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**ASSESSING THE IMPACT OF STAKEHOLDER MANAGEMENT
ON THE PROCUREMENT PROCESS OF THE GHANA HEALTH
SERVICE, ACCRA**

BY

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**CHAPTER ONE
INTRODUCTION**

1.1 Background of the Study

Stakeholder Management is a key success factor to efficient and effective Procurement Management. This is because rolling out a productive project needs a higher level of Stakeholder Management. It becomes increasingly paramount to establish a clearer understanding regarding the unique benefits and understand factors that Stakeholders outline so as to discover solutions for them in order to engage each member on board throughout the procurement project life cycle. A stakeholder can be basically referred to as any individual that sustains interest in a particular project or will be influenced by its result or outcome (Moloney, 2006). As far back as 1996, the Gartner Group in their literary work; 'Project Management Skills: Avoiding Management by Crisis' indicated inadequate commitment of stakeholders and inconsistent communication with their sponsors as reasons for failure of most procurement projects. Additionally, stakeholders are individuals that are engaged or influenced by the ongoing procurement project or its results in that they have excited interest in the result of the procurement project. Procurement projects are executed to specifically meet the expectations of potential stakeholders and as such without stakeholders there will be the absence of the procurement project's *raison d'être* (Moloney 2006). A push to present a standard method of acquirement rule is the Model Law on Procurement of Goods, Construction and Services built up by the United Nations Commission on International Trade Law (UNCITRAL, 1994) by method for its Working Group on the New International Economic Order. An abnormal state of controlled administration encompassing is frequently a method for political danger decrease (Pegnato, 2003) in officially created nations. Now and again, the significant center is the adherence with the sketched out strategy as a method for disposing of danger. In such manner, assessment of acquirement procedures and administration execution is characterized inside the connection of consistence with the set rules. The outcome for an exceedingly indicated system is the nonappearance of adaptability in taking care of organization needs, situating it in a split second in pressure with execution and efficiency. The intensive codification of procedure is worked out to dispose of the degree for prejudice in results and defend governments from extortion and defilement, however close by, doing this in the long run prompts killing everything except the specialized portion of this procedure (Kelman, 1990; Pegnato, 2003).

Smaller scale regulation of the procedure additionally has the unintended consequence of taking out the ability necessities of the acquirement laborer, along these lines dispensing with polished methodology in their movement. Preparing on acquisition in this example involves only learning rules. This absence of competency can, toward the end be required to develop the requirement for extra regulation of procedure, furthermore decrease the worth for-cash in buy which needs top to bottom administration abilities. This takes away the part of responsibility with the exception of as far as adherence. Imperatively, the level of straightforwardness objective connected with this administrative idea can likewise act naturally vanquishing: the overwhelming level of regulations attempts to muddle straightforwardness by making the procedures more awkward for stakeholders, for example, entrepreneurs to comprehend (MacManus, 1991). Effectiveness can be referred to as the level at which a process or an activity meets the required purpose or role. It is mentioned (Cameron, 1991) that effectiveness relates to the duration in which a particular activity is executed and thus it is within time limitation. Effectiveness has to do with the time frame within which an activity is completed; thus it is time bound.

In the interim, compelling execution is connected to the expense of movement. Exchange expenses are higher in the general population part following there is by and large all the more requesting desire of straightforwardness. Furthermore, greater part of exchanges yield little buys; customarily a couple of hundred dollars, such that the cost included in exchange preparing turns out to be enormous or even a need extent of acquirement. The pertinence of exchange expenses can be observed by the cost included in handling a typical means obtainment prevalently assessed at between US\$75 –US\$100 (NASPO 1997) and the way that by and large around 70% of open segment acquirement exercises are lower than US\$500 (Schapper, 2000). Decisively, Organizations that put resources into big business wide supply administration programs do as such in light of the fact that they perceive the critical result that can bring about terms of proficiency, cost reserve funds and quality changes. Be that as it may, those associations that attention only on the specialized and vital parts of their drives and neglect to calculate the significance of partner engagement put their projects and their speculations at danger. At last, program achievement is dependent upon interest of individuals who through the venture, share the project's vision and trust in its advantages.

1.2 Statement of Research Problem

According to Bryson (1995) and Moore (1995), attention to stakeholders is very important throughout the strategic management process because it is a success for public organizations and certainly survival depends on satisfying key stakeholders. This means moving up the value chain to ensure that the function is involved much earlier in the decision-making processes and clearly demonstrating how active involvement adds tangible value to both the bottom and the top lines. However, not much study has been conducted on the influence of stakeholder management on procurement in public service organizations in Ghana particularly the GHS which is one of the largest public service organizations in Ghana and which also has a huge and critical procurement function. Thus there exists a knowledge gap regarding stakeholder management and procurement practices in public service organizations in Ghana with particular reference to the GHS.

Flowing from the above, specific issues of interest calling for this research are outlined as follows:

- (1) Extent and nature of stakeholder involvement in procurement processes;
- (2) Timeliness of involvement of stakeholders in procurement processes; and
- (3) Extent or level of attention given to stakeholders in relation to availability of communication channels within and outside the organization.

This study therefore sought to assess the impact of stakeholder management on the procurement process in a public service organization such as the GHS. This project work will develop a model aimed at addressing the above mentioned issues.

1.3 Aim and Objectives of the Study

The aim of the study is to assess the impact of stakeholder management on the procurement process in a public service organization such as the GHS. Following this, the research is designed to achieve the under listed specific objectives:

1. To identify the role stakeholder management plays at GHS.
2. To examine the management of procurement processes at GHS.
3. To determine the influence of stakeholder management on procurement processes at GHS.

1.4 Research Questions

The study seeks to address the following research questions;

1. What role does stakeholder management play at GHS?
2. How is the procurement process at GHS managed?
3. Does stakeholder management have an influence on the procurement process of GHS?

1.5 Relevance of the Study

This study reveals the impact of stakeholder management on the procurement process of a public service organization in Ghana such as the GHS. The study would also be of some value to the management of GHS and other similar public service organizations in managing its prospective stakeholders in such a way as to enhance the procurement process by getting materials into the organization at the right specification at the right time, in the right quantity and quality, from the right source and at the right price. The study will help organizations to know the need to involve stakeholders on time which will help improve financial performance of its organization through their commitments which shapes their strategy and impacts on financial performance thereby resulting in overall cost savings for the organization (Bermann et al, (1996). The study will again help increase interest in buyer supplier partnerships that tend to be longer, ongoing relationships involving a mutual exchange of ideas, information, and benefits (Ellram, 1995).

1.6 Scope of the Study

The research was undertaken at the Ghana Health Service, Accra and covered the period between January 2015 to December 2015.

1.7 Limitations of the Study

Considering limited time, inadequate financial resources, the study focused only on the Ghana Health Service, Accra. The researcher was unable to involve other public sector service organizations in Ghana. The availability of stakeholders, their mood as well as their understanding of the questionnaire may have an effect on the research work.

1.8 Organization of the Thesis

This research is organized in five chapters. Chapter one covers the background and introduction of the study, problem statement, research questions of the study, objectives of the study, significance of the study and the organization of the study. The second chapter presents review of thorough literature on the subject under study.

This chapter contains some of the major topics and views on stakeholder management and procurement management as expressed by the various authors. Part three contains presentation, research plan, test size and inspecting strategies, strategy for gathering and handling of information, techniques for information examination/factual method and hierarchical profile.

Chapter four deals with data presentation of field results and analysis of data.

Chapter five provides a summary of the findings of the study and presents relevant recommendations and conclusions to the study.

CHAPTER TWO LITERATURE REVIEW

2.0 Introduction

The chapter presents a review of relevant literature on the impact of stakeholder management in the procurement process of GHS. It consists of a review of summary of ideas suggested by various authors. The review touches on the following pertinent issues. (1) The definitions of stakeholder terminologies (2) Types of Stakeholders (3) Public Procurement (4) Procurement Management Objectives (5) Procurement Process of Tendering (6) Efficiency of Procurement Process (7) Stakeholder Management (8) Stakeholder Theory (9) Challenges of managing stakeholders (10) Partnership in Procurement (11) Conceptual Framework.

2.1 The definitions of stakeholder terminologies

Stakeholder: ‘Stakeholder’ refers to an individual who stands to benefit or lose through the result of a project or process of planning (Design, 2008). According to Weiss (2006), a stakeholder is defined as a person that has a keen interest in a process or activity. Additionally, Moloney (2006) presents the argument that stakeholders are people or groups that benefit from a firm. He adds that stakeholders can be victimized by an organization. Basically stakeholders can be influenced by a firm and its activities. Stakeholders can, therefore, influence the way a firm operates, its objectives, goals and development. Stakeholders are relevant and can assist in achieving the goals of an organization and they can be recognized as antagonistic when they oppose the organization’s mission. As a result, stakeholders are strong and can either be a threat or be a benefit to the firm (Gibson, 2000). Thus, relevant stakeholder terminologies that are key to stakeholder management are discussed as follows:

Stakeholder Engagement and Management: It is the activity of effectively engaging the views of stakeholders on their existing relationship with the organization (Friedman and Miles, 2006). Following this, Stakeholder Management is particularly stakeholder relationship management but it is not essential that entities are managed (Friedman and Miles, 2006). In as much as public participation increasingly becomes part of national and international relations, it becomes more important for policy makers and implementers to have a detailed knowledge regarding who will be the subject in terms of the decisions that are taken and also possess the authority to influence the results of stakeholders. The stakeholder idea has therefore gained a lot of attention among scholars, decision makers, and policy development practitioners. In the area of strategic management, the idea of stakeholder has been firmly embraced. Stakeholders have therefore become a key requirement as it is expected as a requirement that stakeholders are involved in any public sector organization’s strategy. Majority of such companies clearly confirm that engaging stakeholders is not just about offering the public with itemized options to select from but rather drawing them in from the beginning such that their opinions and recommendations shape up those alternatives and their offered services (Friedman and Miles, 2006).

Stakeholder Analysis: Stakeholder Analysis is a method that is adopted to establish and evaluate the impact and role of the relevant people or groups that may relevantly influence a positive outcome of the organization’s activity (Friedman and Miles 2006). In the view of Friedman and Miles (2006), the following stage factors have been established as a guideline for stakeholder analysis process:

1. Establish the internal and external stakeholder entities.
2. Evaluate how every category of stakeholder can influence and its role.
3. Map out a matrix to show the extent of influence and relevance.
4. Follow up and manage relationships among stakeholders.

1. Identifying and mapping internal, external stakeholders and partnerships

The initial stage of every stakeholder activity is stakeholder mapping. This outlines the target entities that bring together as much data as possible regarding them. By definition, ‘Stakeholders’ are the individuals who have the interest in a particular situation. Stakeholders can be also defined in organizational perspective as

those who are internal, for example the employees and management staff and the external as customers and suppliers. On the other hand, in the area of public health, the growth and building of strategy policies and projects could well be handled on a cross-boundary manner. A typical example is a traditional health strategy which could be developed by internal stakeholders who are involved in the process of coordination, resourcing, funding and the publication of the strategy. External stakeholders for example are involved in offering their opinions and encounters experiences in solving the problems that are crucial to them are the patients, members of the local community and service users.

The questions below are outlined to help identify the stake and also assist in choosing the appropriate individuals who are engaged in each specific situation.

- Who will be affected by what is being proposed?
- Who occupies the position that importantly relates to what you are doing?
- Who operates the firm with significant interests?
- Who has been engaged in such similar situation previously?
- Which individual personality reference comes up when holding discussion on the subject?

2. Assess the nature of each stakeholders influence and importance

It becomes very necessary to have clarity in understanding which groups behave differently in various kinds of situations. The level of influence that stakeholders can have on policy of an organization, strategy and program is entirely dependent on their connection to either the organization or the problems in question. In this case, the effect and relevance are usually in relation to the goals that are being sought to be achieved.

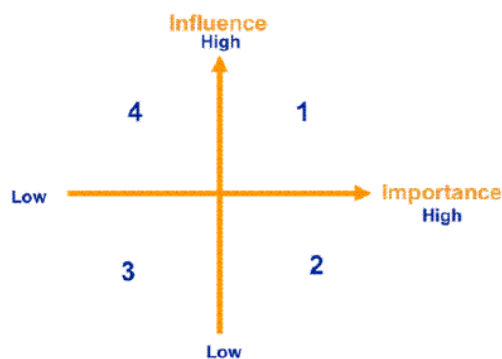
Influence: Briefly influence relates to the powerful nature of a stakeholder in terms of the authority and impact direction of the project and its results. Additionally, indirect influence can also be achieved by method for social, financial or political in status and capacity to impact the control of key assets significant to the task.

