of 2002 (Public Procurement and Disposal of Public Assets Act, 2003) and the issuance of procurement regulations, reporting forms and guidelines to supplement the act among others

as a way of promoting professionalism coherence in the implementation of the function in all government units. PPDA realized that having qualifications and relevant training may improve exposure and knowledge and hence improve performance. This therefore provided a strong need for training those managing the procurement function in order to emphasize professionalism.

According to PPDA Assessment Report (2004) on training needs carried out on 99 PDEs, the findings revealed that 23% of PDEs had undergone training organized by PPDA but hastened to add that, training was still required at all levels in the PDEs, given the low levels of procurement professionalism. The common areas cited for training included; roles of all key actors in the procurement process, procurement and disposal planning, specification writing, bid evaluation, contract management and disposal of public assets.

Statement of the problem

Several higher training institutions graduate students each year, who are absorbed into the profession, in addition to majority enrolling for the internationally accredited CIPS Course. These practitioners have not only perfected the function but have come under attack over bribery and collusion allegations leading to corruption. Allegations of corruption have been reported not only in the procurement field but generally in most of business dealings in Uganda. According to the 2007 African Peer Review Mechanism Report, Uganda loses USD 258.6 million annually through corruption and procurement malfeasance. The report further estimates that if the country could eliminate corruption in public procurement, it would save USD 15.2 million a year. According to the World Bank Assessment Report (2008), high level corruption in procurement deals had been responsible for a loss of USD 300 million since 2005. Despite all the awareness in form of training, recruitment and research in the field, the sector is continuing to exhibit unethical behaviours in Uganda, as reported in various local newspapers repetitively (New Vision March 28th, 2004; December 24th 2013; April 19th 2014; The Daily Monitor, 2014, etc).

The purpose of this paper is to assess the status of procurement professionalism in Uganda and to generate consideration of positive actions to advance and maintain procurement professionalism.

Research questions

The survey was guided by the three research questions namely: (i) what is the current status of procurement professionalism in Uganda? (ii) What steps need to be embraced to advance professionalism in Uganda to ensure sustainability? And (iii) Assess the core functional skills required of the professional to put the function to a

higher level.

METHODOLOGY

To achieve the objectives above, the survey undertook a cross sectional approach of five (5) selected public procuring entities. Semi-structured questionnaires were delivered by hand and self-administered interviews with the procurement managers and other District Contracts Committee members and other stakeholders were deployed to the selected entities to assess measures in place aimed at promoting professionalism. The survey purposefully sampled districts (Local governments) where numerous cases of unethical behaviour, specifically corruption) had been reported most. The survey therefore zeroed around the greater Kampala area comprising of Districts of Kampala, Wakiso, Mukono, Kayunga and Buikwe. This area is very close to where the researcher is employed full time and would easily minimize chances of non-response and would easily pick them.

The interviews were used to gain an in-depth understanding of the situation (Yin, 2003) and to collaborate the information collected through the questionnaire. Most of the questions were based on number of cases reported in their areas, suspicion on collusion, favouritism, abuse of office and corruption cases, cases where suppliers have sought administrative review in their districts and cases of poor service delivery were all used as benchmark/indicators to gauge the level of professional conduct in procurement business.

Although the respondents in the survey might not be representative of the wider procurement professional in Uganda, it was felt that this facilitated the attainment of a sample of sufficient size and diversity for the study's exploratory purposes (Geringer et al., 2002). The survey included all the Procurement and Disposal Unit staff, those who participated in evaluation, negotiation and contracts committee members, supplies staff, community leaders, critical user departments, some politicians like district councillors and stores staff; all totalling 100 respondents.

FINDINGS

The survey's response rate was overwhelming with 90% return rate and majority of respondents earlier earmarked for interviews, close to 80% were met and interviewed. This was a clear testimony that the degree of reliability of the data was high to be dependable.

Procurement cadre in the civil service

The survey revealed that 56.7% were degree holders (these were principal and senior procurement officers and their procurement assistants); 23.3% were holding a diploma and certificates (were mainly stores assistants and councilors), while the rest 20% were holding professional certifications or had enrolled implying that majority of the respondent attained reasonable level hence had the capacity to read and write and interpret procurement requirements as well as capacity to follow the proceedings of meetings and assessing quality service delivery at local level.

The survey team noted that although this was the case, it

would not significantly impact on increasing levels of professionalism, an indication that unethical behaviours were being practiced deliberately. Further noted, majority of the respondents (close to 58%) confessed that the qualifications are not in the main stream procurement, but they had the capacity to clearly follow government programmes at grassroots level and thus could judge the quality of effective and efficient procurement system in relation to the quality of service delivery. These were mainly District councilors whose qualification was sufficient to be nominated to serve in such positions.

