

TRAJECTORIES OF MAVERICK BUYING IN THE DISTRICT ASSEMBLIES IN GHANA

James Adu Peprah

School of Business, Takoradi Polytechnic. Takoradi--Ghana.

ABSTRACT: *The study seeks to contribute to the discussion on the causes of maverick buying-MB and its impact on the procurement policy and the economy of Ghana in general. The research methodology used in this study is qualitative. The instrument of study was based on non standard interview with the officers that are experts on the topic at the district assemblies where 11 districts assemblies were covered out of 22. The study revealed the following causes; procurement practitioners find it difficult to understand the Procurement Act 663, practitioners lack capacity both academically and professionally in the management and operationalisation of the procurement process, the Procurement Act 663 is excessively legalistic and technical, the Act 663 is at anomalous with market trends or practices. The study also found out that there are lapses in monitoring for compliance of the Procurement Act 663, no examples of known procurement practitioners punished for non compliance, lack of commitment on the part of officialdom, organisational culture at the district level a major cause of maverick buying and most of the procurement activities are unplanned. On the impact, the study established that MB defeats the superseding objectives of the Public Procurement Act 663 of 2003, it is also insidious to the aptitude to negotiate favourable terms for price of goods, services and works due to the crumbling of spend, MB had the ability to deny the assemblies the knack to collect data on the assemblies' sequence of purchasing or spending thereby causing the assemblies to lose visibility over its outlay, it also increases purchasing cost where it affects equally the actual purchasing price and process cost, it was also disclosed that fraud and corruption can ensue from MB. The study recommends that PPA and the ministry of education should link up to train procurement practitioners as stipulated in Procurement Act 663 section 3(k) to improve the awareness and knowledge of procurement processes at the district assemblies and the nation in general. Monitoring compliance trends should also be a key part of the Public Procurement Authority-PPA. As a matter of fact the institution responsible for sanction should be incorporated into the enforcement unit for swift punishment to act as deterrence to others. PPA and the districts should link up on how eProcurement systems can be implemented to ensure compliance since the most commonly declare solution for maverick buying is the implementation of electronic procurement.*

KEYWORDS: Maverick Buying, Non-Compliance, Public Procurement Act 663, District Assemblies, Ghana

INTRODUCTION

The importance of public procurement cannot be overstated as it is one of the main tools for attaining political, economic and social goals in any country particular so in developing nation likes Ghana. It's the foremost provider of goods, works and services for the public sector, subvented institutions and any other institutions using public funds. The size of public procurement therefore is quite considerable mentioned (Choi, 2009). Public procurement accounts for a major proportion of the demand for goods and services in the nation and is ever

more considered as an appealing tool for developing society and nation. It represents a sizeable proportion of a nation's expenditure accounting for around 15% of the world's GDP (UNDP, 2006). OECD (2013) also revealed that public procurement being a powerful tool accounts for 13% to 20% of worldwide GDP which in a way confirms the UNDP's average figure. In developing countries, public procurement is increasingly recognized as essential in service delivery (Basheka & Bisangabasaija, 2010) and it accounts for a high proportion of total expenditure round 70% (UNDP, 2006). For instance, public procurement accounts for 60% in Kenya (Akech, 2005), 58% in Angola, 40% in Malawi and 70% of Uganda's public spending (Wittig, 1999; Government of Uganda, 2006) as cited in Basheka and Bisangabasaija (2010). This denotes that a significant percentage of all produced products and services are bought by governments. In Ghana particular, public procurement accounts for 50-70% of the national budget (after personal emoluments), representing about 24% of total imports and makes up about 14% of the country's Gross Domestic Product (GDP) (World Bank, 2003) while most industrialized countries according to Trionfetti (2003) spend about 10% of their GDP on public procurement. A proper implementation and practices of public procurement policies and regulations has the ability to lower public expenditures and free them up to be allocated to other areas for speedy development (Choi, 2010). But noncompliance of the public procurement process is injurious for democracy and for sound public governance, and it slows down investment and economic development hence the impact on the wider economy very negative.

In recent years, consideration has been paid towards the significance of public procurement in inspiring national, regional and local development. The effect of this concentration has been a realisation that if public procurement is to fulfill its potential as a driver of social and economic improvements, there is the need to center on whether the principles, procedures and the processes governing the activities of public procurement are followed to stir the kind of development it has always been ascribed to be. Compliance is the key to the accomplishment of the objectives of any procurement law or act and for that matter Ghana public procurement act 663. However when individual units and employee do not use the contracts and the preferred suppliers and specified contract terms in their daily operative purchasing, that individual units or employee are said not to complying to the general framework of agreement which is referred as non-compliant purchasing behaviour, often called maverick buying. Extant literature to date has issues of non compliance to procurement laws mentioned Gelderman et al, (2006) and it is considered as a major hindrance to the effectiveness of the public procurement act and its dream of stirring up development. De Boer and Telgen (2006) revealed that events over time have made known that statutory procurement proceedings are seldom or doubtfully adhere to. They also identify several non – compliance events in some other economies as cited in Eyaa and Oluka (2011). Odhiambo and Kamau (2003) also commented that an area that needs attention is the increasing of non compliance of public procurement regulations. Contract compliance according to Karjalainen (2009) is crucial to achieving the set purpose of introducing public procurement. In support, Nollet and Beaulieu (2005) revealed that the extent to which group members or organisations adhere to the contract provides more leverage for getting better prices than simply going for the volumes.