Importance: This implies the stakeholders whose challenges, wants and area of interests are paramount for an organization. When these relevant stakeholders are not evaluated then the project is not considered as coming out with positive result. Some of the forms of direct influence include legal hierarchy, leadership authority and control of strategic resources.

According to Friedman and Miles (2006), various types of stakeholders may have similar purpose at a broader level such as the provision of quality of services but rather at deeper levels that they intend to bring to bear for different reasons and specified priorities. Friedman and Miles (2006) mentions that the extent of importance that is offered by providing a firm to the requirement and expectation is also crucial to the success of strategy and development of the project. For instance, those sources of relevance can influence both internal and external stakeholders.

3. Constructing a matrix to identify stakeholder influence and importance

One of the primary instruments of stakeholder analysis lies in the relevance matrix. This method can be used relative to a specific strategic development such as the rollout or halt of service offering. Figure 2.1 shows a matrix of stakeholder influence importance as follows:



*Figure 2.1: Influence Importance Matrix
Source: Friedman and Miles 2006*

According to Friedman and Miles (2006) stakeholders should be mapped out first relative to how they will match up the level and nature be it either in favor or otherwise. After this, the next map can be mapped displaying how it would be required for stakeholders to outline when the development has the possibility of good outcome. A comparison of the two maps and identifying the mismatches, priorities for handling stakeholders can be instituted, as well as the objectives for sustaining stakeholders in their existing positioning and as such analysis of each quadrant can be done in the following way; that is in the clockwise rotation.

Quadrant one: Within this quadrant, the key stakeholders fixed here have high significant need to be absorbed on the project. The method of involvement for stakeholders is required to be accurate for attaining and sustaining their ownership.

Quadrant two: In this quadrant, the stakeholders are structured in to be highly significant but possessing minimum level of authority. These stakeholders, therefore, need to be maintained and informed through relevant educational campaign and communication flow.

Quadrant three: Stakeholders in this quadrant have limited influence and lower level of relevance and as such caution should be taken to prevent the situation of unhealthy lobbying which should therefore be tracked carefully.

Quadrant four: In this particular quadrant, the stakeholders are structured in a manner that they possess higher level of influence. However, they have limited level of significance and should be maintained and satisfied with proper endorsement and probably embraced as supporters.

On the other hand, it is crucial to consider that the map is not dynamic; revolving developments can imply that the stakeholders can relocate within the map with changes to the outlined items of the impactful stakeholders.

4. Monitoring and managing stakeholder relationships

Stakeholder management is basically the relationship management as far as stakeholders are concerned and not the real stakeholder entities that are handled. Friedman and Miles (2006) outlined the following list of established basis that summarize the major characteristics of managing stakeholders.

Table 2.1: (Principles of Stakeholder Management)

Levels of Principle	Activities
Principle 1	Managers should consider and aggressively track the worries of all recognized stakeholders and should consider their interest when taking decisions.
Principle 2	Managers should promote a listening culture and communicate with all relevant stakeholders in a transparent manner about their various issues and contributions and also about the dangers that they are associated with, due to their involvement in the organization.
Principle 3	Managers should embrace the procedures and behavior modes that are delicate to issues and potentials of each stakeholder entity.
Principle 4	Managers must view the interdependence of rewards and efforts regarding stakeholders and make effort to attain a fair allocation of the benefits and challenges of organizational activity among them, considering their various level of vulnerabilities and level of risk.
Principle 5	Managers should coordinate and work with other groups be it private or public, to ensure that the dangers emanating from organizational activities are lowered and, in situations where they are unable to avoid it and compensated appropriately.
Principle 6	Managers must disassociate themselves from collective activities that will endanger their human rights such as the right to life or result into some form of risk which if not understood clearly can be patently not tolerated by significant stakeholders.

Principle 7	Managers must identify the conflicts that exist within their role as business stakeholders, and their moral and legal duties for the keen interest of their business partners and should solve such problems by means of open communication, proper reporting and reward structures systems and, where appropriately, third party review.
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Source: Friedman and Miles 2006

Similarly, Friedman and Miles (2006) outlined a model that can be adopted to select the mode of stakeholder management needed on the basis of Arnstein’s ladder of participation, even though this their model consists of twelve different levels. The model could be deployed to establish the mode of managing stakeholders. The minimum level is in relation to the circumstances in which the firm simply communicating to stakeholder concerning decisions that have occurred already even though these levels comes in place of improper practices when it occurs in isolation. Within the middle category of the model, stakeholders have the chance to articulate their worries regarding a decision being considered. However, with the absence of assurance that such worries or issues will influence the end result. The highest levels engagement is featured by aggressive efforts at strengthening stakeholders in business decisions. It is possible that different stakeholder entities and similar stakeholder entities at various periods will be offered different treatment at different category level and as such this can be influenced by stakeholder features at different stages in the life cycle of the organization, different forms of strategies deployed by stakeholders with different outlook and stage of the project.

2.2 Types of Stakeholders

Management of stakeholder comprises of the process of identifying and categorizing of stakeholders such that facilitating the initial and future engagement with them in a timely and planned way. This manner of engagement comprises of selecting different forms of categorized stakeholders, collection of data on them, outlining their mission on the programme, establishing their key strengths and weakness and also knowing their strategies, forecasting their behavior patterns growing and implementing a strategy that can be used to manage such stakeholders (Cleland, 2002). Indeed, stakeholders have actually been categorized in numerous ways (Calvert 1995; Winch and Bonke 2002):

Calvert (1995) and Bonke (2002) categorized stakeholders as;

- Internal stakeholders – which is those who are considered as the members of the project coalition
- External stakeholders - which is those who are influenced by the project in a relevant way.

Stakeholders can be recognized as internal or external to the project members (Sutterfield, 2006). Additionally, categorizations are within and not within stakeholders (NewCombe, 2003) and as such direct and indirect stakeholders (Smith and Love, 2004).

2.2.1 The legitimacy and power of stakeholders

Stakeholders and related stakes will bring to bear the association of legitimacy and authority (Carroll and Bunchholtz, 2006). Legitimacy is the considered validity of a claim to stake. Power is the potential to facilitate and persuade the actions of others and is showcased when one aspect in a relationship has the ability to influence the other part (Johnson, 2005).Such forms of power are as follows;

- Symbolic/ normative power
- Financial resources - power
- Coercive power

Table 2.2 below shows a Power-Interest Matrix

Table 2.2: A Power-Interest Matrix

		Interest	
		Low	High
Power	High	Maintain those stakeholders in a happy state	Manage these stakeholders closely
	Low	Keep an eye on these stakeholders and act when prompted	Keep these stakeholders happy and informed

Source: (Newcombe, 2003)

As much as stakeholders’ possess the claims and desire, they must, therefore, be well coordinated in each single phase of the project to prevent any of their influences possibly affecting the organization’s goals. Conversely, organizations try to influence their stakeholders and as such they should be viewed by organizations. In this context, it becomes paramount for businesses to identify their key stakeholders and manage them and also vice versa. The concept is to maximize the advantages that are associated with

stakeholders while reducing their possible negative influences. Table 2.2 is a simple and popular tool for mapping an organization's stakeholders. The power differential between firm and its stakeholders will inform the strategies and tactics for dealing with each other (Frooman, 1999; Kolk and Pinkse, 2006).

2.3 Public Procurement

Public procurement itself is essentially political oriented and a very sensitive process, not least considering the fact that it comprises of relevant amount of public funds. Similarly, Pegnato (2003) for example gave the estimation that the US federal procurement amount was approximately US\$200 billion every year while Coggburn (2003) in his estimation set up together the blend of the level for state and nearby governments above US\$1 trillion. Besides, Thai and Grimm (2000) gave the estimation that the government's combined power of purchasing was approximately 20% of GDP while, with the case of most developing countries, Nicol (2003) then again altered the figure at 15% of GDP.

With Russia, government obtainment in the year 2004 was supposed to total about 40% of the national budget (Fradkov, 2004). It is however, on record that The Organization for Economic Co-operation and Development (OECD) and Development Assistance Committee (DAC) (2003) forecasted the quantum of national public sector procurement at 8% (US\$3.2 trillion) within a global context considering a worldwide Gross Domestic Product of US\$40 trillion. The goal of disassociating politics from public procurement is faced with a lot of challenges and as such decisions concerning its appropriation can comprise financial difficulties and loss of employment at the various sectional constituencies attracting volatile political interest. Furthermore, just a base estimation of disappointments in execution is surely perceived to be of more noteworthy political significance than pandemic non-execution (Dilulio, 1994; Osborne and Gaebler, 1992).

2.4 Procurement Management Objectives

Most locales comprehensively have one way or the other equivalent administration objectives for open acquisition (Thai, 2001). Prominent strategies are all over between locales, without neglecting the huge contrasts that exist in the methodologies and operational cycle rehearse. For example, amid a collected exertion by the gathering for Asia-Pacific Economic Cooperation (APEC) nations, their Government Procurement Experts Group built up an arrangement of non-required rules that contain straightforwardness, cash worth, open and extreme rivalry, responsibility and due procedure (APEC, 1999). Different having a place nations finished on the thought of the relevance of solitary segments to them, considering the real components of their economies and the points of interest connected with sending some specific measures. The set of non-obligatory popular guidelines are usually outlined from the following fundamental goals.

- (a) Public confidence – underpinned by the features of transparency and accountability regarding the process of procurement;
- (b) Efficiency and effectiveness – in the expenditure of public funds to attain value for money regarding efficiency of delivery of procurement results; and
- (c) Policy compliance and consistency – of both the procedures and results from the procurement activity regarding the goals and expectations of other policies of the public sector such as factors bordering the environment, skills training and apprenticeships, obligations from the international context and also commerce and regional employment developments.

Such goals are not too different and are such that they are in harmony with nonspecific public management. It is simply emphasized that the management of public procurement expectations is to be in line with community criteria, efficient and consistent with the wider scope of functions of the government. On the other hand, as much as they may look easier, the real experience which is transforming them into reality in terms of operations comprise issues and established strategies that are usually not in harmony when not commonly incompatible. Within a wider scope, three elementary methods, usually in diverse levels of combination, are deployed to execute these goals and the subsequent discussion comprises each of these techniques, generally defined in the context of their focus regarding centralization, management and monitoring of public procurement.

2.4.1 Regulation and Compliance

With sectors in which the dominating political views has been on the basis of fairness and equity, public confidence and transparency, management of public procurement processes by means of intensive regulatory structure usually comprises of the status quo (UNCITRAL, 1994). This structure manifests a local technique to open administrative practices and as such for other government roles considered as elementary processing – by depending solely on regulation as the basic method of monitoring administrative procedures and policy implementation. A regulation brings some control on the micro-highly monitored procurement setting which is established to reduce discretion in situations that is regarded to be of a high risk from unwarranted levels of

influence. A highly suggestive method could also be considered appropriate in areas where the schedule officers have little procurement skills, are craving to attain some extent of transparency or avoid the incidence of corruption: the regulated technique usually universal, however not considered as exclusive to countries within the developing regions. An effort to regulate procurement principles lies in the Model Law on Procurement of Goods, Construction and Services that was set up by the United Nations Commission on International Trade Law (UNCITRAL, 1994) through its Working Group on the New International Economic Order.

2.5 The Procurement Process of Tendering

There are several forms of tendering. The procurement process of tendering is used when acquiring goods, works and services as stated in the guidelines of Public Procurement Act 2003 (Act 663). The procurement techniques that can be adopted for Goods procurement include;

- International Competitive Tendering (ICT)
- National Competitive Tendering (NCT)
- Two-Stage Tendering (National or International)
- Restricted Tendering (National or International)
- Single Source (Direct Procurement)
- Request for Quotations (RFQ)

Tendering on a competitive basis by adopting the method of tendering based on competition using ICT or NCT is a preferable technique for most Government procurement practices and the adoption of substitute approaches is much restricted to the provision stipulated in Part IV of the Public Procurement Act.

International Competitive Tendering is considered that International Competitive Tendering is more useful for rated forms of complicated procurements or in situations where the provision of goods by the or where the goods supplied is not possible to attract sufficient existing competition within the local market. The details of the Act require the deployment of procurement of goods using ICT for beyond the threshold outlined in Schedule 3.

