Full Length Research Paper

Transparency and public procurement practices in the Nigerian Civil Service

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This study examines the extent to which the level of transparency influences public procurement practices in the Nigerian Civil Service. A survey research design is adopted. The staff members of the public procurement department/unit of the different federal government ministries in Abuja made up the population of this study. The sample size consists of 352 staff members selected from different ministries where questionnaires were administered as a research instrument for data collection. Only 318 copies of the questionnaire were usable for data analyses. The simple regression result shows that public procurement practices are significantly and positively related to the level of transparency. Based on the findings, the study recommends that impartiality and fairness should be enshrined in the public procurement system in Nigeria so as to maximize the use of available resources.

Key words: Public procurement, transparency, simple regression approach.

INTRODUCTION

Public procurement has to do with government purchasing goods, services and other resources for state activities and utilization; the basic purpose of which is to secure the best value for public money (Bodunrin, 2016). According to the World Bank (1995), public procurement can also be seen as the means of using public funds to acquire goods and services by a procuring entity. However, public procurement in Nigeria has attracted the attention of the general public, and thus generated an avalanche of discourse among researchers, journalists and indeed the general populace; on the area of reforms, restructuring, rules, and regulations guiding the tender process (Unam and Mark, 2015).

Policy discourse has also turned away from the emphasis on the restructuring of public sector towards the search for innovative and more precise solutions on exactly how governments can most efficiently and effectively fulfil the infrastructural needs of her citizens (Abebe, 2012; Yahaya, 2008). One of the ways of achieving this is through effective procurement. Procurement is a vital function of governments at all levels whether local government, state or federal, all over the world (Dakwang and Muripshaka, 2017).

For bids to be initiated on time, plans are linked to procurement and the responsibility for procurement is distinctly assigned. In addition, due diligence on the proposed site is equally important with respect to pre-tender technical and environmental issues. Part of the

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the procurement activities includes competition which brings about cut price, a lot of bids are received and the process must be explicit (The Nigeria Public Procurement Act, 2007). Therefore, governance and due process procedure enhance openness, judicious allocation, and utilization of resources, effective control and monitoring of performance and compliance in service delivery in public projects (Osezuwa and Julius, 2013). The process of governance in recent times has moved towards higher levels of transparency and accountability in the use of tax payer’s fund and efficiency in the delivery of quality services. Therefore, this study sought to examine the influence of transparency on public procurement practices in the Nigerian Civil Service.

This is surprising given that public procurement has been employed as a vital instrument for achieving economic, social and other objectives (Arrowsmith, 2003), and is painfully an area vulnerable to mismanagement and corruption (OECD, 2007). Based on the aforementioned studies, this has left a gap in knowledge, which this study attempted to fill by using stakeholder theory to develop a nexus between transparency and public procurement practices in the Nigerian Civil Service to facilitate further empirical studies on public procurement in the Nigerian context.” The study also contributes to the body of knowledge on the area of transparency and public procurement practice in Nigeria.

Conceptual review and hypothesis development

The concept of public procurement practices

Public procurement is simply the purchases of goods and services by public institutions in meeting the needs of the citizens. Unaam and Mark (2015) further opine that public procurement is the awarding of public contracts and projects between the government and the private sector organizations in the areas of health services, education, military and construction of roads, among others. Enofe et al. (2015) opine that the concept of procurement in a state is based on available resources for the purchase of equipment, materials, logistics, services and supplies needed by an organization to meet her core development and business programmes. The procurement process, therefore, involves planning, purchasing, contracting, and negotiating directly with the source of supply. Ocheni and Nwankwo (2012) are of the opinion that individuals involved in the procurement process should be held accountable by undergoing proper scrutiny. Ojo and Gbadebo (2014) also add that invitation to bid, submission of bids, bid security, validity periods of bids and the rejection of bids are some of the major methods involved in the public procurement process in any given country. In addition, the withdrawal and modification of tenders, examination of bids, bid opening, acceptance of bids, domestic preferences, mobilization of fees, interest on delayed payments, contract performance guarantee, and record of procurement proceedings are other measures used in the public procurement process to attain accountability, transparency, value for money, efficiency, and healthy competition in the procurement process (Nwafor, 2013).