The drive for this study comes from the fact that non compliance as maverick buying has been a disturbing subject matter for many institutions either are public or private. From the Report of the Auditor-General (2013) the anomalies in the district assemblies in procurement were mainly as a result of non-compliance with procurement and store rules and regulations. According to Gabel, Klein, Murashov and Sova (2008) companies with an annual turnover in excess of 6,2 billion euros suggested that on average the cost of non-compliance was 22 million

a year. Maverick buying often done at full retail prices and can account for as much as 30% to 45% of all indirect procurement spending (cited from Troy, 2002). They also mentioned that around 84% of indirect materials are bought simply by employees visiting their local outlet. This type of buying can lead to considerable costs for the companies. Their study suggested that a modest reduction in maverick buying can drastically cut procurement costs. Their study further revealed that for companies with turnover of over 1 billion euros, might result in a loss up to 10 million euros annually. This is not different from Ghana particularly from the district levels expenditure per the public accounts committee in parliament where many revelations of maverick buying are happening leading to an increase in procurement cost for the country (Ghana Business News, 2015). The effects of non compliance/maverick buying of public procurement act are arguably more problematic than in private procurement (OECD, 2010) and therefore its very critical to explore juxtaposing to the figures of Gabel, et, al. (2008). The Local governments in general lack power to sanction and punish for noncompliance (Yilmaz, Beris, & Serrano-Berthet 2008) and are prone to having inexperience officers, lack expertise, lack professionals, lousy monitoring and lack the will to enforce the rules and the by-laws. This affects the operationalisation of the procurement act 663 to achieve its main purpose. Maverick buying therefore defeats the overriding objectives of the Public Procurement Act of 2003, Act 663 to deliver economy and efficiency in the use of public funds, value for money, quality of services, goods, and works whilst adhering to the fundamental principles of due process, transparency, elimination of corruption among others. From OECD (2000) the spectacular regulatory failures tend to produce calls for more regulation, with little assessment of the underlying reasons for the failure. This study therefore wishes to examine the causes and impact of maverick buying in the district assemblies in Ghana.

Maverick buying can be explained as any company or employee purchase that does not meet a company's purchasing policy (Gabel, et, al, .2008). This includes using off-contract methods of procurement and non-authorized purchases. They also explain MB as the conscious or unconscious buying of goods and services outside of established contracts and/or procedures. It is believed that when an individual, department or organisation as a whole does wild purchase it is a term as MB where buying materials or services independently, without incorporating the purchasing department or the procurement unit/department. In simple terms purchasing outside of standard procurement processes. Karjalainen et al., (2009) also posited that MB as off-contract buying of goods and services for which a well-known procurement process is in place based on pre-negotiated contracts with selected suppliers. From existing literature Roy (2003) termed MB as nonconforming purchase behaviour, Kulp et al., (2006) referred MB as non-compliant purchasing and DePaoli (2014) from My Purchasing Center termed it as backdoor buying, these are among other terms used to describe this occurrence.

Countless institutions, both public and private, have significantly brought of their expend under frame agreements, with the objective to benefit from cost reductions and/or better terms and conditions particularly under public sector to achieve value for money. Regrettably, maverick buying (MB) has become common in many organizations where central frame agreements are in place. This study on maverick buying looks at the causes or what this study termed as the trajectories of maverick buying from the established general agreement-- Public Procurement Act 663- 2003 in Ghana on how to buy as a public institution. The operational usage of trajectories of maverick buying under this study looks at the paths, causes or reasons of occurrence of this phenomenon where buying or procuring products, works and services without the recourse to the Public Procurement Act 663 at the district assemblies.

Problem Statement

The Public Procurement Act 663 in 2003 spells out a number of rules, process, procedures and ethics for the whole procurement process. The essence is to secure efficiency in the use of public funds, ensure fairness, non-discrimination, transparency and accountability in the procurement process. From Schapper, Veiga Malta, and Gilbert (2006) assessment of public procurement management performance is defined in terms of compliance with the set procurement rules. Compliance as an idea compares the conduct of the regulators to the equivalent legal obligation that the regulators should comply with (Gelderman, Ghijsen, & Brugman, 2006). Compliance is then undertaken to escape the risks and its associate effects that are connected with public procurement systems. It's with this intended purpose that the Performance Assessment System (PAS) was adopted by Ghana Procurement Authority. The Performance Assessment System (PAS) using the Public Procurement Model of Excellence looks at four (4) main thematic areas: Management Systems, Information and Communication, Procurement Process, and Contract Management. PAS report on Compliance of the Act by public entities for the years 2010 and 2011 shown a downward trend where Management System in 2010 had 57.04% and 2011 had 46.16%, Information and Communication in 2010 had 60.88% and 2011 had 44.13%, Procurement process in 2010 had 70.04% and 2011 had 48.91% and Contact management in 2010 had 55.66% and 2011 had 36.95% (Annual Report of Public Procurement Authority (PPA), 2011). This is a cause for worry and needs investigation as to why procurement practitioners are not conforming to the procurement rules and the regulations of the nation.

Still on the issues of non compliance, Adjei (2006) studies had indicated a certain level of non-compliance of the public procurement law in Ghana. Osei-Tutu et. al. (2011) buttressing the point on compliance level revealed abysmal compliance level of procurement process of Ashanti and Brong Ahafo regions at the rate of 18.69%. Besides, literature has shown that maverick buying-MB as non compliance exists in every organization be it public or private (Heikkinen, 2014). Scholarly works of (Karjalainen & van Raaij, 2011; Karjalainen et al. 2009), indicated that MB increases purchasing costs by affecting purchasing prices and procurement process costs. MB also effects on company's ability to trace the used of procurement sources and procurement behaviours and diminishes the procurement visibility. De Boer and Telgen (1998) confirmed that non-compliance problem affects not only the third world countries but also countries in the European Union. This position is further supported by Gelderman et al (2006) who contended that compliance in public procurement is still a major issue. Schiele and McCue (2006) as cited in (Dabaga, 2013) postulated that many internal customers actually act on their own and more often bypass the procuring department. Hui et al (2011) also blamed the malpractice and non-compliance to the procurement policies and procedures in Malaysia on the procurement officers. It is however asserted that institutions profit from the increased spend visibility and is able to reduce total costs and risk when conforming to the set procurement rules (Karjalainen et al. 2009). But majority of the procurement entities be it developed or developing countries are going against the set procurement rules they themselves reformed to make it effective and efficient.