National Competitive Tendering - The National Competitive Tendering is very relevant for lower value procurements in which the goods themselves naturally do not attract competition of the foreign market. The law stipulated gives permission for the use of NCT in the process of procuring goods associated with the value at the thresholds stated in Schedule 3.

Restricted Tendering – In case of Restricted Tendering, the process is by direct invitation to a shortlist of pre-qualified, pre-registered tenderers: This is a significant approach of procurement whereby;

- the criteria of a specialized feature has established requirements of public safety,
- due to the timely nature of the criteria, a transparent competitive tender is not realistic;
- the number of prospective vendors is restricted; or Manuals - Public Procurement Act, 2003 (Act 663) Public Procurement Board-Ghana 34
- a transparent tender that is competitive has not yielded the expected positive outcome of the contract awarded.

Two-Stage Tendering – Usually, the Two-stage Tendering is used in procurement process in which Procurement parties calls for tenderers within the first stage to add to the outlined categorization of the goods. After detailed consultation and review, new outlined specifications are designed and restricted tender issued in the subsequent stage to all parties who were not eliminated in the initial stage. It is a suitable technique of procurement when it is not possible for the Procurement Parties to design a very detailed outline for the goods, to establish their features, or the attributes of the goods is subject to speedy technological development.

Single Source – The Single source procurement method is where supplier or the vendor has no competitor (direct procurement) and it is usually subjected to definite endorsement as being granted by the Public Procurement Board. Single source procurement will possibly be suitable in the following context:

- the procurement is for timely needed products, on condition that this is restricted to the limited amount to meet the critical need until a purchase by other approaches can be attained; or
- the criteria can only be provided by a singular source for physical or policy justifications, for example the expected machinery is proprietary and attainable only from singular source.

- When the considerations of national security (non-economical) becomes essential. Request for Quotations (RFQ) - This is referred to as “shopping” and is dependent on comparing price quotations secured from a lot of suppliers, mostly at least three, to make sure that the process is guided with competitive prices. Securing for Quotations is considered in situations when:
 - the computed amount of the threshold is outlined in Schedule 3 of the Act; Standard RFQ details are specifically preferred for procuring readily available on the market or standard specification items of limited value. (Manuals - Public Procurement Act, 2003 (Act 663): 33-34.

2.6 Efficiency of Procurement Process

Earlier discussions focused entirely on open procurement administration initially for adherence and then for effectiveness within the context of best value-for-money and fit-for-purpose results. These objectives traditionally have each led jurisdictions down quite different paths, the initial specifying procurement as a legal process, the subsequent one in terms of management (Johnson et al., 2003). Additionally, the extended relevance lies in the operational productiveness of the process as it is relative to both the government and to business entity. The effectiveness of this particular procedure in this situation is a concurrent consideration notwithstanding the fact as to if procurement can be referred to as process or managerial task being tracked. The effectiveness framework is very crucial in this analysis since it brings to bear complexity to the existing tension between decentralization and centralization of management concept (Johnson et al., 2003). The effectiveness of procurement procedures and some of the methods expected to offer value-for-money results are not in isolation to the extent or level of centralization. Certainly, the sources of efficiency available to best-practice procurement are numerous. The levels of effectiveness of procurement are usually complex and delicate to scale and engages both the administrative processes of the public and that of the industry framework and transactional factors (Schapper, 2000). In this manner, efficiency goes beyond the idea of value-for-money results.

Even in classical competitive market environment, price can be adjusted especially regarding the quantity or quantum and duration undertakings offered to vendors which are usually minimal or deemed as less risk to those who patronize. Thus, more to the minimal credit risk taken up by government, the degree of supplier vendor risk can entirely usually be reduced by means of agency demand aggregation offering higher certainty and amount to suppliers with the related savings existing to be handed over. These advantages usually become undisputed, for instance contracting service offering such as information technology (IT) services. A typical example of facilitated coordination in IT acquisition lies in the opening up in the early 2003 of the United States (US) IT plan to permit access by local government and the state, thus widening the prospective scope of base for federal IT projects, with unique advantages for both buying and supplying vendors (Schapper, 2006). The elements that becomes an obstacle against optimization and effective results outcomes being parallel with the total devolution of contracting for a lot of common goods and services and also for additional sophisticated services is IT infrastructure and telecommunications frameworks. Such considerations describe the hybrid systems of management of some countries such as Singapore (Jones, 2002; McCue & Gianakis, 2001), while others deploy consortia methods (Aylsworth, 2003).

Another avenue for optimizing effectiveness has to do with transactional costs. Transactional costs are higher within the public sector because of its demanding criteria of openness. Additionally, most of the transactions are minimum purchases, traditionally a few hundred dollars, such that the transaction cost of processing widens or even a greater aspect of the purchase. Nevertheless, the relevance of cost of transaction can be monitored by the processing cost related to a simple procurement activity popularly valued between US\$75 –US\$100 (NASPO 1997) and the realistic situation that is approximately 70% of the public sector procurement transactions is lower than US\$500 (Schapper, 2000).

Furthermore, another value for effective savings comes from redefining the result criteria itself and represents an overflow between the factors of performance and efficiency (Schapper, 2006). This segment of opportunity calls for relevant management of information along with strategic management of agency with a firm interagency coordination of effective objectives. In this instance, public administration challenges the current and usual typical methods of business and administration and craves for new advanced ways of addressing the problem. For instance, an administration set up with 10,000 IT ‘seats’ could possibly seek to deploy this purchasing power to lobby for an appropriate licensing package with its desktop infrastructure. Alternatively, it may adopt other means considered such as outsourcing of all components or some portion of the role, adopt a shared service centre such that a greater portion of the processing is executed outside the company as has

happened with e-tax within the industry of taxation in Australia (ATO, 2004). The initial idea shows a typical example of aggregate purchasing while the other ones are instances of more strategic methods.

All of these factors are additionally made cumbersome by the structure of public procurement which in many countries is divided between low values, high volume procurement and high value, low amount procurement such as major capital works. Majority of the transactions in each category will be of low value and high volume, comprising mainly of office supplies for example, even though the funds spent will attract high value and volume. Minimum transactions (for lower than \$US4000) will mostly be done through an easier quoting procedure or better still straight off a previous contract. For higher amount of procurement (usually more than \$US25000-100,000) it is usually the standard process. This is a huge complex activity that needs a higher degree of levels of expertise in relation to not only specification in terms of risk management, but in addition to the ongoing relationship and performance management (Schapper, 2006).

2.7 Stakeholder Management

Stakeholder management has to do with the kind of connection or relationship that exists between a company and its interested parties. These associations influence people and companies both in a favorable perspective or otherwise. Stakeholders therefore are required to be well managed to attain the objective of reducing the impact of the negative influence and promote a culture that do not work against attainment of objectives and goals by the people and businesses entities. Stakeholder management suggests the idea that any company must associate with a lot of constituent segments and sustain the support of these entities adopting and harmonizing their relevant interests (Goodpaster, 1991, Freeman, 1994; Logsdon and Wood, 2000). The process of stake holding is, therefore, a way of social engagement and so it reduces the challenges to the expertise in relation to the organizations (Moloney, 2006).

2.8. Stakeholder Theory

Executing key project deliverables is very critical and it solely depends on the relationship skill pertaining to management, and additionally the need to stay focus on attaining the objectives or goals of the project that stakeholders will be looking out for within life cycle of a given project (Cleland, 1999). On the other hand, key action that requires to be executed during the development of the strategic aim of a project lies in identifying the stakeholders so as to develop a project brief that best resolves their usual conflicting range of requirements. Moving beyond (Mersland 2009b), shows how stakeholders' roles can contribute to the process of making strategic decisions that are required by organizations for better performance. Proponents of stakeholder theory suggest that including stakeholder representatives on boards is a - formal mechanism in place that acknowledges the importance of their relationship with the organization (Mitchell et al. 1997; Hillman, et al., 2001). One clear role of stakeholders is that they have important and necessary information that they bring on board and if the information is well captured by organizations, it will lead to better organizational performance. The organization is envisioned as the centre of a network of stakeholders, a complex system of exchanging services, information, influence and other resources (Freeman, 1984; Mersland and Strøm, 2009a; Freeman and Evan, 1990). The theory further argues that an organization's value is created when it meets the needs of the firm's important stakeholders in a win-win fashion (Harrison et al., 2007). The concept of stakeholder refers to those categories of individuals or organizations that have a stake in an organization. According to Bryson (2003), the contemporary use of the concept refers to a claimant toward whom an organization has fiduciary responsibility. As much cited, the definition of stakeholder has been formulated by Freeman (1984). According to Freeman, stakeholders are those individuals or groups who are influenced by or have an influence on the activities of the organization. They are those groups whose continuing participation is necessary for the survival of the organization.

Another distinction is in terms of their location, which includes internal and external stakeholders (Rousseau and Shperling, 2003). The internal stakeholders are those groups which belong inside the organization, such as managers and employees. External stakeholders are groups that are outside the organization and have effects on the survival of the organizations (Harrison, 1996). These groups consist of customers, suppliers, government agencies, local communities and unions. It is further argued that the core idea of stakeholder theory is not only to recognize internal stakeholders with whom stakeholder communication has been implemented for a longer time and has become obligatory (e.g., employee councils), but also external stakeholders whose claims are patently political or social in nature (Freeman, 1984 and Harrison, 1996). This is in line with what some literature argues - that all stakeholder entities have legitimate values and equal interests and a mutual dependency exists between them and the organization (Donaldson and Preston, 1995). Advocates of stakeholder theory further suggest that including stakeholder representatives on boards is a —formal mechanism in place that acknowledges the importance of their relationship with the organization (Mitchell et al., 1997 and Hillman et al., 2001). This implies that stakeholder groups represented are both

powerful and legitimate, as well as a part of the organization's dominant coalition (Mitchell et al., 1997; Luoma and Goodstein, 1999). That is, by including stakeholders on boards, organizations are signalling their commitment to stakeholders in a visible way.

Despite the importance of stakeholders, it is evidenced that stakeholder management, whether on boards or not, is often a challenge for many organizations (Harrison, 1996 and Harrison et al., 2007). Some reasons for this challenge are that there are many stakeholder entities and all of them have different stakes and different interests. Involving all of them in organizations' activities may lead to a lot of conflicts of interests and politics (Gijssels, 2009). Because of these challenges, it is important for organizations to first identify their stakeholders and know what roles different stakeholders play in contributing to organizations' activities, including making strategic decisions when they should be involved.

2.8.1 Identifying stakeholders

The theory of stakeholders provides a number of different scopes of thoughts and expectations that stakeholders may perceive. Stakeholders within the social science are usually tempted to concentrate on ideas regarding justice, social rights and equity having some significant influence on the manner that stakeholders incite moral suasion on the development of projects (Gibson, 2000). Instrumental stakeholder theory mentions that, stakeholders and managers interact and as such associations are considered as is contingent based on the nature, characteristics and the quality nature of their interaction (Donaldson and Preston, 1995). In this context, identification of stakeholders is extremely related to their relevance, capacity of agency, or recognized as factors of influence. This means that the need for negotiation, and required feedback running from standoff to mutual changes, on the basis of such intermediate elements such as dedication, trust and motivational drive. According to Jones and Wicks (1999), the theory of convergent stakeholder suggests that stakeholder efforts and reaction is to adjust results into project administrators requiring building mutual trust and cooperative engagement with their respective stakeholders. As a result of this, their effort should be strictly guided by ethical standards. Meeting all these objectives, companies can derive the competitive edge. This comes with 3BL principles, where by the success of performance is defined as meeting bottom line of performance indicators and at the same time that of the environmental and social responsibility performance indicators (Elkington, 1997).

The clarity aspect holds that, legitimate stakeholders are expected to be identified and their authority and influence clearly displayed such that their possible influence on projects can have some level of harmony in understanding. Suitable strategic approaches can then be designed and enacted to optimize a stakeholder's positive impact and reduce any negative impact. This results into a major risk-management factor as far as project managers desire to prevent project failures (Morris and Hough, 1993).