The Nigeria Public Procurement Act (PPA, 2007) was enacted to strengthen weakened public institutions in order to achieve good governance in public procurement with the truism, transparency, and accountability (Adewole, 2014). The Bureau of Public Procurement (BPP) and National Council on Public Procurement (NCPP) are the authorities charged with the responsibility for oversight, monitoring and management of public procurement systems and practices with emphasis on the due process system in curtailing the shortcomings of the public procurement process in the country (Adewole, 2014). In addition, the Bureau of Public Procurement (BPP) is also charged with responsibilities such as regulatory and administration, coordination, harmonization, undertaking research, coordinating institutional capacity, acts as a supervisory platform and provides a guideline to regulate public procurement practices (Jacob, 2010).

The Public Procurement Act 2007

Federal Government of Nigeria in order to execute all government works, projects, and services, instituted a robust public procurement system (PPS) which ensures that the resources of the country are harnessed, maximized and utilized for improvement of life of its citizens (Fayomi, 2013). The core objectives of the Act are to promote economic, efficient and healthy competition, ensuring a leveled playing ground for all bidders, and ensure transparency and value for money. Federal Government contracts are reviewed and certified by the Bureau of Public Procurement (BPP) within stipulated limits. The Approved Revised Thresholds for all Ministries, Departments, and Agencies (MDAs) are shown in the Table 1.

Level of transparency in the Nigerian Civil Service

Transparency International (2006) see transparency in business as “laws, regulations, institutions, processes, plans, and decisions that are made accessible to the public at large so that processes and decisions can be monitored, reviewed, commented on and influenced by the stakeholders, and decision-makers can be held accountable for them”. The tendency for manipulation and abuse of the procurement process also reduces whenever the transparency of the procurement process increases (Hui et al., 2011).

Transparency, in the public procurement context refers to the ability of all interested parties to understand and know the actual process and means by which contracts
Table 1. Approved review threshold for MDAs.

<table>
<thead>
<tr>
<th>Approving authority/“no objection” to award</th>
<th>Goods</th>
<th>Works</th>
<th>Non-consultant services</th>
<th>Consultant services</th>
</tr>
</thead>
<tbody>
<tr>
<td>BPP issues “No Objection” to award/FEC approves</td>
<td>₦100 million and above</td>
<td>₦1.0 billion and above</td>
<td>₦100 million and above</td>
<td>₦100 million and above</td>
</tr>
<tr>
<td>Ministerial Tenders Board</td>
<td>₦5 million and above but less than ₦100 million</td>
<td>₦10 million and above but less than ₦1.0 billion</td>
<td>₦5 million and above but less than ₦100 million</td>
<td>₦5 million and above but less than ₦100 million</td>
</tr>
<tr>
<td>Parastatal Tenders Board</td>
<td>₦2.50 million and above but less than ₦50 million</td>
<td>₦5 million and above but less than ₦250 million</td>
<td>₦2.50 million and above but less than ₦50 million</td>
<td>₦2.50 million and above but less than ₦50 million</td>
</tr>
<tr>
<td>Accounting Officer: Permanent Secretary</td>
<td>Less than ₦5 million</td>
<td>Less than ₦10 million</td>
<td>Less than ₦5 million</td>
<td>Less than ₦5 million</td>
</tr>
<tr>
<td>Accounting Officer: Director General/CEO</td>
<td>Less than ₦2.50 million</td>
<td>Less than ₦5 million</td>
<td>Less than ₦2.50 million</td>
<td>Less than ₦2.50 million</td>
</tr>
</tbody>
</table>


are managed and awarded (Wayne, 2005). In the view of Hyacinth and Yibis (2017), professionalism in public procurement is a question of transparency exhibited by procurement officers in decisions making process towards procurement operations. Transparency in the procurement process ensures that budgeting is carried out with integrity, openness, and good intentions to accommodate and provide for people (Osezua and Julius, 2013). The budget gives the details of allocations for the intended accomplishment of government within the contracts period.