Shockingly, lack of research in this area of purchasing has been observed (Karjalainen et al., 2009). Johnson (1999) revealed that the organizational changes (to which maverick buying is related to) that are occurring in the area of public purchasing have especially been ignored in previous researches. Karjalainen (2009) also suggested that hardly any studies on internal

compliance issues in purchasing i.e. compliance to using centrally negotiated contracts in everyday operative buying. Even with the very few studies that exist on maverick buying or non compliance no effective causes and impact empirically has been done on Ghana's perspective. Losses are occurring every year due to MB across the world. It is very serious particularly in governmental organizations that more than 50% of goods and services are purchased through "maverick buying" outside of the control of the procurement departments (Gabel, et al., 2008). According to Cox et al. (2005), there is a fairly high incidence of internal clients in most organizations who either buy outside established contracts or use procedures that are not compatible with optimising value for money. Purchasing benchmark reports back up this view of MB as a common phenomenon: the percentage of compliant transactions is said to be less than 50% on average (Aberdeen, 2009). Karjalainen et al. (2009) suggested that in Finnish public procurement, compliance rates range between 20% and 80%. Kulp et al. (2006) had pointed out that to drive contract compliance, one must first understand where the problems of noncompliance lie, it is in this direction that this study explores the causes--the trajectories of maverick buying and its impact on the set objectives of public procurement act and the entirety of the nation's economy.

The general objective of the study is to contribute to the debate on maverick buying-MB and its impact to the existing body of knowledge and research in the area of public procurement management by specifically investigating the causes and impact of MB at the district assemblies in Ghana on the procurement policy and the economy in general.

LITERATURE REVIEW

Theoretical Review

Mentzer et al., (2008) stated that a good research should be grounded in theory. The theoretical underpinning is the principal agent theory which is very relevant to this study. The Agency theory initially was put across by Jensen and Meckling (1976) and later expounded on by Sarens and Abdolmohammadi (2010). The agency theory is an agency model that deals with situations in which the principal is in position to induce the agent, to perform some task in the principal's interest, but not necessarily the agent's (Health and Norman, 2004). Karjalainen, (2009) mentioned the agency theory has been identified as a potential explanation of non compliance or maverick buying behaviour. Donahue (1989) explains that procurement managers including all civil servants concerned with public procurement must play the agent role for elected representatives. Fayezi, O'Loughlin and Zutshi (2012) suggested that agency theory can be used to inform understanding of the dynamics surrounding supply chain behaviours and relationships. The theory provides valuable insights for relationship engineering within supply chains where social, political, legal and behavioural dynamics dominate. Bosch, Kemperman and Raes (2012) also commented that principle-agent theory can be used for sustainable procurement from a more practical perspective where the first party -the principal- delegates decision making or service delivery to another party, the agent (cited Eisenhardt, 1985). The study revealed that implementing sustainable procurement processes can be seen as solving a sequence of two interrelated principal-agent dilemmas.

Kauppi and van Raaij (2014) in addition utilized agency theory to explain maverick buying in governmental agencies, that is, noncompliance to centrally negotiated frame agreements. Traditional agency theory assumes the agent to be an opportunistic self-interest seeker. A

complementary view of agency problems portrays man as an honest, yet not fully competent, actor; both agents and principals may be burdened by “honest incompetence.” They applied both perspectives on principal-agent relationships to study maverick buying in government procurement and link agency problems to three governance mechanisms: monitoring, training, and guidance. They reveal that guidance and training help to reduce governmental employees’ noncompliance, but output monitoring does not. The findings further indicated that maverick buying is related to goal incongruence and two different types of information asymmetry: Agency problems may arise not only because the agent has information the principal is not aware of but also because the principal may have information the agent is not aware of.

This theory helps the study to investigate whether procurement practitioners adhere to the procurement regulations/act that guides the flow in the procurement process in Ghana. Maverick buying as non compliant behaviour affect the management of public procurement system and defeat the purposes of establishing the public procurement act.

Empirical Review

Maverick buying exists in every organization be it public or private and it is often linked to procurement of indirect materials, especially MRO, which are often considered as a high volume and low value materials (Heikkinen, 2014). Karjalainen et al. (2009) draw a connection between maverick buying and the literature on deviant work behaviour. Marcus and Schuler (2004) suggested that MB fits the definition of deviant work behaviour as MB is a volitional act, is potentially harmful to the organisation, and the potential benefits most likely do not outweigh the legitimate interests of the organisation in terms of compliant purchasing. Appelbaum and Shapiro (2006) reported that some forms of deviance are more likely to involve employees who are young, new to their job, work part-time, and have low paying positions. Appelbaum et al. (2005) also suggested that operational environment is a good predictor of employees engaging in deviant workplace behaviour. Kotteaku et al., (1995) disclosed that the industrial purchasing process can be seen as affected by a number of complexities induced by the nature of purchased products, the organizational structure and the influences of the external environment. Karjalainen (2009) cited Purchasing Benchmark Report commented that off-contract buying is commonplace.