General conduct of public officials suspicious of lack of professionalism

A central theme of any procurement reform is the commitment to high standards for professional conduct of the public officers involved in procurement. Such ethical standards are usually set out in an Employee Code of Conduct, which is especially applicable to officials involved in public procurement. The effective dissemination of standards of conduct to participants and stakeholders is also an aspect of transparency. When asked to comment on the frequency of involvement in procurement function, the survey revealed that majority (69%) do on a routine basis, which gives room to engage in unethical behaviours. They cited sale of public assets to themselves in form of disposal and also to award tenders to themselves indirectly or to friends and in-laws which was interpreted as conflict of interest. The survey team noted that this grossly violated the ethical standards in public procurement. Those who reported otherwise (31%) were stakeholders, who are not in mainstream procurement, have been involved in negotiation or evaluation or members of contracts committees once they were appointed.

When asked on the way forward to ensure professionalism, many (74%) reported sticking to ethical standards singling out impartial discharge of public duties; conduct in the public interest; avoidance of conflict of interest; refusal to commit corrupt or fraudulent acts or to solicit or accept improper inducements; keeping proprietary information confidential; and refraining from accepting a position of authority in a private concern with which the officer had official dealings for a significant period after leaving public service. Others (14%) noted that public officials and close relatives should be prohibited from participating in the public procurement proceedings of that PE. These were mainly council councillors.

An interview with political Heads of these Districts unanimously agreed that there is need for restriction on a public officer from acting in any way on a procurement matter in which he or his close relatives are employed in a management capacity or have substantial financial interest. To ensure that public officials take these matters

seriously, they added, it is imperative that senior policy officers make time and resources available for detailed and periodic training in ethical policy and decision-making. They further reiterated the need for adequate administrative measures, for enforcement of the standards to be developed and applied.

The survey observed that given the importance and visibility of the work of procurement officers, government policy makers should ensure that there is adequate periodic review of the conduct of these stakeholders. A bid challenge system provides one kind of arena in which procurement operations may be reviewed by disinterested authorities, although this is rare to find on the ground. They cited the Office of Inspector General of Government, and Auditor General, who could draft systems for monitoring, supervision and general oversight. These could be strengthened to investigate allegations of fraud, mismanagement, or corruption on the part of public officers.

Specific corrupt practices in public procurement

The findings revealed several corrupt practices. The survey revealed that corruption can be found at local government level manifesting itself in various ways including embezzlement, bribery, conflict of interest and influence peddling. The most cited ones included personal Greed (95%), bribery of evaluation and Contracts Committee members (78%), favouritism and conflict of interest (68%) especially in the form of biased evaluations and exclusions based on improper reasons; and others scoring insignificantly. The survey team noted that these are actually forms of corruption manifesting in most local Governments in Uganda. When compared with literature, this was not any different from the survey earlier conducted by the Inspector of Government (2005) that described corruption as being endemic in Uganda. The report further noted that public procurement is one of the areas most prone to corruption in the public sector, something that has been verified in this survey.

The interviews further revealed that district politicians were directly involved in the award of contracts, contrary to the procurement regulations, translating into conflict of interest, the study revealed. District Contracts Committees were overwhelmingly singled out (59%) for the extent to which they abuse their powers among other key players in the procurement process. This category was followed with the Procurement Office staff (52%) and surprisingly District Councillors came last (37%). This could be attributed to the fact that the councillors are involved at the time when the award decision is already taken.

In Kayunga District for example, one interviewee revealed that; "the tenders to build classrooms for our local primary schools have been always given to people personally known to district officials like councillors and

other powerful politicians and in most cases they have done sub-standard work". In some schools, under-gauged iron sheets were used; the storm had already blown off some roofs." In Buikwe, the survey team was reliably informed that "People who are awarded tenders pay a lot of money as bribe to be awarded tenders and in return resort to poor work in order to get something from it." Some of the other problems cited are: Local Contracts committee members award contracts to themselves; contract sums are increased for no reason and bidding documents and evaluation reports altered to favour or disqualify some bidders not known or not willing to collaborate with them. A cross examination of more facts were fruitless as respondents were non-committal on who exactly was involved for fear of escalating hatred amongst councillors and other District politicians and suppliers. The information collected from various districts therefore seemed to collaborate well.

Cross functional skills required of a professional

The survey team tried to seek responses on the necessary skills required of a professional and whether those carrying out the procurement function possess such skills. It emerged that there are lots of skills gap in members executing the procurement function. The scores returned a whopping 66% lack of skills requirements for the function to be effective, the major one being lack of effective communication skills! The reasons attributed to this is that their Contracts Committee members are politically appointed, with some Contracts committees members can barely read or write (low qualifications). The responses were however coming from the non-technical staff of these PDEs, but those involved said they had the desired skills, experience and qualifications (34%). The survey team partially concurred with this view, as majority of politicians and district councillors could not take oath (swear in) in English recently when taking up offices, yet English is the medium of communication during these meetings. They also cited a short term of office for contracts committee members, which create a skills gap.

