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Unethical Behaviors in Public Procurement in Local Government Authorities: What are the Drivers toward Unethical Behaviors?

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Abstract:

The focus of the study was to assess the factors influencing the unethical behavior towards public procurement in Local Authorities in Tanzania. The study adopted a quantitative approach whereby questionnaires were used to collect data from employees of Local Government Authority in Iringa. Stratified sampling was used to ensure sample representation among students from different faculties and levels of education, thereafter simple random sampling was used to collect data from the sample size of 118 respondents.

After using multiple regressions, the findings revealed that employee's attitude, social factor and facilitating condition are among factors influencing unethical behavior in public procurement. Basing from these findings this study thus concludes that employee attitudes, social pressure and facilitating conditions are among strong factor influencing unethical behavioral in public procurement in Local Authorities in Tanzania. This study recommended that regulation should be followed to ensure compliance with ethical issue by conducting internal and external capacity building. Also, the Government policy makers should make sure that the social factor should be taken into account with regard to the moral behaviors of Local Government Authorities before employing them.

Keywords: *Unethical behaviors, public procurement, local government*

1. Introduction

Worldwide, Public procurement has become an issue of public attention and has been subjected to reforms, restructuring, rules and regulations (Wanyonyi and Muturi, 2015). According to Amemba et.al, (2013) public procurement is an important function of government because it offers a great impact on the economy and needs to be well managed. On other hand, Tukamuhabwa (2012) also has advocated that procurement is a center to the government service delivery systems.

Despite of its importance, scholars such as Ibietan and Joshua (2013), have insisted that the public procurement field faces a widespread unaccountability, pervasive unethical conducts like corrupt practices. Given this situation a number of initiatives have been done by governments in developing countries in order to overcome such challenges. Notably example Legislations to regulate public procurement process in Kenyan have been implemented, through enactment of The Public Procurement and Disposal Act (2005), and Public Procurement and Disposal Regulations (2006) as cited in Amemba, et al. (2013). Whilst in Tanzanian context, likes other developing countries has enacted Public procurement act of 2004 which was also reformed in 2013 in order to overcome those challenges affecting public procurement (URT 2004).

Despite of such initiative, little has been done in Tanzania to idea of investigating factors influencing unethical behavioral. This means that the reform has been done with little understanding of factors contributing to unethical behaviors in public procurement. On the other side, Amemba, et al. (2013), has argued that maintenance of high ethical standards in the public procurement process has also been a nagging challenge. Given this situation this study investigated factors influencing unethical behaviors towards compliance with public procurement.

2. Literature Review

Categorically this part has been covered by the Theoretical Literature review and Emperical Literature review as follows below: -

2.1. Theoretical Literature review

2.1.1. Theory of Planned Behavioral

The origin of Theory of planned behavioral is settled from the theory of Reasoned Action where Ajzen (1991) extended the theory of reasoned action through adding construct perceived behavioral control into the model as a determinant of behavioral intention and behavior, and called it as "theory of planned behavior". According to Ajzen (1991) on the theory of planned behavior state that, individual behavioral intention to behave is determined by three factors namely attitude, subjective norms and perceived behavior control. As in this study an individual behavioral intention to act unethical is determined by his/her attitude, subjective norms and perceived behavioral control.

In fact, attitude is the general feeling of people about the desirability or undesirability of a particular issue or behavior (Ajzen, 1991). In public procurement sector, employee may have general perceived feeling toward unethical which my results him/her to act unethical.

Subjective norm refers to individual's perception of important people's opinions about doing or not doing the behavior. In other words, subjective norm is the perceptions related to opinions of society about doing or not doing the behavior by individual (Taylor and Todd, 1995). The construct "perceived control of behavior" is the individual's perception about easy or difficulty of doing behavior and indicates the individual's perceptions about required skills, resources, and opportunities in doing the behavior (Ajzen, 1991). Therefore in this study this theory helped the researchers to provide further analysis on the influence of attitude, subjective norm and behavioral control on adoption of unethical behavior towards public procurement in local government authorities.