Briner (1996) established four groups of stakeholders and presented them as project leader's organization, client, outside services, and team members that are invisible. Cleland (1995) outlined the need to grow an organizational framework of stakeholders by way of understanding the interest of stakeholder's, and lobbying to specify the best means of managing stakeholder expectations. He outlined numerous clusters of stakeholders from the supply chain. Stakeholders have also been referred to as those who hold the beef or those people who poses some level of interest. Managing stakeholders effectively is crucial at all stages, right from the initiation phase to the closeout phase (Cleland, 1995).

It becomes needful to evaluate what a stakeholder's stake is when attempting to define what their specified requirements are. A stake could be an interest or ownership. An interest is a situation whereby an individual or a set of people can be affected by an action or decision, having an interest in that decision. Ownership happens 'when an individual or group has a legal recognition to a property' (Carroll and Buchholtz, 2000). Figure 2.2 shows stakeholders in four category groups: the stakeholders at the top stream, made up of the paying customer and final users; the downstream stakeholders consist of the suppliers and sub-contractors; the external stakeholders are usually not considered and are made up of the general community and relevant groups who are of the believe that they will be influenced by the project and its results, invisible stakeholders who interact with the team members of the project team in delivering the expected project benefit but whose cooperation and help is crucial for the success of the project and also the network of knowledge that engages with the project delivery team in diverse ways. Finally, there is the visible project stakeholder group, made up of the project sponsor and also the project delivery team.

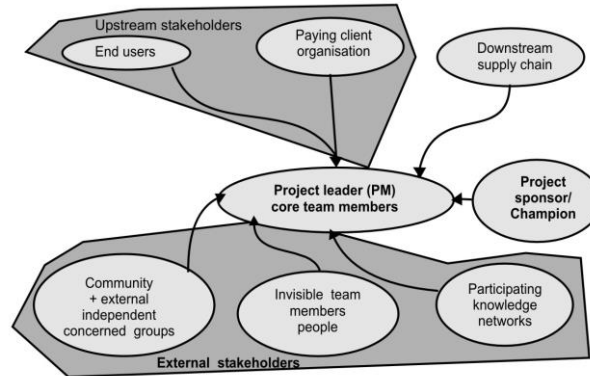


Figure 2.2: Stakeholder types

Source: Adapted from Walker, 2003: 261

People are usually tempted to develop knowledge networks to share and re-frame knowledge that they normally work with. Many of such examples of learning communities are provided historically, for instance, the medieval guilds of Europe, and recently the clusters of individuals in knowledge-sharing networks focused around a specific skill creating 'tech clubs' (Wenger 2002). A community of practice (COP) shares knowledge and skills and manage its members by means of obligations to share knowledge, giving access to insights shared about work culture and operations (Wenger 2002). This undisclosed stakeholder set is usually not recognized and yet COPs offers a major source of influence and serves as a reference point for project managers to learn from.

2.9 Maintenance of the stakeholder community

The process of establishing, outlining, prioritizing, and involving project stakeholders cannot be a one-time event. Stakeholders adjust as they progress within the organization or exit it, or as their relative relevance to the project and their level of influence within the organization also changes. As the project progresses through the project life cycle, different stakeholders may possibly have limited influence on the project. The process could possibly be replicated totally or partially. A critical aspect of the approach is the replication of the process of the methodology and structuring of the Stakeholder Circle when any of such events happen. Strategy regarding what, when, how and who in terms of delivering the specified messages defined for the relevant stakeholders must be translated into effort. The plan for communication should be a key aspect of the project schedule and as such reported on during regular team meetings and update reports.

2.9.1 Value of the methodology

The advantage associated with this approach and tool is obtained from the analysis process itself when participants of the workshops sharing ideas on potential project stakeholders and their expectations and prospective contributions. These idea sharing process and related lobbying stage about acceptance on rankings of stakeholders assist all the team members to share their ideas regarding the individuals being evaluated as well as the knowledge scope of the company in its politics. More advantages is found in the ease with which stakeholders' influence has on the project can be evaluated once the diagram is finalized. In other to be most efficient, the evaluation should be regularly updated as the project is ongoing throughout its life cycle.

A methodology that offers a simple, time-efficient process for discovering key stakeholders is beneficial associated to the planning processes of the project. The approach also complements a logical sequence to permit the project manager to take a decision as to which of the project's stakeholders to allocate more time and effort on, since it cannot be possible to attend to the total expectations of all the stakeholders. The adoption of a process that initiates the project team through the detailed analysis of the requirements of the project stakeholders and the suitable way to offer their support of the project offers another advantage to the project manager.

Managing what is held by major stakeholder build formidable project relationships and grows the possibility of project success; application of visualization and methodology instruments such as the Stakeholder Circle will add to the perception of such key stakeholders that the project is being coordinated appropriately. On the whole, because a system like this collects information relating to characteristics of stakeholders, beliefs and behaviors, it becomes very relevant that information-mining source be considered in ways that is the same as that of a customer relationship management (CRM) system.

2.10 Partnership in Procurement Process

Despite the growing trend towards using supply chain and relationship management as means of creating and maintaining effective buyer-supplier relations, the literature on the subject is deficient in some crucial ways. When examining the studies intended to promote knowledge on how to effectively operate in business markets and to manage relationships, one sector – business services may be distinguished as lacking attention (e.g. Sheth and Sharma, 1997; Ellram et al., 2004; van der Valk et al., 2005). At the same time, services generally take up a growing proportion of organizations' procurement expenditure, and the role of procurement within the organization is changing: procurement as a function is becoming more strategic (Macbeth, 1994; Arnold, 2000), with a smaller number of highly qualified buyers. The strategic processes of the supply chain and relationship management are replacing the traditional function of procurement that focuses only on the efficient management of the workflow of goods and services supporting the activities of organizations (Cousins, 2002). These transformations have created new challenges. Since the formation and maintenance of closer relationships, such as partnerships, are costly and time-consuming processes (Virolainen, 1998; Lambert and Knemeyer, 2004), companies need to understand more thoroughly the likely nature of the relationships. Similarly, it is increasingly important to know when it is worthwhile to choose a partnering approach, and how partnering relations should be structured and managed. Based on this, partnerships in organizations have been a popular subject in the fields of both industrial practice and academic research (e.g. Ellram, 1991; Landeros et al., 1995).

The importance of relationship issues is emphasised because services are usually produced in an ongoing buyer-seller interaction (Grönroos, 2000). In addition, as the process of procuring services has been found to be more complex than the process of purchasing goods (Fitzsimmons et al., 1998; Smeltzer and Ogden, 2002), there is a need for research that sheds light on partnership sourcing in business services.

Over the last few decades, there has been a significant shift in the way organizations approach buyer-seller relationships. Recent years have seen an increased interest in buyer supplier partnerships that tend to be longer, ongoing relationships involving a mutual exchange of ideas, information, and benefits (Ellram, 1995). As market places have become more dynamic and competitive, earlier recommendations for fostering “arm’s length relationships” with suppliers in order to avoid dependency and keep prices down have been replaced by emphasizing the potential benefits of close relationships. The same kind of transition seems to be taking place in the procurement processes. Traditionally, relationships between facility service providers and clients have been based on an adversarial approach (Atkin and Brooks, 2000). Services have been purchased separately for single sites and price has been the determining factor in choosing a service provider. As companies continue to outsource non-critical activities and to reduce and trim their supplier bases, existing outsourcing contracts have been expanded and on the other hand, strategically more important services have been outsourced (Loosemore and Hsin, 2001). Consequently, a need to develop relationships based on a more collaborative approach has arisen (Incognito, 2002). Businesses do not enter into partnerships to make friends; they enter into them in order to gain some form of economic reward (Cullen et al., 2000). A company will remain in a partnering relationship insofar as it continues to perceive it as an efficient and equitable organizational form for its purposes (Árino and Torre, 1998). Normally, inter-firm collaborations contribute to value creation on several levels, including economies of scale, the effective management of risk, cost efficient market entries and learning from partners. In addition, partnerships help firms to minimise transaction costs, cope with uncertain environments, reduce their dependence on resources beyond their control, successfully reposition themselves in dynamic markets, share fixed costs, enhance their own core competencies, and acquire access to complementary competencies (e.g. Nooteboom et al., 1997; Ireland et al., 2002).

Partnership drivers fall into four categories – asset and cost efficiency, customer service enhancement, marketing advantages, and profit growth or stability (Lambert and Knemeyer, 2004). However, most of these motives are derived from studies on goods or consumer markets and they seem to be slightly different from those associated with services. It seems reasonable that the nature of exchange depends on the type of service in question. For example: a customized service that is provided during a longer period of time will put emphasis on issues like stability of the supplier, sustainability of the quality of the service delivery process, collaboration aspects, and the matching of the buying firm’s demand with the supplier’s offer. In contrast, for a standardized service, which is only acquired once or with a low repeat frequency, the emphasis is likely to be on efficiency issues and price. The latter service purchase is of a more transactional nature, whereas the former is characterized by a larger degree of integration and thus has a more relational character (Radkevitch

and van der Valk, 2005). Ventovuori et al. (2004) found in their study that a partnership approach is chosen when the strategic importance of a service is high for the client's or end-user's business, the service to be purchased is complex, there is a need to share sensitive and strategic information or the procurement volume is large. On the other hand, Lehtonen and Salonen (2005) state that in most cases the choice of the partnership approach seems to be based solely on the purchasing volume. In order to increase the purchasing volume, clients are currently forming wider service packages by purchasing services regionally for more than one building at a time, and moving from an adversarial to a collaborative approach in managing their relationships with service providers. This creates cost advantages, which service providers can convert into corresponding lower prices or higher service levels, novel technologies or innovative structures and procedures (Meneghetti and Chinese, 2002). As a result of the re-structuring of buying organizations and supplier bases, a wide variety of different relationship forms has emerged (e.g. Webster, 1992). Guidelines for selecting relationship type usually only identify partnership sourcing and competition as discrete categories (e.g. Macbeth, 1994). However, even casual observation of actual supply relationships reveals that there are different forms of partnership sourcing (e.g. operational and strategic forms) and different forms of competition (e.g. very short-term contracting and long-term competitive contracting) (Parker and Hartley, 1997). Operational partnering refers to working with several suppliers and focusing mainly on the certainty element of the relationship and process elements (Mentzer et al., 2000; Cousins, 2002). The relationship between organizations is strategic when a firm perceives that it needs the relationship in order to be competitive in the industry and that if the partner goes out of business, the firm would have to change its competitive strategy (Johnson, 1999).

While partnerships have the potential to enhance a firm's performance, creating partnerships is challenging because of the difficulties in managing them (Park and Ungson, 2001; Ireland et al., 2002). Working across organizational boundaries is one of the most difficult activities that managers have to accomplish, since it always involves actual or potential problems (Ford et al., 2003; Peng and Kellogg, 2003). Relationship activities are difficult to manage due to the differences in organizational goals and structures between companies, the distance involved, the inability to use hierarchies helpful in internal activities, as well as the dynamics of the relationship itself (Ford and Havila, 2003; Sabherwal, 2003). Gaining benefits from collaboration requires effective management of partnerships (Blumberg, 2001; Ireland et al., 2002). Partners must trust each other not to take advantage of dependencies or chances for opportunistic behaviour. The structuring and control on inter-firm relationships requires the establishment of suitable management control systems and processes (van der Meer-Kooistra and Vosselman, 2000). Different control mechanisms have an impact on different risks or perceived risks. Parties will choose the appropriate partnership control mechanisms based on their risk preference and the provided safeguard (Ring and van de Ven, 1992; Chiles and McMackin, 1996). A recurring source of risk in all transactions is the need to make decisions in the face of the uncertainty of accomplishing tasks that require sustained co-operation with others (Ring and van de Ven, 1992). At the advent of outsourcing and the formation of closer relationships like partnerships, the risk is increasing and shifting around supply networks (Andersson and Norrman, 2003; Harland et al., 2003). This risk will increase as the firms develop closer ties until their operations are truly integrated (Masters et al., 2004). The problem with partnerships is the problem of creating co-operation among a collection of individuals, units or companies who share only partially congruent objectives. The two dimensions of this partnership problem are, firstly, the creation of conditions that motivate the partners to achieve the desirable or predetermined outcomes and, secondly, the coordination of interdependent tasks between partners (Dekker, 2004).