Transparency in the procurement process helps to communicate feedback for informed debate on public issues and policies (Foischer, 1999). Transparency as one of the attributes of good governance from a government perspective refers to “carrying out government business in an open, easy to understand and explicit manner such that the rules made by the government, the policies implemented by the government and the results of governments activities are easy to verify by the ordinary citizens” (Odock, 2006). Participation is the involvement of stakeholders in policy-making, priority setting and resource allocation as well as access to public goods and services. Fairness and equity in the application of rules in an equitable manner to all parties irrespective of one’s class must be promoted. Respect for the rule of law connotes the administration and enactment of rules without compromising. More so, awareness should be created to enable planning and budgeting efforts to implement in the management of public fund for rapid socio-economic transformation and development.

Unaam and Mark (2015) conducted a study on the effect of ethics and integrity on good public procurement system in Nigeria. They made use of survey research design by distributing structured questionnaires to eighty-two (82) representatives of the Bureau for Public Procurement in Abuja, Nigeria and employed the Pearson Product Moment Coefficient of correlation for the data analysis. The empirical evidence from the study reveals that the presence of a good ethical standard, public accountability and transparency effectively enhances the public procurement system in Nigeria. Enofe et al. (2015) examined the impact of the Public Procurement Act on government accountability in Nigeria. They adopted a survey research design by administering a structured questionnaire to eighty (80) respondents drawn from procurement officers in federal parastatals, Ministry, Department, and Agencies (MDA), professionals-quantity surveyors, contractors, engineers, architects, lawyers, accountants and the general public for the empirical evidence. The empirical results show that professionalism, transparency, and competition in the public procurement process significantly influence government accountability in Nigeria. This, in other words, means that transparency, competition, efficiency, and professionalism should be encouraged in the public procurement process in order to secure the level of government accountability in Nigeria. Similarly, Chikwere et al. (2019) documented in Ghana that lack of transparency due to political interference significantly impacted on public procurement regulations. Based on the explanations, the hypothesis is as follows:

H1: The level of transparency significantly influences public procurement practices in the Nigerian Civil Service.
Theoretical reviews

In this study, stewardship theory and stakeholder theory was reviewed to buttress the connection between level of transparency and public procurement practices.

Stewardship theory

Davis et al. (1997) in their view of stewardship theory opine that "a steward protects and maximizes shareholders wealth through firm performance, in such a way that the utility functions of the steward are maximized". In this light, stewards protect and make profit for the shareholders because they play the role of managers and company executives as they work for the shareholders. On the other hand, agency theory places importance on the individual but stewardship theory does not (Donaldson and Davis, 1991), but rather stewardship theory integrate the role of top management as well as their goals as part of the organization. The stewardship theory emphasizes that the attainment of organizational goals/success is what makes steward motivated and satisfied.

Argyris (1973) opines that agency theory considers workers from an economic view and this makes the individual own aspiration to be suppressed. Donaldson and Davis (1991) opine that stewardship theory offers maximum autonomy built on trust and recognizes the importance of structure that empowers the steward. It emphasizes that for the shareholders’ return to be maximized, the employees or executive position must be free from interference. This will help to reduce the cost of monitoring and controlling behaviours (Davis et al., 1997).