Gabel, et, al, (2008) in clarifying maverick buying, gave different instances showing maverick buying where an organisation ordering spare parts from a local distributor when a corporate contract with a national supplier is in place; where buying office supplies from the corner shop when an electronic ordering system with pre-negotiated catalogues is present; where an organisation divide a large tender or order into smaller ones in order to avoid having to comply with certain rules or procedures; where making purchases at other suppliers than the contracted ones, making the invoice go through the contracted supplier so that the accounting department agrees; where making purchases at current suppliers or contracting other suppliers which offer personal benefits and among others.

Karjalainen et al., (2009) identified five main types of MB: unintentional MB – employees engage in off-contract buying without realizing it due to unfamiliarity with corporate procedures or lack of information provision with regard to negotiated contracts; forced MB – employees encounter barriers to contract compliance due to problems encountered in a new purchasing routine as a consequence of inadequate training; casual MB – although with no bad intentions, employees act in self-interest not realizing the total cost of ownership effect of contract non-compliance; well-intentioned MB – employees act on the basis of perceived

superiority of own purchasing skills as opposed to the skills of those who have negotiated existing contracts (positive deviance); and ill-intentioned MB – employees actively oppose the preferred or new process due to self-interest persuasion and resistance to change (negative deviance). Karjalainen and van Raaij (2011) also classified maverick buying into three forms that occur in the organization: maverick buying to get better terms and conditions; maverick buying to maintain a previous supplier relationship; and maverick buying due to unawareness of frame agreements in existence. Whatever types or forms show that maverick buying can take in different form depending on the policy framework of that jurisdiction. Karjalainen and van Raaij (2011) findings, as well provided guidance on how different types of maverick buying in an organization can be reduced. Specifically, it is shown that all types of maverick buying can be reduced by limiting the task autonomy of the contract users. Additionally, different types of training can help eradicate the behaviour. Investing in reward and sanction systems, however, does not appear helpful in reducing MB of any type.

Causes of Maverick Buying

Kulp et. al. (2006) posited that organizations differ in structure and culture and therefore may dictate their own causes or drivers of noncompliance--maverick buying. Henle (2005) suggested that workplace deviance is situation-based behaviour, where certain conditions of the organizational environment predispose employees to deviance. Situation-based deviance proffers that employees will conduct deviant acts depending on the workplace environment, irrespective of personal characteristics. Vardi (2001) proposed that organisational factors such as norms, culture, built-in opportunity and reward and control systems have also been emphasised as contributing to employee misconduct at work. Karjalainen and van Raaij (2011) identified three common reasons or causes for maverick buying, which included maverick buying to get better terms and conditions, maverick buying to maintain an existing supplier relationship, and maverick buying due to unawareness of a frame agreement. Gabel, et, al, (2008) identified personal desires and preferences for certain suppliers, new purchase situations, powerlessness, frustration, and facilitation of work, boredom/fun, and injustice are some causes for MB. In addition, Gabel, et, al, (2008) from literature proposed that the reason is rather pure and simple – it is all about money. Also, the underprivileged spend visibility in many companies which brings difficulties of tracking the system compliance is also another cause or reason for maverick buying. Karjalainen et al., (2009) in addition suggested that the reasons of MB stem from lack of awareness, ability and motivation on the part of employees.

Heikkinen (2014) mentioned that large number of suppliers is one of the causes of maverick buying and identified slow lead time in procurement process as a cause for an expansion in number of suppliers to overcome the defect therefore maverick buying. The study commented that the fastest and cheapest way to purchase an item according to employees was going to the store and buying it themselves. Karijalainen (2009) in the thesis discovered underlying reasons or causes of MB to be; lack of contract/process awareness, lack of ability to use contract or process, behaviour guides by own interests or habits, perceived superiority of an alternative offer, perceived superiority of own buying skills, opportunism and resistance to change. Karijalainen also on maverick buying as an agency problem identified goal incongruence, information asymmetry and the results on the relative strengths of alternative governance mechanism that can be used to increase compliance.

According to De Boer and Telgen (1998) one of the factors causing of non – compliance with procurement regulations is the level of familiarity with the procurement regulations. Gelderman et al., (2006) confirmed this position in a survey on compliance with EU

procurement directives. De Boer and Telgen (1998) add that another cause of non – compliance is lack of professionalism. This position is confirmed by Basheka and Mugabira (2008) who state that the level of professionalism in public procurement is low or non – existent cited in Eyaa and Oluka (2011) on explaining non- compliance in public procurement in Uganda. Tukamuhabwa (2012) developed conceptual frame work in which media publicity, enforcement, records management, organizational culture, political interference, professionalism, organizational incentives, perceived rule legitimacy, moral obligation, social influence, familiarity with rules and top management support were identified as antecedents while cognitive dissonance, low employee motivation, low corruption, better corporate governance and low service delivery were established as consequences. It should be understood that for compliance seek, organizations must consider whether their procurement processes are user-friendly. They must also evaluate whether or not employees have received adequate training on procurement procedures. If employees consider the processes and systems too cumbersome, they will bypass formal procedures to get what they need. These causes are per their uniqueness of the procurement regime that exist in their countries and the same cannot be said of Ghana particularly at the district levels where many things be it social, political, economic etc are to their disadvantage. There is gap in literature with reference to Ghana on causes of maverick buying; this study therefore wishes to explore the causes of MB in Ghana particularly at the district level.