This problem is managed using multiple relationship governance or control mechanisms. Different control mechanisms serve as the building blocks for complex structures of governance that combine elements of markets, hierarchies, and relational exchange in complementary, supplementary, or alternative ways (Cannon et al., 2000). It is agreed to some extent that all organizational control systems consist of formal as well as social control (Langfield-Smith and Smith, 2003). Formal control consists of contractual obligations and formal organizational mechanisms for co-operation and can be subdivided into outcome and behaviour control mechanisms. Social control, also referred to as relational governance and informal control, is related to informal cultures and systems influencing members and is essentially based on mechanisms that induce self-regulation (Ouchi, 1979). Formal control includes such mechanisms as joint goal setting, planning, command structures, authority systems, incentive systems, standard operating procedures, dispute resolution procedures, and pricing systems. Social control includes the following mechanisms: partner selection, shared values, reciprocity norms, reputations, trust, personal relationships, prior ties, and embeddedness. Some relationship management control mechanisms have been seen as success factors (Ellram, 1995; Frankel et al., 1996; Whipple and Frankel, 2000) or as creators of competitive advantage (Ireland et al., 2002) for a partnership. In a study covering a broad range of industries, Ellram (1995) found that the five most important factors in a relationship for buyers were: two-way information sharing, top management support, shared goals, early

communication to suppliers, and suppliers adding distinctive value. Ireland et al. (2002) studied partnerships from the network perspective and listed the following partnership management mechanisms as having potential for value creation: dedicated relationship management functions, relationship portfolio management, determining the scope, partner selection, compatible strategic intents, and complimentary resources as well as willingness to accommodate a partner's needs, conflict handling and working together at all managerial levels. However, it is important to note that the relationships that function well in one business environment may not be as successful when transplanted elsewhere (Cox, 1996). Inconsistent logic in value creation results in different levels of interdependence, requiring different degrees of mutual adaptation and adjustment (Borys and Jemison, 1989). In addition, differences in the degree of tangible and intangible elements in service industries compared to manufacturing industries may cause differences between relationship management methods (Leek et al., 2004). Thus, there is reason to expect that the management methods in partnerships will also differ to some extent from the management methods delineated in general management literature. Lehtonen and Salonen (2005) found that the success of collaborative relationships between clients and suppliers/service providers seems to have some exceptions but is still based on quite similar general management methods, namely, clearly defined and mutually agreed goals, mutual involvement in relationship development, joint problem solving, two-way information sharing, and the partners' ability to meet performance expectations.

Hypotheses of the Study

There has been some writing on stakeholder administration practices and acquirement handle, yet, the specialist wishes to find the relationship between these two variables and the degree to which one influences the other. In view of this, the study has received the accompanying theory:

Hypothesis 1:

Null Hypothesis-H₀: There is a relationship between stakeholder management practices and procurement process at GHS.

Alternate Hypothesis: H₁: There is no relationship between stakeholder management practices and procurement process at GHS.

Hypothesis 2

Null Hypothesis- H₀: Stakeholder management practices have an impact on procurement process at GHS.

Alternate Hypothesis- H₁: Stakeholder management practice does not have an impact on procurement process at GHS.

2.11 Conceptual Framework

The conceptual framework touches on the problems that triggered the thesis work at GHS. This study measures stakeholder satisfaction in procurement processes and investigated the impact of stakeholder management on procurement processes. The independent variable of the study is stakeholder management and procurement process is the dependent variable.

Figure 2.3 below outlines the conceptual framework of the study.

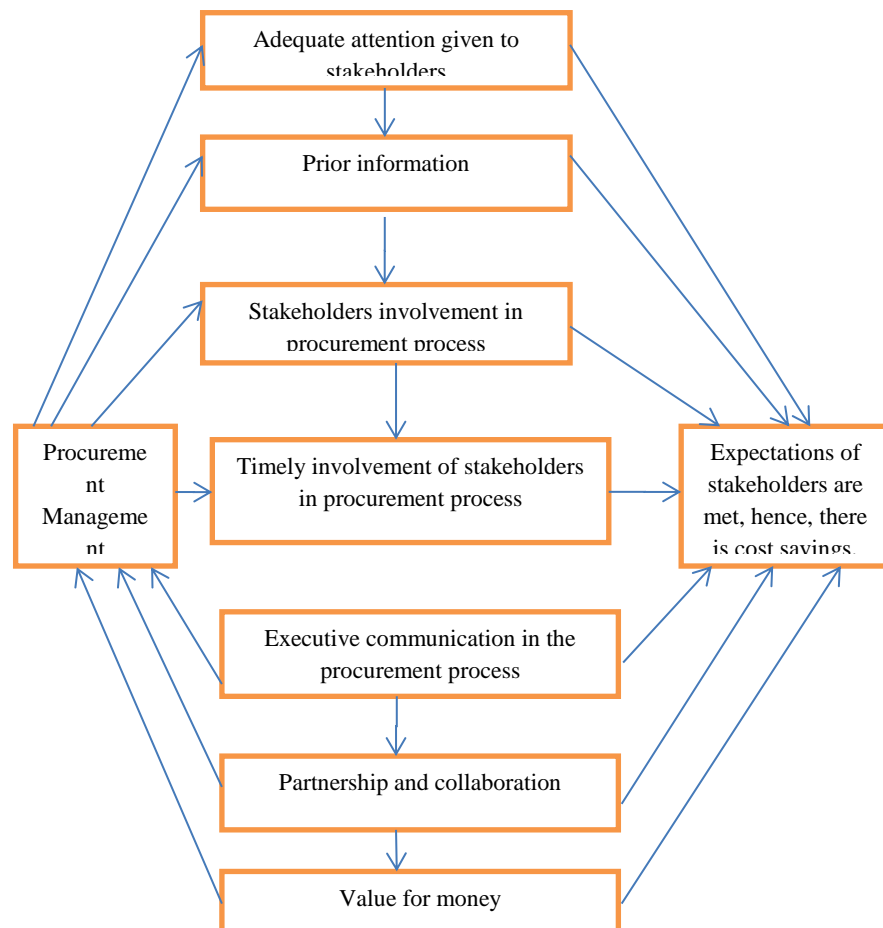


Figure 2.3: Author's Construct, 2015.

According to Cleland 2002, stakeholder management is managing and identifying the interests of individuals known as stakeholders and facilitating the initial and future engagement with them in a timely and planned way. There has been the need to give adequate attention to stakeholders by involving them throughout the procurement process to boost their participation in procurement processes within organizations. As argued by Bermann et al, (1996), involving stakeholders on time will help to improve financial performance of its organization through their commitments which shapes their strategy and impacts on financial performance. When stakeholders are involved at all stages of the procurement process, there is cost savings because they help improve the financial performance of the organization and they become more committed towards achieving the objectives of the organization. There has been a significant shift in the way organizations approach buyer-seller relationships. Recent years have seen an increased interest in buyer supplier partnerships that tend to be longer, ongoing relationships involving a mutual exchange of ideas, information, and benefits (Ellram, 1995). Organizations share ideas and information with suppliers through partnership. Businesses do not enter into partnerships to make friends; they enter into them in order to gain some form of economic reward (Cullen et al., 2000).

As indicated by Bovee et al, (2000) powerful correspondence just happens when there is a common understanding that prompts others to make a move and empowers elective considering. Viable correspondence between offices, particularly the acquirement and stakeholders in the association expands

open doors for collaborations and inputs of stakeholders using messages, texting and intranet framework inside the work put additionally takes into consideration the stream of work (Turner and Reinsch, 2007). Compelling correspondence helps acquirement to know things that stakeholders needs through the consolidation of their inputs. Matthew Locke (2002) explores the application of value for money approach to long term collaborative agreements. He believes that value for money approach is “a catalyst that not only enables partners in the agreement to change their culture, it helps to develop a common understanding of the situation and facilitates the development of innovative solutions” that have delivered major savings in capital, operational and maintenance expenditure. The next chapter, which is chapter three, explains the methodology to operationalize the conceptual framework.

CHAPTER THREE METHODLOGY

3.0. Introduction

This chapter covers the research design of the study which seeks to assess the impact of stakeholder management on the procurement process of Ghana Health Service, Accra and uses exploratory and descriptive approach of research. The chapter describes the research methodology used in the study and this includes the research design, data collection methods, data analysis and presentation of research findings and organizational profile of the Ghana Health Service.

3.1. Research Approach

There are two main approaches that can be used when conducting research, namely, qualitative and quantitative research methods according to De Vos (2002). Neuman (1995) argues that a qualitative research method focuses on constructing social reality and events, uses few subjects and thematic analysis. Quantitative research method on the other hand, focuses on subjective facts, uses many subjects and statistical analysis (Neuman, 1995). The thesis work used a quantitative approach and the design used is descriptive. However the study included some qualitative aspects in the data collection. The quantitative part of the research included gathering of subjective facts by using closed-ended questionnaire. The qualitative part of the study utilized thematic development through using open-ended questions. The quantitative and qualitative descriptive approaches were relevant research designs as it allowed perceptions of stakeholders to be gathered and the relationship between stakeholder management and procurement to be explored. Also, the researcher had an opportunity to assess the relevance of stakeholders at GHS. In all, the research is designed as a case study.

3.2. Research Purpose

Research may be carried out to describe, explore, or explain a phenomenon (Saunders et al., 2007). The primary purpose of the research was to assess the management of stakeholders on the procurement process of GHS. Exploratory studies concentrate on providing rich insights on the nature of the phenomenon or situation whilst descriptive studies concentrate on describing the feature of the phenomenon understudied. Explanatory studies, however, seek to address cause-and-effects relationships between variables (Saunders et al., 2007). In this study, in order to achieve the primary purpose of the research, the researcher employed both exploratory and explanatory research techniques.

3.3. Population, Sample Size and Sampling Techniques

The study population covers both staff and suppliers of GHS. Establishing study objectives is the first step in designing a survey. According to Brenda (2009) a target population of a study is the entire set of units for which the study data are to be used to make presumptions. It describes the units of survey from the research findings which are to be generalized. Defining the target population is the second step. Also the geographic and temporal features of the target population need to be delineated, as well. Conducting the study to cover the entire health sector population might be too expensive as well as time consuming. Thus, Sampling is used in this study because of its importance of huge run time savings. Lind et al (2008) explain sampling as a feasible study of the entire population. In selecting the respondents for the study, the researcher employed purposive and convenience sampling techniques. Saunders et al. (2007) argued that, purposive sampling technique enables the researcher to focus on cases that could provide responses that adequately address the needs of the study whilst convenient sampling technique is suitable when the features of the target population is homogenous. Therefore, suppliers and staff members available within the time frame for the field study were conveniently approached and given questionnaires. In all, a sample size of 20 suppliers and 50 staff respectively were considered suitable for the study. The targeted population was 85 individuals comprising of both staff and suppliers. Krejcie et al, (1970) served as a guide to the researcher in the selection of sample

size as according to the chart, when there is a targeted population of 85 individuals available, a sample size of 70 is required accordingly.

The breakdown of the sample sizes is shown in table 3-1 below:

Table 3.1: Questionnaire Distribution

Respondents	Number of Questionnaires to be Distributed
Supplies	10
Policy Planning Monitory & Evaluation	10
Audit	5
Stores & drug management	10
Family Health	5
Finance	5
Human Resource	5
Suppliers	20
Total	70

Source: Field study (2015)

3.4. Sources of data

According to Kumar (2011), the choice of using an interview or a questionnaire for data collection is important taking into detailed consideration the strengths and weakness of these two methods. The type of the method used can affect the validity of the findings of the research carried out. Kumar (2011) confirmed that selection between an interview and questionnaire should be based on the nature of the investigation, the geographical distribution of the study population and the type of the study population. The study employed the use of a questionnaire where data was obtained from a primary source and questionnaires were administered to targeted respondents which included suppliers and some selected staff members of the Ghana Health Service, Accra.

3.4.1 Primary sources of data

Primary data is explained as data used for specific purpose for which it was collected. Such data could be collected using questionnaires, observations and interviews just to mention a few (Bancroft et al, 2000). Data obtained is firsthand and collected to fit the purpose of the research topic. The researcher relied on primary source of data which were collected using self administered questionnaires in addressing the objectives of the study.

3.4.2 Secondary data source

Bancroft et al (2000) defined secondary data source as the name given to data used for purposes other than those for which it was collected. There is easy access to information and there are frequently several sources and perspectives of secondary data source. Journals, articles and magazines were used.

3.5 Methods of Data Collection technique and procedure

Abayie (2011) argued that, a questionnaire is designed and used for the collection of primary data. A questionnaire is a list of questions that is used to solicit for information or data. Bancroft et al., (2000) explains its benefits as that, it is much less expensive to operate especially where resources are limited or population is widely scattered. The questionnaire had close-ended items and required the respondents to provide demographic background information.