Stakeholder theory

Stakeholder theory incorporates philosophy, ethics, political theory, economics, law and organizational science and is less of a formal unified theory and more of a broad research tradition. Freeman (1984) opines that stakeholder theory is about the achievement of the organization’s objectives as a result of a group of people or individual who can affect it. Managers are working and serving for the stakeholders, this is from the perspective of the agency theory. On the other hand, stakeholder theory believes that organizations consist of network of relationships which have a role to serve. They include employees, business partners, suppliers, etc. Donaldson and Preston (1995) opine that people go into business in order to receive reward. Nonetheless, Clarkson (1995) opines that from a system point of view, there are stakeholders in the organization and their main reason for participating in the organization is to create wealth for its stakeholders.

This study rests on the stakeholder theory, which is one of the core theories of corporate governance. The justification for selecting stakeholder theory is that the theory entails the mapping of stakeholders to identify them and the relationship they have with the organization (Freeman, 1999). Also, public procurement that is characterized by accountability, integrity, high ethical standards, and transparency must identify relevant stakeholders that will make the exercise successful. Organizations that will be successful must pay keen attention to the relationship they keep with their stakeholders which can be in the form of customers, suppliers, host community, among others. The stakeholder theory demands that organizations must be responsive to the demands of their stakeholders and the environment (Garriga and Mele, 2004). Organizations can do this by promoting dialogue and action-oriented efforts that create a balance in meeting the needs of the various stakeholders (Ogden and Watson, 1999).

METHODOLOGY

This study used survey research design whereby data were collected from the staff members of public procurement department/unit of different government ministries in Abuja through the administration of questionnaires. The survey design was chosen by the researcher for this study because it accommodated large samples. Besides, many questions could be asked, yet flexibility in the analysis is feasible and results are very dependable (Aghoniloh and Yomere, 1999). The use of questionnaires is generally recommended as it facilitates comparison of themes. The population of this study consisted of 2,933 staff members of public procurement department/unit of different government ministries in Abuja. This is because the procurement systems of these government ministries are centralized with their various headquarters in Abuja. The ministries involved Agriculture, Aviation, Defense, Budget and National Planning, Communication, Education, Finance, Environment, Foreign Affairs, Federal Capital Territory, Health, Labour and Employment, Justice and Attorney-General, Niger Delta, Power, Petroleum, Works and Housing, Interior, Solid Minerals, Science and Technology, Transportation, Investment and Industry, Trade, Water Resources, Youth and Sports as well as Women Affair.

For this study, stratified sampling technique was used to record the responses. The sample size is obtained using the formula (Yamane, 1981):

\[ n = \frac{N}{1 + Ne^2} \]

where \( N \) is the population size, \( n \) is the sample size, and \( e \) is the chance allowed for error or the level of significance. The total number of staff in public procurement department/unit of different government ministries in Abuja was 2,933 staff. Consequently, the sample size was categorized in Table 2.

In determining the sample size, Yamane’s formula which is the application of normal approximation with a 95% confidence level and 5% error tolerance was applied. The formula according to Guilford and Fruchter (1973) is given as:

\[ n = \frac{N}{1 + Ne^2} \]


Table 2. Strata of sampled population.