Impact of maverick buying

The fragmentation of spend due to MB is likely to undermine the ability to negotiate favourable price and service levels with suppliers (Cuganesan & Lee, 2006). Still, for those items for which frame agreements are in place, high compliance to contracts is desirable because MB hinders organizations from gaining the expected benefits of centralization efforts and creating excess costs. Maverick buying deprives a firm, organisation or institution the ability to collect data on spends patterns, causing it to lose visibility over its expenditures (Angeles and Nath, 2007). MB is said to raise procurement costs by as much as 20 % compared to purchases negotiated by the firm's purchasing professionals (Angeles and Nath, 2007). In Finland, for example, annual public sector purchases estimated to possibly fall under the centralized framework agreements are close to 1 billion Euro. With compliance rates ranging between 20% and 80% for these contracts, the potential for inefficient use of tax-generated incomes is significant. Indirect spending constitutes a relatively large share of an organization's external spending, amounting to up to 20% of all purchases (by value) and 70–90% (by numbers) of purchase orders, shipment expenses, and invoices processed (Cox et al. 2005). A compliance rate as low as 25–50% for MRO purchasing is not uncommon (ibid). The reason is that these types of purchases are generally associated with a high number of transactions of relatively low value. Indirect spend is seen by line-personnel as unimportant and inconvenient (Cuganesan and Lee, 2006). Heikkinen (2014) added that MB also affects on company's ability to trace the used procurement sources and procurement behaviours and diminishes the procurement visibility.

Partida (2012) on the impact caused by MB underlined the fact that organizations with higher level of MB need more time to issue a purchasing order to a vendor than a company that has less maverick buying. The revelation is that more MB simple means longer supplier lead times on materials and services (Heikkinen, 2014) which has the tendency of creating dissatisfaction of customers and increasing operational cost. The costs on maverick buying from Karjalainen and Raaij (2011) are estimated to be 20 percent higher than in centralized and controlled procurement process with frame agreements negotiated by purchasing professionals. Aberdeen

(2006) indicated that the percentage of compliant transactions is 65% on average and maverick buying in services is on average of 24%. Lonsdale and Waston (2005) investigated procurement at the National Health Service in the UK, found maverick spend to be 50% which was identified as a match to the national average. The cost associated with maverick buying is very high for instance Pricewater House Cooper estimated that a firm could gain savings of 30%—40% of non-direct spending if they buy only from preferred suppliers (Angeles & Nath, 2007). Kulp et. al., (2006) also estimated that 20 % to 30% of unrealized savings are due to maverick buying or noncompliance.

On corruption issues as an effect of maverick buying or non compliance, Raymond (2008) stated that procurement associated corruption tends to be a grave problem in developing countries rather than in developed countries. Hui et. al., (2011) mentioned that public procurement corruption could threaten legitimacy and as such, the policies and procedures should be created to curb any possible corruption activities and enhance transparency, accountability and integrity. Obanda (2010) cited The New Vision (2005) declared that corruption is because the law in Uganda has many loopholes and the prescribed practices are laxly or impractical to enforce. The study further found out that compliance is deemed to substantially curb corruption in public procurement. OECD (2007) also added that the establishment of clear rules and regulations complemented by substantial and effectively enforced penalties, applied by public administrations and courts, are considered the most effective deterrents to bribery and corruption in public procurement. Here lies the case in Ghana where compliance level of procurement process of Ashanti and Brong Ahafo regions stood at 18.69%. (Osei-Tutu et. al.,2011). Is non compliance influencing corruption in Ghana per Obanda (2010)?

Besides, Otieno (2004) noted that the irregular procurement activities in public institutions offer the biggest opportunity through which public resources are misappropriated, misapplied etc. It's of this effect that the principles of sound public procurement policies and practices are judged among the indispensable elements of good governance (Kippra, 2006). Thai (2001) in alluding to this fact stated that the basic principles of good procurement practice include accountability, where effective mechanisms must be in place in order to enable procuring entities spend the limited resources carefully, knowing clearly that they are accountable to members of the public; competitive supply, which requires the procurement be carried out by competition unless there are convincing reasons for single sourcing; consistency, which emphasizes the equal treatment of all bidders irrespective of race, nationality or political affiliation; integrity; transparency among others. By not complying with the procurement laws and its processes the objectives ascribed to the law is then defeated. Kiama (2014) then suggested that procurement process should uphold integrity by ensuring that there are no malpractices; informed decision-making, which requires public bodies to base decisions on accurate information and ensure that requirements are being met. The World Bank (2003) in support stated that the procurement practice should be responsive to aspirations, expectations and needs of the target society and there is therefore the need for transparency to enhance openness and clarity on procurement policy and its delivery. It is clear from literature that very limited studies have been conducted under maverick buying and its impact on the said economy particularly in Ghana. This study therefore attempts to fill the gap in literature by identifying the causes of maverick buying as stated above and its associate effects or impact on the policy and the economy in general.

METHODOLOGY

The research methodology used in this study is qualitative. The typical features of qualitative research are its comprehensive approach to the studied subject and that the data used is collected in natural, real situations. The scheme chosen for this paper was that of an investigation and analysis of the Ghanaian procurement processes resulting into maverick buying. The study adopted exploratory design in investigating the causes of maverick buying and its impact on the economy. It's exploratory because the study is about gaining insights and familiarity of how maverick buying occur and its effects. As Blumberg et. al., (2005) put it a study that includes an exploratory element, must include non-standardised research interview in the design. It is mostly conducted about a research problem when there are few or no earlier studies to refer to (Cuthill, 2002; Taylor, Catalano & Walker, 2002). It's flexible and can address research questions of all types (what, why, how). This was done to enable an evaluation of the current procurement regime or situation with regard to compliance level between policy and practice in public procurement.

The study population consisted of the staffs of the district assemblies particularly from the coordinating office, finance and administration, planning & budgeting coordinating office. The survey of study was based on non standard interview with officers that are experts on the topic at the district assemblies. A list was secured on the districts from the regional headquarters. 11 districts assemblies were covered out of 22. Though the officers were interviewed, the study took them as one interview from a district. The interviews undertaken as stated were respondent inquiries conducted in terms of conversational interviews (non standard). The object for the inquiry was to a large extent the non/compliance level of the procurement act at the district assemblies the causes and its impact on the working of the policy and the economy in general. As Guest, Bunce and Johnson (2006) put it there are no guidelines for determining nonprobabilistic sample sizes and are virtually nonexistent. The number of interview conducted was based on saturation (ibid) where, by the 9th, 10th and 11th interview no new information or themes were observed in the data. The study continued for the 10th and 11th for confirmation purposes.