A 5 point Likert scale was used in measuring the constructs with: 1=Strongly Disagree, 2=Disagree, 3=Not Sure, 4=Agree and 5=Strongly Agree. The questionnaires were self-administered. The researcher distributed the questionnaires to the suppliers and members of staff accordingly and later went back to collect them.

3.6 Methods of data analysis/statistical procedure

In breaking down information gathered for the study, quantitative information systematic strategies and methodology were utilized. Preceding breaking down the information, reviews on the surveys got were inspected, before they were gone into the measurable bundles (SPSS Version 20) utilized as a part of the study. Both graphic and inferential factual instruments were utilized. The essential graphic factual apparatuses utilized were means, standard deviations and fluctuations. In building up the study's hypothetical structure, connection and relapse examination were utilized.

3.7 Validity and Reliability of Results

Validity is a result which is how proper the questions measure the case chosen to be studied (webropol, 2011). To obtain valid results, the scale for measuring must be in order. To ensure that the questions are formed correctly and that they measure what they are expected to measure, experts and pre-testing must be used. Again, Webropol (2011) defined reliability as stability of the results. That is how accurately the study or measuring has been carried out. The problem in reliability and stability of the results is that questions are answered differently other than what the question was designed for even though the question was designed correctly.

For this study, the questions to the questionnaire were verified by the protocol officer of the Ghana Health Service, Accra and research supervisor at the Kwame Nkrumah University of Science and Technology, Kumasi. The questionnaire was further pretested with a small group where feedback on questions were asked and received.

CHAPTER FOUR PRESENTATION, ANALYSIS AND INTERPRETATION OF FINDINGS

4.0 Introduction

This fourth chapter captures the field results with respect to the research questions and study objectives. The chapter thoroughly captures analysis reflecting on each variable under consideration as far as the general objective of the study is concerned.

4.1 Findings on gender distribution

The findings on the stakeholder gender distribution are captured in table 4.1 below.

Table 4.1: Stakeholder gender distribution

Category	Frequency	Percentage (%)
Males	38	54.3
Females	32	45.7
Total	70	100

Source: Compiled from case study data, 2015.

From Table 4.1, 38 respondents representing 54.3% were male and 32 respondents representing 45.7% were female. This indicates that there were more male respondents in the administration of the questionnaires than females. The difference was not much and this supports the fact that both males and females were fairly covered in the questionnaire administration.

4.2 Findings on Stakeholder distribution

The findings on the stakeholder distribution are shown in table 4.2 below.

Table 4.2 Distribution of Stakeholders

Respondents	Number of Questionnaires Distributed	Responses	Percentage of Responses (%)
Supplies Unit	10	10	14.3
Policy Planning Monitory & Evaluation Unit	10	10	14.3
Audit Unit	5	4	5.7
Stores &Drug Management Unit	10	10	14.3
Family Health Unit	5	3	4.3

Finance Unit	5	4	5.7
Human Resource Unit	5	4	5.7
Total	50	45	64.30

Source: Compiled from case study data, 2015.

From Table 4.2, 10 respondents representing 14.3% each were staff members of the Supplies, Policy Planning, Monitory & Evaluation and the Stores & Drug Management units at GHS respectively. 4 respondents representing 5.7% were from the audit, finance and human resource units respectively whilst 3 respondents representing 4.3% were from family health. It can also be seen that the total number of responses added up to 64.30% since some respondents did not respond to the questionnaires given out.

4.3 Table 4.3 Distribution of Stakeholders

Respondents	Number of Questionnaires Distributed	Responses	Percentage of Responses (%)
Suppliers	20	18	25.7

Source: Compiled from case study data, 2015

From table 4.3, 18 respondents representing 25.7% were suppliers.

4.4 Findings on Respondents' Age Distributions

The findings on the respondents' age distribution are captured in table 4.4 below.

Table 4.4: Respondent's Age (Stakeholders)

Age	Frequency	Percentage
20-30	17	24.3
31-40	31	44.3
41-50	10	14.3
Above 51	5	7.1
Total	63	90

Source: Compiled from case study data, 2015.

From Table 4.4, 17 respondents representing 24.3% were within 20-30 years and 31 respondents representing 44.3% were within 31-40 years, 10 respondents representing 14.3% were within 41-50 years and only 5 respondents representing 7.1% were above 51 years. This indicates that majority of the stakeholders were young and at least 10 years far off from their retiring age.

4.5 Findings on educational background of respondents

The findings on the educational background of respondents are displayed in the table below.

Table 4.5: educational background of respondents

Educational Background	Frequency	Percentage
Secondary	0	0
Tertiary	34	48.6
Professional	22	31.4
Others	7	10.0
Total	63	90

Source: Compiled from case study data, 2015

From Table 4.5, 34 respondents representing 48.6% were from the tertiary institution, 22 respondents representing 31.4% had professional qualification, 7 respondents representing 10% had other qualifications and none had only secondary education which represents 0%.

4.6 Presentation of Data for Research Question 1

Tabular presentation of data for Research Question 1 was in Table 4.6. Key to Table 4.6 was SD = Strongly Disagree, D = Disagree, NS=Not sure, A = Agree, SA = Strongly Agree. The numerical values assigned to the 5-scale Likert were 1, 2, 3, 4, and 5 respectively. Also f = frequency.

Table 4.6: Stakeholder Management

Variables	SD	D	NS	A	SA	Mean Score	Decision, d
	1	2	3	4	5		
	F	F	f	F	F		
Stakeholder Involvement	3.9365						NS<d<A
Key role of stakeholders	0	6	7	32	18	3.9841	NS<d<A
Frequent involvement	0	8	9	30	16	3.8571	NS<d<A
Direct involvement	0	7	8	19	29	4.1111	A<d<SA
Conflict management	0	9	23	11	20	3.6667	NS<d<A
Stakeholder management practices	0	2	11	31	19	4.0636	A<d<SA
Stakeholder Participation	3.9660						NS<d<A
Stakeholder participation through recommendation	0	0	9	39	15	4.0952	A<d<SA
Participation is encouraged	0	6	27	12	18	3.6667	NS<d<A
Stakeholder participation through invitation	0	5	7	31	20	4.0476	A<d<SA
Stakeholder participation through selection	0	3	9	33	18	4.0476	A<d<SA
Stakeholder participation through voluntary participation	0	4	28	13	18	3.7143	NS<d<A
Using education to manage stakeholders	0	0	13	29	21	4.1270	A<d<SA
Using training to manage stakeholders	0	3	5	40	15	4.0635	A<d<SA
Stakeholder Consultation	4.0159						A<d<SA
Vivid description of items	0	4	8	21	30	4.2222	A<d<SA
Justification of items needed	0	8	9	28	18	3.8889	NS<d<A
Giving early notices of items needed	0	5	11	26	21	4.0000	A<d<SA
Acquisition of right items	0	7	8	29	19	3.9524	NS<d<A
Channel of Communication	3.8370						NS<d<A
Use of e-mails	0	6	7	32	18	3.9841	A<d<SA
Use of telephone calls	0	8	9	30	16	3.8571	NS<d<A
Use of letters	0	9	23	11	20	3.6667	A<d<SA

4.7 Data Analysis in respect of Research Question 1

Stakeholder Involvement

The results of the research showed that stakeholder's involvement at GHS had the next lowest average mean score with a value of 3.9365. This is next after stakeholder communication which had the least average mean score. This shows that stakeholder involvement (\bar{X} = 3.9365) was between not sure and agree (NS<d<A). The result implies that the respondents are not sure stakeholders are involved in procurement processes at all times and at the right time needed with regards to key roles stakeholders play, how frequent they are involved be it directly or indirectly and also as to whether they bring about conflicts and whether GHS practices stakeholder management.

Stakeholder Participation

The results of the research showed that respondents' perception of stakeholder participation at GHS had the average mean score of 3.9660. This shows that respondents' perception of stakeholder participation (\bar{X} = 3.9660) was between not sure and agree (NA<d<A). This implies that the respondents are not too sure, neither do they agree that stakeholders of GHS fully participate in procurement activities. Moreover, respondents are

not too sure stakeholders participate in procurement processes through recommendations, invitations, selection, voluntary participation, or whether education and training is used by GHS when managing stakeholders in the procurement process and also whether participation in the procurement process is actually encouraged at GHS.

Stakeholder Consultation

The results of the research showed that respondents’ perception of stakeholder consultation at GHS had the average mean score of 4.0159. This shows that respondents’ perception of stakeholder consultation ($\bar{X} = 4.0159$) was between agreed and strongly agreed ($A < d < SA$). This implies that the respondents are of the view that, stakeholders at GHS are consulted before procurement activities are initiated. Stakeholders at GHS give vivid description of items, justify the items needed, give early notices and help procurement in the acquisition of right items needed at the right time.

Channel of Communication

The results of the research showed that respondents’ perception of existence of a channel of communication at GHS had the lowest average mean score with a value of 3.8370. This shows that respondents’ perception of communication with stakeholders at GHS ($\bar{X} = 3.8370$) was between not sure and agreed ($NS < d < A$). This implies that the respondents somehow believe that there exist some communication challenges with respect to procurement activities at GHS. That is, the respondents considered for this study rather mildly believed that GHS uses telephone calls, emails as well as letter writing in communicating with suppliers and staff members such as those of the Audit unit, Human Resource Unit, Family Health unit, etc.

Table 4.7: Descriptive Statistics on the contribution of Stakeholder Management to GHS Procurement Process

Descriptive Statistics			
	Mean	Std. Deviation	N
Stakeholder management	24.1746	5.76289	63
Stakeholder Involvement	3.9365	.90220	63
Stakeholder Participation	3.9660	.76704	63
Stakeholder Consultation	4.0198	.90730	63
Channel of Communication	3.8360	.93493	63

Key: 1= (SD = Strongly disagree) 2 = (D = Disagree) 3 = (NS= Not Sure) 4 = (A = Agree) 5 = (SA = Strongly Agree)

Table 4.8: Correlation Analysis of the contribution of Stakeholder Management to GHS Procurement Process

		Correlations				
		Procurement Process	Stakeholder Involvement	Stakeholder Participation	Stakeholder Consultation	Channel of Communication
Pearson Correlation	Procurement process	1.000	.557	.538	.538	.557
	Stakeholder Involvement	.557	1.000	.991	.991	.996
	Stakeholder Participation	.552	.978	.962	.962	.984
	Stakeholder Consultation	.538	.991	1.000	1.000	.983
	Channel of Communication	.557	.996	.983	.983	1.000
Sig. (1-tailed)	Impact of Stakeholder management	.	.000	.000	.000	.000
	Stakeholder Involvement	.000	.	.000	.000	.000
	Stakeholder Participation	.000	.000	.000	.000	.000
	Stakeholder Consultation	.000	.000	.	.	.000
	Channel of Communication	.000	.000	.000	.000	.
N	Impact of Stakeholder management	63	63	63	63	63
	Stakeholder Involvement	63	63	63	63	63
	Stakeholder Participation	63	63	63	63	63
	Stakeholder Consultation	63	63	63	63	63
	Channel of Communication	63	63	63	63	63

The result of the descriptive statistics is shown in Table 4.7 depicting the role stakeholder management plays in the procurement process of Ghana Health Service (GHS).

According to Table 4.7 stakeholder consultation plays a major role in the procurement process of GHS with a mean of 4.0198 and standard deviation of 0.90730 followed by stakeholder participation, stakeholder involvement and the choice of the communication channel with a mean and a standard deviation of 3.9660 and 0.76704; 3.9365 and 0.90220; and 3.8360 and 0.93493 respectively.

This shows that in the view of respondents, GHS uses a lot of stakeholder consultation in their procurement process but most of the internal communication channels are not that well utilized.

Table 4.8 also represents the strength of the relationship, in the view of respondents, between the variables of stakeholder management to the procurement process of GHS. The result shows that there is generally a positive relationship between the stakeholder management variables and the procurement process of GHS. With stakeholder involvement and the channel of communication leading with a correlation of 0.557, followed by stakeholder participation and stakeholder consultation with positive correlations of 0.552 and 0.538 respectively.

This shows that all the variables of stakeholder management have a positive contribution and play a major role in the procurement process of GHS. The picture is clear in Table 4.8 that the implementation of these variables has an impact on the procurement process of GHS.