<table>
<thead>
<tr>
<th>S/N</th>
<th>Ministry</th>
<th>Population</th>
<th>Questionnaire administered</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Agriculture</td>
<td>86</td>
<td>10</td>
</tr>
<tr>
<td>2</td>
<td>Aviation</td>
<td>134</td>
<td>16</td>
</tr>
<tr>
<td>3</td>
<td>Budget and National Planning</td>
<td>123</td>
<td>15</td>
</tr>
<tr>
<td>4</td>
<td>Communication</td>
<td>142</td>
<td>17</td>
</tr>
<tr>
<td>5</td>
<td>Defence</td>
<td>164</td>
<td>20</td>
</tr>
<tr>
<td>6</td>
<td>Education</td>
<td>138</td>
<td>17</td>
</tr>
<tr>
<td>7</td>
<td>Environment</td>
<td>114</td>
<td>14</td>
</tr>
<tr>
<td>8</td>
<td>Federal Capital Territory</td>
<td>80</td>
<td>9</td>
</tr>
<tr>
<td>9</td>
<td>Finance</td>
<td>89</td>
<td>11</td>
</tr>
<tr>
<td>10</td>
<td>Foreign Affairs</td>
<td>110</td>
<td>13</td>
</tr>
<tr>
<td>11</td>
<td>Health</td>
<td>141</td>
<td>17</td>
</tr>
<tr>
<td>12</td>
<td>Justice and Attorney-General</td>
<td>123</td>
<td>15</td>
</tr>
<tr>
<td>13</td>
<td>Labour and Employment</td>
<td>143</td>
<td>17</td>
</tr>
<tr>
<td>14</td>
<td>Niger Delta</td>
<td>131</td>
<td>16</td>
</tr>
<tr>
<td>15</td>
<td>Petroleum</td>
<td>124</td>
<td>15</td>
</tr>
<tr>
<td>16</td>
<td>Power, Works, and Housing</td>
<td>116</td>
<td>14</td>
</tr>
<tr>
<td>17</td>
<td>Interior</td>
<td>123</td>
<td>15</td>
</tr>
<tr>
<td>18</td>
<td>Science and Technology</td>
<td>162</td>
<td>19</td>
</tr>
<tr>
<td>19</td>
<td>Solid Minerals</td>
<td>156</td>
<td>19</td>
</tr>
<tr>
<td>20</td>
<td>Transportation</td>
<td>121</td>
<td>14</td>
</tr>
<tr>
<td>21</td>
<td>Trade, Investment, and Industry</td>
<td>124</td>
<td>15</td>
</tr>
<tr>
<td>22</td>
<td>Water Resources</td>
<td>102</td>
<td>12</td>
</tr>
<tr>
<td>23</td>
<td>Women Affairs</td>
<td>93</td>
<td>11</td>
</tr>
<tr>
<td>24</td>
<td>Youth and Sports</td>
<td>94</td>
<td>11</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>2933</td>
<td>352</td>
</tr>
</tbody>
</table>

Source: Author’s Compilation (2020).

where \( N = \) population \( = 2,933 \), \( n = \) sample size, \( e = \) level of significance \( = 0.05 \).

\[
n = \frac{N}{1 + N(e^2)} = \frac{2,933}{1 + 2,933(0.05^2)} = 351.9952 \approx 352
\]

The formula suggested a sample size of 352 staff members across the different public procurement department/unit of different government ministries, departments and agencies (MDA) in Abuja. Therefore, stratified random sampling was used in selecting the 352 staff members for this study and copies of the questionnaire administered.

Model specification

The model designed for this study was adapted from the work of Unaam and Mark (2015). The justification for using Unaam and Mark’s (2015) model is that the model contains one independent variable (transparency) that is relevant and incorporated in this study. The model for this study is functionally specified as:

\[
PPROC = f(TRAN)
\]

Mathematically, the model is specified as:

\[
PPROC = \beta_0 + \beta_1TRAN + \epsilon
\]

Validity and reliability of the instrument

Face and content validity of the instrument was carried out by giving the initially drafted questionnaire to senior academics to offer suggestions on the study instrument (questionnaire). Their comments and suggestions on the content of the questionnaire were incorporated, thus enriching the quality of the final questionnaire. In carrying out the reliability test for this study, forty-five questionnaires were administered to the staff members of public procurement department/unit of different government ministries in Abuja out of which only thirty-nine of them were found usable. The data collected were subjected to a reliability analysis to determine the reliability of the measures and to ensure dependable measurement among the various items in the instrument with the help of Cronbach’s Alpha test. The result of the reliability test using Cronbach’s Alpha revealed that public procurement practices with a Cronbach Alpha value of 0.752 using 8 items and transparency with a reliability score of 0.867 using 7 items. In line with the recommendation of Nunnally (1978) cited in Pallant (2013) that the minimum level of 0.7 reliability score is good. These findings are in line with Transparency International (2006), Hui et al. (2011), Odock (2006), and Unaam and Mark (2015). It can, therefore, be concluded from the above results that the instrument designed for
this study is reliable.