2.2. Empirical literature review

Askew, et al. (2015) carried out a study on factors Influencing Unethical Behavior. The study found that attitude partially mediates the relationship between supervisory influence, role ambiguity and sales target towards the intention to perform unethical behavior. In addition, the study found that, subjective norm and moral obligation was found to partially mediate the relationship of supervisory influence and role ambiguity on intention to perform unethical behavior. On the other hand, Boes (2015) carried out a study on unethical behavior in Nigerian Organizational Settings. Findings contended that individual value system, organizational practices, and wider external environments are some influential factors of unethical behavior, and therefore, recommended for periodic workshops, seminars, and ethics training for employees so that they can internalize high ethical standards in their daily behavior. Further, more Eyaa and Oluka (2011) stated that Unethical Behavior in Public Organizations, this study posits that the propensity to engage in corruption is motivated by rationalization, socialization, and institutionalization of corruption practices. These findings posit three hypotheses:

- H1: Employee Attitude has significant influence on Unethical behavior in Public Procurement in Local Government Authorities.
- H2: Social factor has significant influence on Unethical behavior in Public Procurement in Local Government Authorities.
- H3: Facilitating Conditions has significant influence on Unethical behavior in Public Procurement in Local Government Authorities.

2.3. Conceptual framework

Base on the above hypothesis formulated, the conceptual framework is designed with three independent variable

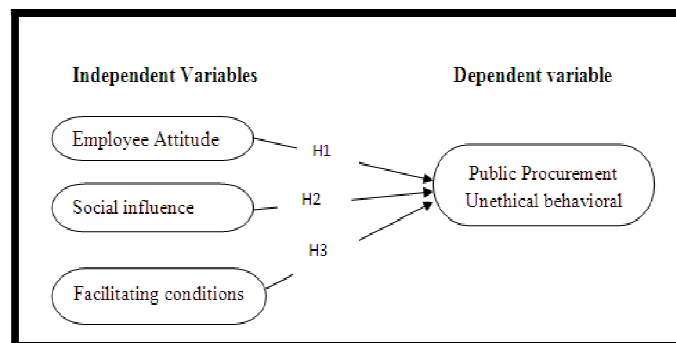


Figure 1: Conceptual Framework

Source: Researchers constructed from literature review (2018)

3. Methodology

In this study quantitative approach was used as a research approach. Quantitative philosophy is a method used to answer questions on relationships within measurable variables with an intention to explain, predict and control a phenomenal (Williams, 2007). This study used quantitative approach in order to determine the influence of attitude, facilitating conditions and social factor towards influencing unethical behavioral to public procurement in Local Authorities. The targeted population for a study was the entire set of units for which the surveyed data were to be used to make inferences (Goretti, 2008). For this study the targeted population comprised of employees of Iringa Municipal council from Tanzania. Employees have been selected in this study because are the only ones whom are main operators of the public procurement in local Authorities and have been targeted for them to support the municipal. There for, from this population researchers collected data in order to understand the unethical issue in Tanzania public procurement sector. Quantitative data analysis was performed by using regression analysis test of the extent or magnitude of each factor influencing unethical behavioral among employee in public sector more specific public procurement of which have been done by using multiple regression analysis.

4. Findings

This part presents finding on construct validity, reliability and presentation of the major findings.

4.1. Construct Validity Test

In order to ensure that each dimension is aligned to their construct, exploratory factor analysis was done and the results are displayed below. Only the items which fitted well to the model were retained as indicated in table 4.1 while those which were having a poor model fit were deleted.

	Component		
	1	2	3
easy to act unethical	.963		
Self interest	.948		
group interest	.945		
perceived benefit	.616		
Loose regulation		.840	
lack of proper policy		.823	
lack of proper auditing		.812	
lack of proper procurement system		.799	
poor procurement procedure		.608	
Municipal Management			.952
Co-employee			.931
Auditors pressure			.927

Table 1 : Rotated Component Matrix^a
 Extraction Method: Principal Component Analysis.
 Rotation Method: Varimax with Kaiser Normalization.
 a. Rotation converged in 5 iterations.