4.8 Presentation of Data in respect of Research Question 2

Tabular presentation of data for Research Question 2 was in Table 4.9. Key to Table 4.9 was SD = Strongly Disagree, D = Disagree, NS=Not Sure, A = Agree, SA = Strongly Agree. The numerical values assigned to the 5-Point Likert Scale were 1, 2, 3, 4, and 5 respectively and also f = frequency.

Table 4.9: Procurement Process

Variables	SD	D	NS	A	SA	Mean Score	Decision, d
	1	2	3	4	5		

	f	F	f	f	F		
Involvement in Procurement Process						4.0794	A<d<SA
Stakeholders engaged in all procurement processes	0	10	5	24	24	4.0635	A<d<SA
Involvement in specification development stage	0	6	8	34	15	3.9206	NS<d<A
Tender preparation stage	0	0	15	32	16	4.0159	A<d<SA
Evaluation stage	0	0	9	28	26	4.2698	A<d<SA
Contracting stage	0	3	13	18	29	4.1587	A<d<SA
National competitive tendering	0	6	7	31	19	4.0000	A<d<SA
Price quotation	0	5	0	42	16	4.0952	A<d<SA
International competitive tendering	0	5	8	30	20	4.0317	A<d<SA
Sole sourcing	0	6	9	29	19	3.9683	NS<d<A
Restrictive tendering	0	4	6	32	21	4.1111	A<d<SA
Consultancy services	0	7	0	27	29	4.2381	A<d<SA

4.9 Data Analysis in respect of Research Question 2

Stakeholder engagement in all Procurement Processes

The results of average mean score of 4.0635 from the research showed that in the view of respondents, stakeholders at GHS are engaged in all procurement processes. The responses indicated that stakeholder engagement in procurement processes ($\bar{X} = 4.0635$) was between agreed and strongly agreed (A<d<SA). This implies that the respondents are very much of the view that stakeholders at GHS are generically engaged in all procurement activities.

Involvement in specification development stage

The results of the research showed that in the view of respondents, stakeholders at GHS are involved during the specification development stage. The average mean score of 3.9206 ($\bar{X} = 3.9206$) was between not sure and agreed (NS<d<A). This implies that the respondents are not too sure that stakeholders at GHS are actually involved during the specification development stage.

Tender Preparation Stage

The results of the research showed that in the view of respondents, stakeholders at GHS are engaged in the preparation of tenders as shown by the average mean score of 4.0159 ($\bar{X} = 4.0159$). This score shows that responses tended to be between agreed and strongly agreed (A<d<SA). This implies that the respondents are very much of the view that stakeholders at GHS are engaged in the preparation of tender stage.

Evaluation Stage

The research results of average mean score of 4.0159 showed that in the view of respondents, stakeholders at GHS are engaged at the evaluation stage. The result ($\bar{X} = 4.0159$) indicated responses were between agreed and strongly agreed (A<d<SA) implying that the respondents are very much of the view that stakeholders at GHS are engaged at the evaluation stage.

Contracting Stage

The results of the research ($\bar{X} = 4.1587$) showed that in the view of respondents, stakeholders at GHS were also engaged at the contracting stage showing that respondents agreed or strongly agreed (A<d<SA) that stakeholders are involved in the contracting stage. This implies that the respondents are very much of the view that stakeholders at GHS are engaged at the contracting stage.

National Competitive Tendering

The results of the research showed that in the view of respondents, the fact that stakeholders at GHS were engaged in National Competitive Tendering had the average mean score of 4.0000. This result of ($\bar{X} = 4.0000$) shows that responses that stakeholders are involved in procurement using National Competitive Tendering was between agreed and strongly agreed (A<d<SA). This implies that the respondents are very much of the view that stakeholders at GHS are engaged in National Competitive Tendering.

Price Quotation

The results of the research ($\bar{X} = 4.0952$) which was between agreed and strongly agreed (A<d<SA) showed that in the view of respondents, stakeholders at GHS engaged in procurement using Price Quotation had the

average mean score of 4.0952. This implies that the respondents very much agree to the fact that stakeholders at GHS are engaged using Price Quotation.

International Competitive Tendering

The result of an average mean score of ($\bar{X} = 4.0317$) of the research showed that stakeholders at GHS engaged in procurement using International Competitive Tendering. The result between agreed and strongly agreed (A<d<SA) implies that the respondents very much agree to the fact that stakeholders at GHS are engaged using International Competitive Tendering.

Sole Sourcing

The results of the research showed that stakeholders at GHS engaged in procurement using Sole Sourcing had the average mean score of 3.9683 which responded result was between not sure and agreed (NS<d<A). This implies that the respondents only slightly agree to the fact that stakeholders at GHS are engaged using Sole Sourcing.

Restrictive Tendering

The results of the research showed that in the view of respondents, stakeholders at GHS engaged in procurement using Restrictive Tendering had the average response mean score of 4.1111 ($\bar{X} = 4.1111$) based on responded results of between agreed and strongly agreed (A<d<SA). This implies that the respondents very much agree that stakeholders at GHS are engaged using Restrictive Tendering.

Consultancy Services

The results of the research showed that stakeholders at GHS engaged in procurement using Consultancy Services had the average mean score of 4.2381 ($\bar{X} = 4.2381$) based on responded results between agreed and strongly agreed (A<d<SA). This implies that the respondents very much agree that stakeholders at GHS are engaged using Consultancy Services.

Table 4.10: Procurement Management Process

Key: 1= (SD = Strongly disagree) 2 = (D = Disagree) 3 = (NS= Not Sure)

Descriptive Statistics

	N	Mean	Std. Deviation	Variance
Stakeholder engagement	63	3.9841	1.05482	1.113
Involvement in specification development stage	63	3.9206	.86699	.752
Tender preparation stage	63	4.0159	.70693	.500
Evaluation stage	63	4.2698	.70038	.491
Contracting stage	63	4.1587	.91944	.845
National competitive tendering	63	4.0000	.89803	.806
Price quotation	63	4.0952	.75593	.571
International competitive tendering	63	4.0317	.87930	.773
Sole sourcing	63	3.9683	.91525	.838
Restrictive tendering	63	4.1111	.82523	.681
Consultancy services	63	4.2381	.92831	.862
Valid N (listwise)	63			

4 = (A = Agree) 5 = (SA = Strongly Agree)

The procurement process of every institution is affected by a lot of factors and as a result there are several procurement options that are being adopted by every institution based on how the procurement process is managed and other situational factors.

Table 4.10 presents the result of respondents on the management of the procurement process at GHS and how much importance is attached to the various stages of the procurement process. According to Table 4.10 much attention is given to the evaluation stage with a mean of 4.2698 and a standard deviation of 0.70038 followed

by consultancy services, contracting stage, restrictive tendering, price quotation, international competitive tendering, tender preparation stage, national competitive tendering, stakeholder engagement, sole sourcing and involvement in specification development stage with a mean and standard deviation respectively of (4.2381 and 0.92831); (4.1587 and 0.91944); (4.111 and 0.82523); (4.0952 and 0.75593); (4.0317 and 0.87930); (4.0159 and 0.7693); (4.0000 and 0.89803); (3.9841 and 1.05482); (3.9683 and 0.91525) and (3.9206 and 0.6699) .

This shows that GHS focuses much attention on the evaluation stage but less attention is given to stakeholder involvement in specification development stage. It may be as a result of the limited duration of time allocated to the preparation of specifications, hence, stakeholders are not involved at all times perhaps to avoid delays in the procurement process.

4.10 Presentation of Data in respect of Research Question 3

Tabular presentation of data for Research Question 3 was in Table 4.11. Key to Table 4.11 was SD = Strongly Disagree, D = Disagree, NS=Not Sure, A = Agree, SA = Strongly Agree. The numerical values assigned to the 5-Point Likert Scale were 1, 2, 3, 4, and 5 respectively and also f = frequency.

Table 4.11: Relationship between Stakeholder Management and Procurement Process

Variables	SD	D	NS	A	SA	Mean Score	Decision, d
	1	2	3	4	5		
	f	F	f	F	F		
Influence of stakeholders on Procurement Process	3.9860						NS<d<A
Prior information	0	8	11	25	19	3.8730	NS<d<A
Partnership	0	10	23	18	12	3.5079	NS<d<A
Value for money	0	7	10	26	20	3.9365	NS<d<A
Preparation of procurement plans	0	7	8	30	18	3.9365	NS<d<A
Meeting of timelines	0	10	28	15	10	3.3968	NS<d<A

4.12 Data Analysis in respect of Research Question 3

Prior Information

The average mean score of 3.8730 obtained in respect of prior information shows that the average response was between not sure and agreed (NS<d<A) implying a rather weak relationship between stakeholder management and procurement processes at GHS with respect to prior information.

Partnership

The results of the research revealed that stakeholders at GHS sometimes go into partnership in procurement processes as shown by the average mean score of 3.5079 ($\bar{X} = 3.5079$) indicating responses were between not sure and agreed (NS<d<A). This implies that there is a rather mild relationship between stakeholder management and procurement processes at GHS with respect to partnership.

Value for money

The results of the average mean score of 3.9365 from the research showed that stakeholders at GHS bring about value for money in procurement processes. This suggests that responses were between not sure and agreed (NS<d<A). This implies that there is a rather mild relationship between stakeholder management and procurement processes at GHS in respect of value for money.

Preparation of Procurement Plan

The average mean score of 3.9365 obtained from the research showed that stakeholders at GHS are involved during the preparation of procurement plan. This also reveals that responses were between not sure and agreed (NS<d<A). This implies that there is a rather mild relationship between stakeholder management and procurement processes at GHS with respect to preparation of procurement plans.

Meeting of timelines

The average mean score of 3.3968 from the research suggests that stakeholders at GHS are sometimes able to meet timelines. This shows that there is some stakeholder involvement in procurement processes ($\bar{X} = 3.3968$) which is between not sure and agreed (NS<d<A). This implies that there is a relationship between stakeholder management and procurement processes at GHS with respect to meeting deadlines. A simple comparison of the average mean score of the independent variables showed that stakeholder consultation had the highest

average mean score (4.0198). Comparing this to the average mean score of the dependent variable (Stakeholders involvement in Procurement Process) which is 4.0794 showed that a high value in stakeholder consultation led to a higher value in the involvement of stakeholders in procurement process. In other words, stakeholder consultation led to effective and efficient procurement process.

More so, comparison of the average mean score of the independent variables showed that stakeholder participation had the next highest average mean score (3.9660). Comparing this to the average mean score of the dependent variable (Stakeholders involvement in Procurement Process) which is 4.0794 showed that a high value in stakeholder participation led to a higher value in the involvement of stakeholders in procurement process. In other words, stakeholder participation led to successful and resourceful procurement process at GHS.

Again, comparing the average mean score of the independent variables showed that stakeholder involvement had the third highest average mean score (3.9365). Comparing this to the average mean score of the dependent variable (Stakeholders involvement in Procurement Process) which is 4.0794 showed that a high value in stakeholder involvement led to a higher value of stakeholders' performance in procurement process of GHS. Further to this, stakeholder involvement brings about value for money in procurement process of GHS.

Furthermore, a simple comparison of the average mean score of the independent variables showed that channel of communication for stakeholders had the fourth highest average mean score (3.8370). Comparing this to the average mean score of the dependent variable (Stakeholders involvement in Procurement Process) which is 4.0794 showed that an increase in channel of communication for stakeholders led to a higher value in stakeholder's involvement in procurement process of GHS. In other words, channel of communication for stakeholders led to success in procurement process.

Hypothesis 1:

Null Hypothesis- H_0 : There is a relationship between stakeholder management practices and procurement process at GHS.

Alternate Hypothesis- H_1 : There is no relationship between stakeholder management practices and procurement process at GHS.

Hypothesis 2

Null Hypotheses- H_0 : Stakeholder management practices have an impact on procurement process at GHS.

Alternate Hypotheses- H_1 : Stakeholder management practice does not have an impact on procurement process at GHS.

Table 4.12: The impact of the Stakeholder Management on the Procurement Process of Ghana Health Services

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.609 ^a	.371	.316	4.76687

a. Predictors: (Constant), Meeting of Timelines, Preparation of procurement plans, Partnership, Prior Information, Value for Money.