According to Killen and Kamauff (1995) the characteristics of a purchasing professional can be divided into seven groups. The content of their model is very similar to the one of Giunipero and Percy (2000), although they increasingly emphasize the business skills and bring out the skills related to other functions. Individual procurement professional skills are often studied in a broader context as a part of e.g. logistics skills and competencies. In that case the skills sets normally include more technical and productional aspects (Gammelgaard and Larson 2001). When such specific skills were tested during interview method, few were evident but the business skills and the cross-functional skills and skills of international sourcing (both, which are

emphasized in today's purchasing profession) were often considered completely lacking. Additionally, when researching the individual skills of a procurement professional, the "sources of skills" should also be noticed. These "sources" are e.g. individual's educational background and work experience. The survey noticed that such skills are sometimes rare as majority (63%) have only learnt the function because of their political appointments.

Training, certification, and professional development of procurement personnel

The following were identified as critical areas where continuous professionalism can be achieved:

Capacity building

it is important to have an institutionalized, sustained procurement training programme, so that staff receive training upon induction as well as, periodically, throughout their careers, with updating of skills and increased professionalism being the purpose of such ongoing training; need for strengthening staff skills and expertise to be identified, as well as areas of the procurement system that need strengthening to be identified and bolstered; verification of personnel who meet the qualification requirements and recognition to staff on their expertise and achievements. This suggested this could give it a key role in regulating the procurement profession and assessing elements of a recruitment strategy for procurement professionalism e.g. recognition of practical experience (as opposed to formal training) as an important positive characteristic of a potential recruit (especially where opportunities for training have been limited), adequate remuneration, and identification of institutions that may be likely sources of potential recruits in future.

Professional associations and certifying institutes

The survey noted that some practitioners had qualifications of a professional like CIPS (19%) but majority were graduates of purchasing and logistics management and supplies and stores management from various institutions of higher learning in Uganda. Some had plans of enrolling for such courses in future and some were considering registering with IPPU, Uganda. The survey team thus notes these could play a leading role towards increasing levels of professionalism. These can be in form of conducting examinations and issuing certifications of procurement professionals; such institutes also might be involved in certifying private sector procurement professionals. Already, PPDA and

IPPU argue that without becoming members of IPPU, practitioners in future will be barred from participating in public procurement consultancy work.

CONCLUSION AND RECOMMENDATION

According to www.ippu.com, it emphasizes core principles of ethical behaviour and among them include Proficiency, Accountability, Confidentiality, Transparency and Integrity (under the acronym: PACTI), which are an embedment of procurement and supply chain professionals globally. The survey responses entirely agrees with this notion and alluding to the fact that PACTI principles like proficiency in English language, will enhance a high level of professionalism amongst practitioners of procurement and supply chain management in Uganda, which is still lacking. Members of the Institute need to enhance the procurement and supply chain profession in Uganda by adhering to the PACTI principles.

The survey recognizes that unethical practices which impact negatively on level of professionalism in public procurement are rampant and will only disappear if the procurement systems are transparent and all stakeholders are vigilant in ensuring compliance with the systems in place, increased awareness of professional bodies that promote and uplift professionalism, and training, certification, and professional development of procurement personnel will ensure building blocks of integrity in the procurement process in Uganda. In the end, the community shall demand openness, fair competition and clean business.

According to UNDP professional code of conduct made in June 2007, emphasis of fundamental principles once adopted shall ensure reinforcing ethical behaviour as public servants and particularly in procurement areas, as directed by the UNDP policies. This should be supported by adequate training and opportunities to receive advice on ethical dilemmas. Acting in a transparent manner during procurement processes such as posting in advance the procurement schedules and plans, solicitations and contract awards on the United Nations Global Marketplace (www.ungm.org), United Nations Development Program (www.undp.org) and other relevant web sites, newspapers and trade journals need to be supported too.

Managers must personally engage in a regular spot check of procurement transactions, including the files, goods and services with all suppliers to ensure they are bona fide companies. Ensuring adequate procurement planning such as identification and assessment of risks, capacity to address such issues in the business Unit, preparing annual reports on procurement activities and reporting instances of fraud and corruption on a timely manner.

A series of recommendation based on the above

analysis emphasize the importance of training and development of procurement officers, including ethics training and the avoidance of conflict of interest; Setting in place Employee Code of Conduct; continuous professional procurement training; putting in place procurement officer performance incentives; Computerization of government operations, networking and internet connectivity; Personnel management tools such as periodic performance evaluation of staff, job descriptions for the different posts and formulating guidance manuals for practitioners might change the present situation once emphasized.

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