4.2. Reliability Test

In this study reliability test was done using Cronbach's alpha, customarily values above 0.6 of Cronbach alpha coefficients are considered significant even though Cronbach's alpha coefficients that range from 0.6 and above are considered more acceptable in scientific research although lower values can be used as well and accepted (Williams, 2007).

Variables	No of Items	Items	Cronbach's Alpha
Attitudes	4	perceived benefit, Self interest, group interest, easy to act unethical	0.794
Social Pressure	3	Auditors pressure, Co-employee, Municipal Management	0.857
Facilitating conditions	5	poor procurement procedure, lack of proper procurement system, Loose regulation, lack of proper auditing	0.867

Table 2: Reliability test

4.3 .Major Findings

This part tests the influence of three factors influencing unethical behavior as described below.

4.3.1. To Examine the Influence of Attitude towards Unethical Behavioral in Public Procurement Sector

This objective was developed to test the hypothesis on the relationship between employee attitudes and unethical behavioral in public Procurement sector. Finding using multiple regression are presented below on three tables

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.190 ^a	.036	.026	3.314

Table 3: Model Summary

A. Predictors: (Constant), Perceived Benefit, Self Interest, Group Interest, Easy To Act Unethical

The results provided in table 3 above showed that dependent variable "unethical behaviour" is explained by independent variable employee attitude which has four indicators" perceived benefit, Self interest, group interest and easy to act unethical" to a small extent as demonstrated by R² of 0.19%. Further analysis of the relationship between attitude and public procurement unethical behavior is presented in table 4.

Model		Sum Of Squares	Df	Mean Square	F	Sig.
1	Regression	155.083	4	38.771	3.531	.008 ^b
	Residual	4150.870	378	10.981		
	Total	4305.953	382			

Table 4: Anova^a

A. Dependent Variable: Adoption

B. Predictors: (Constant), Perceived Benefit, Self Interest, Group Interest, Easy to Act Unethical

The results provided in table 4 ANOVA^a above showed that overall, the model applied in this study statistically significantly predict the outcome variable of relationship between dependent variable" unethical behaviour" and independent variable "employee attitude" to a large extent as demonstrated by p-value less than 0.05 in a ANOVA table above. This indicate that the overall hypothesis which state that employee attitudes is strongly significant influencing unethical behavior in public procurement is accepted. These finding collaborate with the Theory of planned behavior by Ajzen (1987). Further analysis of the significant of each indicator variables is depicted in the next table.

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	15.004	.737		20.351	.000
	group interest	-.993	.451	-.339	-2.203	.028
	Self interest	-.218	.532	-.072	-.409	.683
	easy to act unethical	1.722	.713	.567	2.417	.016
	perceived benefit	-.222	.203	-.065	-1.091	.276

Table 5: Coefficients^a

A. Dependent Variable: Adoption

The results provided in table 5 Coefficients above showed that out of four indicators only two indicators known as group interest and easy to act unethical were accepted.

4.3.2. The Influence of Social Pressure on Unethical Behavior in Public Procurement

The relationship between social pressure and unethical behavior was analyzed using multiple regression are presented below on three tables.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.363 ^a	.131	.125	3.141

Table 6: Model Summary

A. Predictors: (Constant), Auditors pressure, Co-employee, Municipal Management

The results provided in table 6 above showed that dependent variable "unethical behaviour" is explained by independent variable social factor which has three indicators "Auditors pressure, Co-employee and Municipal Management" to a small extent as demonstrated by R2 of 0.13% which is low percent.