The result of the regression analysis is shown in Table 4.12. The model equation can be stated as:

$$\text{Impact of Stakeholder management} = 10.743 - 0.767\text{Prior_Info} + 0.735\text{Partnership} + 0.275 \text{Value_Money} + 0.640 \text{Preparation_Plan} - 0.312 \text{Meeting_Timelines} + \mu.$$

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	90.0% Confidence Interval for B	
	Beta	Std. Error	Beta			Lower Bound	Upper Bound
1 (Constant)	10.743	2.648		4.056	.000	5.439	16.046
Prior Information	-4.459	2.648	-.767	-1.684	.098	-9.761	.843
Partnership	4.312	2.062	.735	2.091	.041	.183	8.441
Value for Money	1.643	3.069	.275	.535	.595	-4.503	7.788
Preparation of the procurement plans	3.961	2.588	.640	1.531	.131	-1.221	9.143
Meeting of Timelines	-1.909	2.056	-.312	-.928	.357	-6.027	2.209

According to Table 4.12, the coefficient of the regression results shows that stakeholder management is able to impact the procurement process of GHS by 60.9%. It shows how sensitive the independent variable is to the dependable variable.

The Adjusted R also shows that an increase in the utilization of the stakeholder management variables by a margin will increase the contribution of stakeholder management to effective procurement process of GHS by 31.6%.

Although the result of the regression analysis shows high coefficients of most of the independent variables of stakeholder management, the extent to which the model is able to predict the contribution of the stakeholder management to the outcome of the procurement process is low (i.e. R square = 0.371 or 37.1 %). Thus the extent to which the regression linear equation of the independent variables (Stakeholder Management) successfully accounts for the variation of the dependent variable (outcome of the procurement process) is weak i.e. 37.1%. This means that the outcome of an effective procurement process can be explained by other factors other than stakeholder management only.

The weakness of the regression model is shown in the high standard error estimate (standard deviation) of 4.76687. Again, Table 4.12 shows an intercept of 10.743 which means that without stakeholder management the procurement process would grow by 4.76687. The gradients of the model are -4.459, 4.312, 1.643, 3.961 and -1.909 which means that there are fluctuations in the slope which shows the deviation from the mean.

Table 4.12 also shows that, T statistics of prior information and partnership are the only variables that are statistically significant because they have the level of significance of between 0 to 0.1. These two variables are the key variables that are determined by the other variables being preparation of procurement plan, value for money and meeting of timelines. This shows that the model is fit in predicting the contribution of stakeholder management to the procurement process of GHS with a positive correlation and high β (coefficient). Therefore, considering hypothesis two (2), H_0 is accepted and H_1 is rejected since the results shows that stakeholder management has an impact on the procurement process of GHS.

Table 4.13 The relationship between stakeholder management and the outcomes of the procurement process of Ghana Health Service

		Correlations					
		Impact of Stakeholder Management	Prior Information	Partnership	Value for Money	Preparation of the procurement plans	Meeting of Timelines
Pearson Correlation	Impact of Stakeholder Management	1.000	.484	.557	.518	.543	.504
	Prior Information	.484	1.000	.879	.969	.952	.866
	Partnership	.557	.879	1.000	.869	.865	.947
	Value for Money	.518	.969	.869	1.000	.965	.862
	Preparation of the procurement plans	.543	.952	.865	.965	1.000	.856
	Meeting of Timelines	.504	.866	.947	.862	.856	1.000
Sig. (1-tailed)	Impact of procurement process	.	.000	.000	.000	.000	.000
	Prior Information	.000	.	.000	.000	.000	.000
	Partnership	.000	.000	.	.000	.000	.000
	Value for Money	.000	.000	.000	.	.000	.000
	Preparation of the procurement plans	.000	.000	.000	.000	.	.000
	Meeting of Timelines	.000	.000	.000	.000	.000	.
N	Impact of procurement process	63	63	63	63	63	63
	Prior Information	63	63	63	63	63	63
	Partnership	63	63	63	63	63	63
	Value for Money	63	63	63	63	63	63
	Preparation of the procurement plans	63	63	63	63	63	63
	Meeting of Timelines	63	63	63	63	63	63

** . Correlation is significant at the 0.1 level (1-tailed).

According to Table 4.13 there is high correlation (0.557 or 55.7%, 0.543 or 54.3%, 0.518 or 51.8% and 0.504 or 50.4%) with prior information only which has a correlation a little below average (0.484 or 48.4%) between stakeholder management and the outcome of the procurement process of GHS and it also shows that there is a positive relationship between stakeholder management and the procurement process of GHS. Due to that an increase in the utilization of stakeholder management variables would result in a marginal growth in the outcome of the procurement process year by year. Because of this H_0 is accepted and H_1 is rejected in hypothesis 1.

CHAPTER FIVE FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.0 Introduction

This chapter presents the summary of findings, recommendations and conclusions of the study on assessing the impact of stakeholder management on the procurement process of Ghana Health Service, Accra and uses the results of the exploratory and descriptive approach of research obtained in the previous chapter.

5.1 Summary of Findings

According to Table 4.7 stakeholder consultation plays a major role in the procurement process of Ghana Health Service (GHS) with a mean of 4.0198 and standard deviation of 0.90730 followed by stakeholder participation, stakeholder involvement and the choice of the communication channel with a mean and a standard deviation of 3.9660 and 0.76704; 3.9365 and 0.90220; and 3.8360 and 0.93493 respectively.

Again, Table 4.8 also represents the result of the contribution (relationship) between the variables of stakeholder management to the procurement process of GHS. The result shows that there is a positive relationship between the stakeholder management variables and the procurement process of GHS. With stakeholder involvement and the channel of communication leading with a correlation of 0.557 each followed by stakeholder participation and stakeholder consultation with a positive correlation of 0.552 and 0.538 respectively.

Table 4.10 presents the result of the responses on the management of the procurement process of GHS and how much importance is attached to the various stages of the procurement process. According to Table 4.10 much attention is given to the evaluation stage with a mean of 4.2698 and a standard deviation of 0.70038 followed by consultancy services, contracting stage, restrictive tendering, price quotation, international competitive tendering, tender preparation stage, national competitive tendering, stakeholder engagement, sole sourcing and involvement in specification development stage with a mean and a standard deviation of (4.2381 and 0.92831); (4.1587 and 0.91944); (4.111 and 0.82523); (4.0952 and 0.75593); (4.0317 and 0.87930); (4.0159 and 0.7693); (4.0000 and 0.89803); (3.9841 and 1.05482); (3.9683 and 0.91525) and (3.9206 and 0.6699) respectively. Also, Table 4.10 shows a high standard deviation on consultancy services and the contracting stage even though they are showing a high mean.

According to Table 4.12, the coefficient of the regression results shows that there is a positively high correlation (0.609 or 60.9%) between stakeholder management and the procurement process of GHS. It also shows the strength of the model (how the independent variables are able) to predict the behaviour of the dependent variable is weak (0.371 or 37.1%).

The Adjusted R shows how sensitive the independent variables are to the dependent variable. That an increase in the utilization of the stakeholder management variables by a margin will increase the contribution of stakeholder management to effective procurement process of GHS by 0.316 or 31.6%.

Although the result of the regression analysis shows higher coefficients of most of the stakeholder management variables, the extent to which the model is able to predict the contribution of the stakeholder management to the outcome of the procurement process is low (i.e. R square = 0.371 or 37.1 %). This means that the outcome of an effective procurement process can be explained by some factors other than stakeholder management only.

The weakness of the regression model is also shown in the high standard error estimate (standard deviation) of 4.76687. Again, the Table 4.12 shows an intercept of 10.743 which means that without stakeholder management the procurement process would grow by 4.76687.

Table 4.12 also shows that, T statistics of prior information and partnership are the only variables that are statistically significant for the level of significance of 0.1. These two variables are thus the key independent variables. The significant level of prior information and partnership in the procurement process of GHS may be evidence of how strategic the studies organization has been and the benefits that is accrued from such collaborations. Therefore, considering hypothesis two (2), H_0 is accepted and H_1 is rejected since the results show that stakeholder management at least in terms of the key variables of partnership and prior information has an impact on the procurement process of GHS.

As found by Loosemore and Hsin (2001), companies continue to outsource non-critical activities and to reduce and trim their supplier bases, existing outsourcing contracts have been expanded and on the other hand, strategically more important services have been outsourced. Again, inter-firm collaborations contribute to value creation on several levels, including economies of scale, the effective management of risk, cost efficient market entries and learning from partners. In addition, partnerships help firms to minimize transaction costs, cope with uncertain environments, reduce their dependence on resources beyond their control, successfully reposition themselves in dynamic markets, share fixed costs, enhance their own core competencies, and acquire access to complementary competencies (e.g. Nooteboom et al., 1997; Ireland et al., 2002). Considering

the above factors, one can infer from the activities of GHS and their procurement process implemented and hence the evidence for partnership as a significant variable in the procurement process.

According to Table 4.13, there is high correlation (0.557 or 55.7%, 0.543 or 54.3%, 0.518 or 51.8% and 0.504 or 50.4%) with prior information only which has a correlation a little below average (0.484 or 48.4%) between stakeholder management and the outcome of the procurement process of Ghana Health Service and it also shows that there is a positive relationship between stakeholder management and the procurement process of GHS. Due to that, an increase in the utilization of stakeholder management variables would result in a marginal growth in the outcome of the procurement process year by year. Because of this we also accept H_0 and reject H_1 in hypothesis 1.

5.2 Conclusion

Based on the findings of the study the following conclusions were drawn by the researcher.

Ghana Health Service (GHS) uses more stakeholder consultation in their procurement process and as a result most of the internal communication channel is not well utilized. All the variables of stakeholder management have a positive contribution and play a major role in the procurement process of GHS. However, the picture is clear in Table 4.12 showing the implementation of these variables which has an impact on the procurement process of GHS.

The procurement process of every institution is affected by a lot of factors and as a result there are several procurement options that are being adopted by every institution based on how the procurement process is managed and other situational factors. The study shows that GHS focuses much attention on evaluation stage but less attention is given to involvement in specification development stage. It may be as a result of limited duration of time allocated to the preparation of specifications, hence, stakeholders are not involved to avoid delays in the procurement process.

There is a positively high correlation (R) between stakeholder management and the procurement process of GHS by 60.9%. An increase in the utilization of the stakeholder management variables by a margin will increase the contribution of stakeholder management to effective procurement process of GHS by 31.6%. Although the result of the regression analysis shows a positively higher correlation of stakeholder management and the procurement process, the extent to which the model is able to predict the contribution of the stakeholder management to the outcome of the procurement process is low (i.e. R square = 0.371 or 37.1 %). This means that the outcome of an effective procurement process can be explained by other factors other than stakeholder management only. The weakness of the regression model is also shown in the high standard error estimate (standard deviation) of 4.76687. According to the T statistics, prior information and partnership are the only variables that are statistically significant. Prior information and partnership being the key variables has a significant level below 0.1 or 10%. This can be attributed to the fact that, organizations nowadays are more strategic and also such collaborations come with other benefits that is accrued to the organizations involved in such arrangements.

Considering hypothesis two (2) which looks at whether there is an impact of stakeholder management to the procurement process or not, there is a positively high correlation (0.609 or 60.9%) and high β (coefficient). Therefore, considering hypothesis two (2), H_0 is accepted and H_1 is rejected since the results shows that stakeholder management has an impact on the procurement process of GHS.

There is a positive relationship between stakeholder management and the procurement process of GHS. Due to that, an increase in the utilization of stakeholder management variables would result in a marginal growth in the outcome of the procurement process year by year. Because of this H_0 is accepted and H_1 is rejected in hypothesis 1.

5.3 Recommendations

The study has some recommendations to make based on the conclusions drawn from the findings.

1. The management of GHS should implement all the variables of the procurement process to impact positively on the procurement process of GHS.
2. The management of GHS should give equal attention to the various stages in the stakeholder management process. Even though some specific projects and services need experts to handle in which case, out-sourcing is appropriate, but even so, they should involve stakeholders in order to build and maintain that collaboration required to impact the procurement process of GHS.

5.4 Suggestions for Further Studies

Further studies that can be done are as follows;

1. To examine the role stakeholders play in procurement process at the national level of GHS.
2. To identify other ways of improving procurement process at GHS. According to the present study, other factors (variables) apart from stakeholder management that can help in predicting the contribution of stakeholder management to the outcome of the procurement process of Ghana Health Service need to be considered.

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