Method of data analysis

The responses from the copies of the questionnaire that were administered were analyzed using inferential statistics. In testing the single hypothesis stated for this study, a simple regression analysis was used. The rationale for using simple regression analysis is that it is a statistical methodology that helps estimate the influence of transparency on public procurement practices. The analysis was done using Statistical Package for Social Sciences (SPSS 23.0 Version) software.

DATA PRESENTATION AND DISCUSSION

The presentation and analysis of the data in this article were guided by the research hypothesis. Out of 352 copies of the questionnaire administered, 330 were retrieved. However, 318 copies of the questionnaire were found usable accounting for 90.3% response rate. Simple regression technique is employed to test the effect of independent variables on the dependent variable. The result of the regression analysis is presented in Table 3.

The simple regression result shows that when the level of transparency was regressed on public procurement practices, a coefficient of determination (R2) value of 0.223 was obtained. The Adjusted R2 of 0.221 indicates that level of transparency was jointly explained by 22% of the variation in public procurement practices. The Durbin-Watson statistic of 0.826 reveals the presence of first-order serial correlation and it was ignored due to the use of primary data employed (Appendix).

Hypothesis testing

The essence of this is to ascertain how significant are the effect of independent variables on the dependent variable. The summary of the result is presented in Table 4.

The result shows that the level of transparency has a positive and a significant influence on public procurement practices at 1% level of significance. This is affirmed by the t-statistic of 9.535 and p-value of less than 5% (p=0.000). This finding is supported by Chikwere et al. (2019) that lack of transparency significantly influences public procurement regulations. Hyacinth and Yibis (2017) affirmed that professionalism in public procurement is a question of transparency exhibited by procurement officers in decisions making process towards procurement operations. Based on the result, we do accept the hypothesis that the level of transparency significantly impact on public procurement practices in the Nigerian Civil Service.

Conclusions

This study empirically examines how the level of transparency influences public procurement practices in the Nigerian Civil Service. In achieving this, the study obtained data on variable which was believed to have effect on public procurement practices in the Nigerian Civil Service. Results from the study indicate that transparency influences public procurement practices in the Nigerian Civil Service. The study, therefore, concludes that the higher the level of transparency, the more public procurement practices in Nigeria would be enhanced because public procurement practice and level of transparency are positively and significantly related.

Recommendations

Flowing from the findings, the authors recommend as follows:

(1) Government authorities should ensure there is no inference in public procurement process so as improve
level of transparency among procurement staff. This helps to guarantee high level of transparency among critical components required for successful public procurement exercises in accordance with stakeholder and stewardship theories.

(2) Government authorities should ensure that there is fairness and transparency in the process of public procurement in Nigeria so as to maximize the use of available resources.

(3) The government should make sure that there is continuous re-orientation of public procurement officers for improving high level of transparency in the procurement procedure.

CONFLICT OF INTERESTS

The authors have not declared any conflict of interests.

REFERENCES


APPENDIX

<table>
<thead>
<tr>
<th>Model</th>
<th>Model Summary</th>
<th>Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>R</td>
<td>R Square</td>
</tr>
<tr>
<td>1</td>
<td>0.286&lt;sup&gt;a&lt;/sup&gt;</td>
<td>0.082</td>
</tr>
</tbody>
</table>

<sup>a</sup>Predictors: (Constant), TRAN. <sup>b</sup>Dependent Variable: PPROC.

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>2.534</td>
<td>0.188</td>
<td>-</td>
<td>13.488</td>
</tr>
<tr>
<td>TRAN</td>
<td>0.279</td>
<td>0.052</td>
<td>0.286</td>
<td>5.314</td>
</tr>
</tbody>
</table>

<sup>a</sup>Dependent Variable: PPROC.