Findings and Discussion

This section presents in totality the main findings and analysis of data gathered from the field. The interview as stated already was non-standardised. Two specific issues were covered: causes of maverick buying and the impact of maverick buying on the policy and the economy of Ghana in general. All interviews were recorded and transcribed. Transcriptions were analysed by summarising and comparing the views of the respondents.

Causes of maverick Buying at the District Assemblies in Ghana

The study revealed that most of the procurement practitioners find it difficult to understand the Procurement Act 663. It was understood from the interview that requirements in the act are difficult to understand. It is believed that humans cannot comply with rules if they do not understand what is required. Practitioners' inability to understand the act creates the problem of misinterpretation of the Act 663 and may result into maverick buying. This confirmed Osei-Tutu et al. (2011) finding that implementation of the public procurement is seriously challenged due to incorrect interpretation and application of some provisions of the procurement Act.

Tying this on the question of the legal elements of the Procurement Act 663, the study discovered from the respondents that the Procurement Act 663 is excessively legalistic. The practitioners opined that the Procurement Act 663 has only been in existence since 2003 and therefore many may lack the experience and capacity to comprehend legal elements of the Act 663. This is creating the problem of misunderstanding thereby ensuing into misinterpretations. Most of the practitioners on the discussion of understanding and the legality of the Procurement Act 663 find some of the processes of the Act 663 as technical and sometimes do not appear to be related to any firm basis in reality and therefore insignificant. This supported Bardach and Kagan (1982) position that when workers feel that an entity or law is being overly legalistic in the application of rules the workers would tend to respond by scaling down their efforts to comply with the intent of the law; instead, they would aim to achieve only the minimal level of compliance which the rules required. The study further established that most of the practitioners lack capacity both academically and professionally in the management and operationalisation of the procurement process. This could be seen from the respondents' inability to understand the Act 663. The finding is substantiated when the World Bank (2002) intimated that "misapplication of the procurement procedures and delays is as a result of uneducated procurement staff. Osei-Tutu et. al. (2011) as well identified lack of qualified procurement personnel as a major challenge for compliance of the Procurement Act 663. Public Procurement Authority-PPA (2006) in addition reported that there is lack of qualified procurement personnel in the system causing a lot of inconsistencies leading to gross inefficiency of the policy.

The study additionally disclosed that the Procurement Act 663 is at anomalous with market trend or practices. The respondents mentioned that the thresholds continue to shrink per the market conditions and commented that there are several occasions where the thresholds in the Act 663 do not match with the market trends. As OECD (2000) put it, compliance rates are worse or lower when directives, regulations and guidelines do not match well with current market practices. This finding authenticates Agyekum-Kwatiah's (2014) finding that the current thresholds contained in the Public Procurement Act 663 needs to be increased to fit well with the market practices. Similar to Ameyaw et al. (2012) finding, that practitioners deliberately split procurement contracts into smaller packages to conform to the entity threshold level. The study also found out that there are lapses in monitoring for compliance of the Procurement Act 663 at the district assemblies. This verifies Adusei and Awunyo-Vito (2015) finding that there is lack of monitoring as well as inadequate motivation for the committee members at the district levels. OECD (2000) posited that a rule that is on the books, but not monitored is unlikely to elicit compliance. Regular checks or inspections make individuals or institutions aware of the existence of enforcement activities and tend to reduce the likelihood of non-compliance. Studies have shown that more rigorous, regular inspections can actually be more significant than high penalty levels in improving compliance level in an institution (ibid). The study realised from the monitoring discussion that there are no examples of known procurement practitioners punished for non compliance. Though section 92 (1) of Procurement Act 663 made it clear that any person who contravenes any provision of the Act commits an offence and where no penalty has been provided for the offence, the person on summary conviction to a fine not exceeding 1000 penalty units or a term of imprisonment not exceeding five years or to both. There is no known information to this study of any procurement practitioner or officer punished for maverick buying or non compliance. However this finding contradicts Karjalainen and Raaij (2011) comment that perceptions of reward and sanction systems are found not to be related to maverick buying reasons.

The study also established a lack of commitment on the part of officialdom to make the policy work as one of the causes of MB. According to practitioners most senior members, head of departments/units/sections, head of committee among others go to the procurement officers to rectify their transactions after circumventing the procurement process. From Sutinen and Kuperan (1999), procurement practitioners take into account the risk of sanctions imposed by the organisation in case of non-compliance. However, when sanctions are not seen, the possibility of practitioner not complying may be high. In support, Ryan and Deci (2000) postulated that practitioner behaviour based on compliance is extrinsically motivated and it is only displayed under the presence of salient external control. This kind of motivation is influenced by the realization of external goals (Deci & Ryan, 1987; Sheldon et al., 2003), and provides compliance with organizational objectives—country objectives. The study in addition found out that organisational culture at the district level is a major cause of maverick buying. A review of corruption litigation shows that organizational culture, structures and incentives are among the most powerful factors causing professionals to indulge in systemic corrupt practices (Taylor, 2015). As stated by Maignan and Ferrell (2004) “the organization’s own norms may stimulate a commitment to a specific cause independently of any stakeholder pressure. Ntayi et al., (2010) revealed that in Africa, pressure on public procurement budgets coupled with delayed payments provide incentives to engage in deviant behaviours. Tukamuhabwa (2012) on Antecedents and Consequences of Public Procurement Non-compliance Behaviour mentioned that deviant behaviours are linked to non-compliance in public procurement. Organizational factors such as organizational climate have been emphasized as contributing to employee behaviours (Vardi, 2001; Wimbush & Shepard, 1994).