Model	Sum of Squares	df	Mean Square	F	Sig.	
1	Regression	566.170	3	188.723	19.126	.000 ^b
	Residual	3739.783	379	9.868		
	Total	4305.953	382			

Table 7 : Anova^a

A. Dependent Variable: Adoption

B. Predictors: (Constant), Auditors pressure, Co-employee, Municipal Management

The results provided in table 7 ANOVA^a above showed that overall, the model applied in this study statistically significantly predict the outcome variable of relationship between dependent variable "unethical behavior" and independent variable "social pressure" to a large extent as demonstrated by p-value less than 0.05 in a ANOVA table above. The finding from this study is similar to the decomposed theory of Planned Behavior (Taylor and Todd,1995). This indicate that the overall hypothesis which state that social factor is strongly significant influencing unethical behavior in public procurement is accepted. Further analysis of the individual

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	10.446	.764		13.678	.000
	Municipal Management	.756	.619	.200	1.223	.222
	Co-employee	.149	.472	.042	.316	.002
	Auditors pressure	.471	.370	.132	1.274	.203

Table 8: Coefficients^a

A. Dependent Variable: Adoption

The results provided in table 8 Coefficients above showed that out of three indicators only one indicator known as co-employee were accepted.

4.3.3. The influence of facilitating condition on Unethical Behavior in Public Procurement

To test the hypothesis on the relationship between facilitating condition and unethical behavior, the multiple regressions were used and are presented in three tables

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.527 ^a	.278	.270	2.868

Table 9 : Model Summary

A. Predictors: (Constant), Poor Procurement Procedure, Lack of Proper Procurement System, Loose Regulation, Lack of Proper Auditing

The results provided in table 9 above showed that dependent variable "unethical behavior" is explained by independent variable facilitating condition which has four indicators "poor procurement procedure, lack of proper procurement system, Loose regulation and lack of proper auditing" to a small extent as demonstrated by R2 of .28% which is low percent.

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1196.560	4	299.140	36.366	.000 ^b
	Residual	3109.393	378	8.226		
	Total	4305.953	382			

Table 10 : Anova^a

A. Dependent Variable: Adoption

B. Predictors: (Constant), Poor Procurement Procedure, Lack of Proper Procurement System, Loose Regulation, Lack of Proper Auditing

The results provided in table 10 ANOVAa above showed that overall, the model applied in this study statistically significantly predict the outcome variable of relationship between dependent variable "unethical behavior" and independent variable "facilitating condition" to a large extent as demonstrated by p-value less than 0.05 in a ANOVA table above. This indicate that the overall hypothesis which state that facilitating condition is strongly significant influencing unethical behavior in public procurement in Tanzania is accepted. These finding collaborate with the Theory of planned behavior by Ajzen (1987). Further analysis of the individual indicators is described in the table below:

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	8.481	.695		12.211	.000
1 lack of proper auditing	.123	.460	.037	.268	.789
lack of proper procurement system	-.108	.435	-.034	-.249	.804
Loose regulation	.571	.161	.188	3.551	.000
poor procurement procedure	1.348	.171	.409	7.858	.000

Table 11 : Coefficients^a

A. Dependent Variable: Adoption

The results provided in table 11 Coefficients above showed that out of four indicators only two indicators known as loose regulation and poor procurement procedures were accepted.

5. Conclusions of the Study

The framework of this study was developed base on the theory of planned behavior in which base on the findings all the hypothesis was found to have significant value in explaining employee unethical behavior in public procurement in Iringa municipal in Tanzania. Therefore, this makes this study to conclude that facilitating condition, social pressure and attitudes adopted from the theory of planned behavior are strongly influencing employee's unethical behavior in public procurement in Iringa municipal in Tanzania. Based on this conclusion it justifies that the theory of planned behavior is applicable in studying employee unethical behavior in public procurement in Iringa municipal in Tanzania. Moreover, this study also has found that the technological acceptance model and theory of innovation were partially supporting the findings of the study.

6. Recommendations for the Study

6.1. Recommendations for Action

In order to further entrench ethics in the Tanzanian Public Organization, the paper recommends the following: There is an urgent and continuous need to re-mould the thoughts and conduct of Tanzanians, especially civil/public servants and officials of government through the development of ethics and re-orientation that is anchored on the virtues of accountability and transparency in public services. Responsible personnel should put into account the moral behaviors of Local Government Authorities employees when vetting before employing them.

6.2. Recommendation for Further Study

While the current study assessed factors influencing unethical behavior in public procurement, future study has to be conducted to assess factors influencing public procurement compliance in Local government authorities

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