

# INTERNATIONAL JOURNAL OF MULTIDISCIPLINARY: APPLIED BUSINESS AND EDUCATION RESEARCH

2025, Vol. 6, No. 10, 4878 – 4882

<http://dx.doi.org/10.11594/ijmaber.06.10.01>

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## Research Article

### Procurement Ethics and Accountability: A Comparative Analysis of Government and Private Sector Practices in the Philippines

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#### Article history:

Submission 25 July 2025

Revised 30 September 2025

Accepted 23 October 2025

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#### ABSTRACT

Procurement has always mirrored how institutions value fairness and discipline. In the Philippines, a major turning point came with the transition from *Republic Act 9184* to *RA 12009*. This reform renewed the government's push for transparency and digital integration while encouraging professionalism among procurement staff. The private sector, though ruled by its own internal frameworks, faces a similar public demand to demonstrate ethics and accountability. Few studies, however, have looked at both sides in one frame.

This study brought together 36 procurement professionals—half from government, half from private organizations—through a structured survey and 10 follow-up interviews. Their stories reveal the same ethical spirit but different approaches: government workers lean on compliance and transparency; corporate buyers emphasize efficiency and flexibility. Most welcomed *RA 12009*, though many said that paperwork, supplier diversity, and training remain persistent hurdles. Despite these, both sectors show readiness to learn from one another, particularly in ethics, documentation, and digital systems. The research points to one message: integrity thrives best when systems are clear, people are trained, and collaboration is encouraged.

**Keywords:** *Procurement, Ethics, Government procurement*

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#### Background

Procurement is where ideals of governance meet the realities of business. It decides not just what organizations buy, but how fairly and responsibly they do it. In the public sector, procurement stands as a safeguard of taxpayers' trust. **RA 9184** had long provided that legal spine—emphasizing transparency, competi-

tion, and accountability. But by 2024, the evolving demands of digital governance led to **RA 12009**, a law that institutionalized the **Procurement Service-DBM** and aimed to modernize the process through centralization and professional development. Its 2025 Implementing Rules and Regulations have since begun easing documentation requirements and

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#### How to cite:

Orencia, A. J. B. (2025). Procurement Ethics and Accountability: A Comparative Analysis of Government and Private Sector Practices in the Philippines. *International Journal of Multidisciplinary: Applied Business and Education Research*. 6(10), 4878 – 4882. doi: 10.11594/ijmaber.06.10.01

introducing digital tools that make procedures more efficient and transparent.

Private companies, meanwhile, walk a parallel path. They may not be bound by the same laws, but they face mounting pressure from **Corporate Social Responsibility (CSR)** principles (Carroll, 1999) and international standards such as **ISO 20400**. These frameworks promote sustainability, fairness, and integrity in procurement, urging businesses to see purchasing decisions as moral and social acts as much as financial ones. In local practice, many private firms now link their procurement standards with ethics audits and supplier codes of conduct.

Still, few comparative studies have examined how the Philippine government and private firms manage ethics and accountability side by side. The literature often focuses on policy reforms within the state, rarely exploring how private organizations interpret and implement similar values. This study steps into that gap—examining differences, finding shared struggles, and identifying where collaboration can lift both sectors toward higher ethical ground.

## Methodology

### Research Design

To capture both numbers and lived perspectives, the study used a **mixed-methods design**. Quantitative data came from surveys to measure trends and attitudes; qualitative interviews provided context, allowing respondents to describe how ethics and accountability actually play out in their daily work.

### Participants and Sampling

Thirty-six procurement practitioners took part: eighteen from government agencies and eighteen from private firms. While modest, this number was chosen to give balanced representation rather than volume. Respondents were identified through **purposive sampling**, ensuring that only those directly handling procurement or contract management were

included. In some cases, **convenience access** through professional networks helped secure participants who were otherwise hard to reach.

### Data Collection and Ethics

A structured questionnaire gathered data on ethics, compliance, documentation, and supplier engagement. Ten participants—five per sector—joined follow-up **semi-structured interviews**. By the eighth interview, responses began to repeat themes, signaling data saturation; two additional interviews were conducted to confirm completeness.

Participants were briefed on confidentiality and consent. They were assured anonymity and the right to withdraw anytime. All identifying details were removed before analysis. The research protocol passed institutional ethics review prior to data collection.

### Data Analysis

Survey responses were processed through **descriptive statistics** to find comparative trends. Interview data were examined through **thematic analysis**, identifying patterns across experiences. Recurring ideas were grouped into themes such as *transparency and compliance*, *documentation workload*, and *digital adoption*. Another researcher reviewed the codes, and selected participants verified the interpretations (member checking) to ensure authenticity.