The study also established that most of the procurement activities are unplanned at the district assemblies and it is therefore very difficult to physically appreciate procurement achievements on the ground. What is visible to them is the misappropriating, mismanagement to mention a few. This show case the perceived non-recognition of the value of the Public Procurement Act 663 in Ghana. It was found out that lack of information is one of the primary drivers of MB. Communication on the essence of procurement and the positive effects are not readily available to many practitioners. The study also revealed that there is serious political interference affecting the procurement process at the district levels. According to the respondents most contracts are sent from the high office as mentioned Akech (2005) that the threat of being suspended or fired has in many cases intimidated public officers into obeying illegal ministerial directives leading to MB. Schapper et al (2006) mentioned that public procurement is naturally a political activity. A number of politicians think that they have the right to intervene in the procurement process thereby leading to impulsive procurement decisions (World Bank, 2004). Raymond (2008) stated that ministers and political parties receive covert payments in government procurement. Pillary (2004) commented that political leaders use their offices for private gain and this has weakened the motivation to remain honest. This eventual interference with the procurement process constrains compliance. Tukamuhabwa (2012) opined that in developing countries, one of the major obstacles to the procurement system is ministerial interference with the tender process where ministers intervene and influence tender awards. In support, Coviello and Gagliarducci (2010) commented that politicians influence public procurement through non-compliance acts such as collusion. Hui et al., (2011) in buttressing this finding also showed that interference from the politicians, those from local, regional and national, members of parliament and very powerful top management individuals’ interruption in the procurement processes deterred transparency. The study in addition established that one major cause of maverick buying is the architect of procurement infrastructure and bureaucratic

systems formalization which has created a disincentive to guide employees to conformance thereby influencing most practitioners to over look the compliance status of the Act 663.

The Impact of Maverick Buying on the Objective of Public Procurement Act 663 and the Economy of Ghana in General

The study revealed that maverick buying-MB will defeat the superseding objectives of the Public Procurement Act of 2003, Act 663 to deliver to the economy, effectiveness and efficiency in the use of public funds, value for money, quality of services, goods, and works while adhering to the fundamental principles of non-discrimination and equal treatment, due process, access to information and transparency. Similar to Bolton (2014) public procurement regulation it is a general rule that procuring entities should consider conforming, compliant or responsive tenders. Tenders should comply with all aspects of the invitation to tender and meet any other requirements laid down by the procuring entity in its tender documents. Bidders should, in other words, comply with tender conditions; a failure to do so would defeat the underlying purpose of supplying information to bidders for the preparation of tenders and amount to unfairness if some bidders were allowed to circumvent tender conditions (ibid). OECD (2000) in support of this finding established that a key determinant of government effectiveness is how well regulatory systems achieve their policy objectives. The OECD opined that inadequate compliance underlies many regulatory failures and therefore the inability of the districts to comply with Act 663 will lead to the failure of the procurement policy. However, the OECD commented that full compliance with a rule may not accomplish the desired outcome but it's also not a yardstick for non compliance.

The study further established that MB may insidious the aptitude to negotiate favourable terms for price of goods, services and works due to the crumbling of spend. In supporting this finding (Cox et al., 2005; Lonsdale & Watson, 2005) postulated that excessive fragmentation can inflate transaction costs, each separate transaction is of limited value and the organisation has to establish and execute trading relations with an unnecessarily large number of suppliers. Besides, the attractiveness of the buyer to the supplier is significantly reduced according to Cox et al., (2005) as fragmentation of spend due to MB can lead to an organisation providing neither a high volume of demand nor an account that is easy to service, which can lead to the organisation being seen by suppliers as a 'nuisance customer' (Lonsdale and Watson, 2005). Cuganesan and Lee (2006) mentioned that the crumbling of spend due to MB will reduce an organisation's purchasing leverage which undermines organisation's ability to negotiate favourable price and service levels with suppliers. The study also revealed that MB increases purchasing cost where it affects equally the actual purchasing price and process cost. This finding confirmed Karjalainen et. al., (2009) finding that MB is mainly seen to have only negative consequences, where it is claimed to lead to increased purchasing costs. In support as well, Cox et al. (2005) mentioned that the maverick buyer is unlikely to have access to the requisite supply market information and will not possess the necessary competence in contracting and negotiating. This, along with the use of non-approved suppliers will result in higher prices for the organisation (Cox et al., 2005; Cuganesan & Lee, 2006). Like Roy (2003) MB force organisations to make exceptions resulting in added paperwork and thus increased process costs. Other scholarly works confirmed the cost aspect of maverick buying for instance Angeles and Nath (2007) suggested that MB raises procurement costs for a firm by as much as 20% compared to purchases negotiated by the firm's purchasing professionals. Kulp et al. (2006) estimated that the pharmaceutical company GSK lost between \$80 and \$120 million dollars of procurement savings because of non-compliance. The issue in Ghana, though it's

clear that maverick buying leads to an increase in both purchasing cost and process cost, the inability of the authorities to quantify these costs directly from maverick buying do not make the key stakeholders appreciate the gravity of impact of maverick buying on the economy.