## Results and Discussion

### Ethical Procurement Indicators

Both public and private professionals showed strong ethical foundations but drew the line differently. Government respondents ranked *transparency and compliance* highest (M = 4.7), a reflection of their audit-bound systems and RA 9184's long-standing influence. Private respondents, meanwhile, placed top value on *efficiency and adaptability* (M = 4.6), associating ethics with timely, cost-effective, and fair outcomes.

Table 1. Ethical Procurement Indicators by Sector

Indicator	Government (M)	Private (M)	Combined (M)
Transparency & Compliance	4.7	4.2	4.5
Efficiency & Adaptability	4.0	4.6	4.3
Supplier Engagement	3.9	4.3	4.1
Documentation Management	3.8	4.1	3.9
Digital Adoption	3.6	4.2	3.9

Scale: 1 = strongly disagree; 5 = strongly agree.

Government procurement still follows a **deontological** approach (Denhardt & Denhardt, 2000)—one built on duty and compliance—while private firms adopt a **teleological** view (Hosmer, 1995), measuring ethics by outcomes and efficiency. Interestingly, many interviewees said that these contrasting mindsets could complement rather than clash; the balance between structure and flexibility can sustain both integrity and innovation.

### Common Challenges

Respondents across both sectors identified remarkably similar pain points, summarized in Table 2. **Documentation** topped the list: 72 % of government and 61 % of private respondents described it as a major burden. Public agencies attributed this to audit trails, while private companies pointed to ISO standards. **Limited supplier diversity** followed, as institutions tend to rely on known vendors to avoid risk. **Technology gaps** ranked third, showing that digital reforms, though promising, are still uneven in reach.

Table 2. Common Procurement Challenges

Challenge	Government (%)	Private (%)	Rank
Documentation workload	72	61	1
Limited supplier diversity	68	59	2
Technology adoption gaps	63	65	3
Training and support	59	57	4
Cross-unit communication	54	52	5

These findings align with Thai (2009) and McCue & Pitzer (2020), who both noted that documentation overload and uneven digital capacity continue to slow down procurement worldwide. The introduction of RA 12009 addresses these challenges, but implementation remains a work in progress.

### Shared Opportunities

Despite differing pressures, both sectors saw potential for collaboration. *Joint ethics and accountability training* ranked first (M = 4.6 for government, 4.5 for private). Participants believed that learning together could create a shared understanding of ethical standards. *Shared digital systems* came next, reflecting a desire for interoperability and transparency.

Table 3. Opportunities for Cross-Sector Collaboration

Opportunity	Government (M)	Private (M)	Rank
Joint ethics training	4.6	4.5	1
Shared digital systems	4.3	4.4	2
Supplier orientation & inclusion	4.1	4.3	3
Standard grievance mechanisms	3.9	4.0	4
Exchange of best practices	3.8	4.1	5

Both sides agreed that shared learning sessions, open supplier orientation, and transparent grievance systems could bridge cultural gaps in procurement. In effect, public agencies offer procedural integrity; private firms contribute adaptability. Together, these create a fuller picture of ethical governance.

## Conclusion

Procurement ethics in the Philippines stand strong but uneven. Government offices maintain strict compliance; private companies strive for efficiency. Both approaches hold value—and neither is sufficient alone. A balanced model that combines the government's discipline with the private sector's innovation may lead to more credible and responsive procurement systems.

The new government procurement law (RA 12009) shows progress in this direction, yet reforms will only work if people behind the system receive consistent training, tools, and encouragement. Ethics in procurement, after all, is less about rules and more about daily judgment—the kind that cannot be automated or outsourced.

## Recommendations

### *Short-Term (within a year)*

1. Conduct interactive ethics workshops using real local cases, not generic guidelines.
2. Simplify reporting channels so staff and suppliers can raise issues without fear.
3. Introduce lightweight digital tools—templates, trackers, e-logs—to reduce manual paperwork.
4. Hold regular reflection sessions where procurement teams share practical challenges and lessons learned.

### *Long-Term (2–5 years)*

1. Establish **joint ethics training programs** between government and private entities.
2. Invest in **integrated e-procurement systems** to streamline monitoring and improve transparency.
3. Support **supplier inclusion initiatives** to encourage MSME participation.
4. Create **standardized grievance and feedback mechanisms** across sectors.

These steps, if pursued consistently, can nurture a culture of integrity supported by systems that make ethical behavior easier—not harder—to practice.

## Future Research

This research opens doors for deeper study. Future work should include broader samples across regions, track the long-term impact of RA 12009, and explore procurement behavior in local governments where autonomy adds complexity. Longitudinal studies could also link ethical procurement with measurable outcomes such as cost efficiency, supplier diversity, or trust ratings among stakeholders.

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