The study also revealed that MB had the ability to deny the assemblies the knack to collect data on the assemblies' sequence of purchasing or spending thereby causing the assemblies to lose visibility over its outlay. Gaining visibility of spending at the district assembly is very challenging. This finding is in consistence with (Karjalainen & van Raaij, 2011; Karjalainen et al. 2009 cited in Heikkinen 2014) that MB affects an institution's ability to trace the used of procurement sources and procurement behaviours and diminishes the procurement visibility. Heikkinen (2014) as well mentioned that organization benefits from the increased spend visibility and is able to reduce total costs and risk. In support, Procurement Sense (2015) suggested that the power of knowing where your money is going is crucial. Having a record of each spending (every payment, every cost) will allow an institution to examine their finances and decide where you can save or, in some cases, spend more. The importance of tracking spending is very vital for public institutions knowing that you are dealing with tax payer money. MB influencing lack of visibility may place the assembly at risk of over-spending and as such there must be an internal buyer tracking systems to ensure purchasers with the process and with pre-approved suppliers stay within authorized spending limits.

The study further revealed that fraud can ensue from MB. Similar to Gabel et. al., (2008) most extreme and dangerous type of MB for a company is ill-intentioned MB, also in some cases could be referred to as fraud. Karjalainen et al. (2009) wrote that ill-intentioned MB occurs when employees are aware of preferred process and able to use it, but actively oppose this new process and Spreitzer and Sonenshein (2004) put it negative deviance. This finding is supported by the study of Cressey (1973) who developed the model called the fraud triangle where three factors must be present at the same time in order for an ordinary person to commit fraud- these are pressure, opportunity and rationalisation. In MB these three elements clearly are manifested particularly under ill-intentioned type. Gabel et. al., (2008) as well commented that it is very imperative to notice that what often goes unnoticed is that all three elements of the fraud triangle are fundamentally behavioural constructs. Personal incentives and perceived pressure drive human behaviour, and the need to rationalize wrong doing as being somehow defensible is very much psychologically rooted. Accordingly Kalubanga, Kakwezi, and Kayiise (2013) mentioned that fraud can happen when the tender process has not been followed so that fraud can be committed. Confirming this finding on corruption and fraud, Osei-Tutu et. al., (2010) posited that tender manipulation, bribery, kickbacks, fraud are corrupt practices in the Ghanaian infrastructure projects delivery system.

CONCLUSION

Public procurement has been the foremost provider of goods, works and services for the public sector, and it's therefore very significant tool for attaining political, economic and social goals in Ghana. An experience has shown that a key determinant of government effectiveness is how well regulatory systems achieve their policy objectives. However, with reforms and the passing of the Public Procurement Act 663 in 2003, aimed at enhancing efficiency and effectiveness of public procurement activities, the Act 663 has been vilely undermined by widespread fraud, corruption and non-compliance behaviour also known as maverick buying. The study of maverick buying in Ghana is, largely disregarded in public procurement management research.

This study looks at the causes and impact of maverick buying at the district assemblies and to the researcher's knowledge, the first comprehensive study on causes and impact of maverick buying phenomenon in Ghana. From the interviews the findings presented suggest that MB is real phenomenon in the district assemblies and various causes are assigned for not complying from the extent to which the practitioners know of and understand the act and the practitioners' willingness to comply and able to comply with the Act 663. On the impact of MB, it was established that MB generates negative consequences both on the policy and on the economy as well. The severity of the impact of MB on the policy objectives of the Public Procurement Act 663 and the economy in general cannot be easily be quantified for key stakeholders to do self introspection and understand the damage it's causing to the country. This has to deal with much education to the key stakeholders in key positions involving public procurement management. The identification of the causes and its impact should guide policymakers/management to address the problem at the district assemblies with a more comprehensive targeted approach and design of accurate countermeasures for causes of MB and to reduce its effect. Theoretical essence for this study of MB is to create the awareness in research from the agency theory perspective.

Whilst the findings of the study could be applied in most cases, there were some significant exceptions particularly few workers and practitioners from individual districts were involved, and as such, the findings may not be generalised to other broader communities; it is thought nevertheless that the recommendations can be targeted to improve on the compliance level of the Public Procurement Act 663 at the districts assemblies to avoid maverick buying.

RECOMMENDATIONS

The implications under this study are that the entities become aware of the causes of MB and its impact and for the districts and the nation in general to comply with public procurement regulation to enhance the effectiveness and the efficiency of Public Procurement Act 663. The focus needs to be placed on the following:

- PPA and the ministry of education should link up to train procurement practitioners as stipulated in Procurement Act 663 section 3(k). It is as a part of the functions of the PPA board, to 'develop, promote, and support training and professional development of persons engaged in public procurement and to ensure adherence of the trained persons to ethical standards. Distinctively if education and training is very much tied to the procurement laws, practitioners involved in operative ordering most likely will be aware of Act/Law/Regulation they are presume to use. This will improve awareness and knowledge with procurement processes amongst procurement practitioners and staff employed in the district assemblies and the nation in general.
- Monitoring compliance trends should be a key part of the Public Procurement Authority-PPA. The outcome of monitoring compliance should be used to transform the ineffective sections of the Act 663 and make enforcement more effective. Public Procurement Authority need to shift away from traditional performance measures (measuring inputs) towards output measures that impact more directly on economic, political, environmental and social, to remedy the difficult of practitioners and other members to physically appreciate procurement achievements.
- PPA and the Government should understand that enforcement cannot be a surrogate for low levels of voluntary compliance because prevalent maverick buying-MB/non-

compliance of the procurement process will destabilize the respect for the Procurement Act 663 and its purposes. As a matter of fact the institution responsible for sanction should be incorporated into the enforcement unit for swift punishment to act as deterrence to others. When penalties or performance review and associated rewards are linked with MB, practitioners will be more likely to stick to Procurement Act 663.

- Government and PPA should come out with revise easy and simplify yet much specified manual for conducting the daily purchasing practices at the district assemblies, this will make the practitioners less likely to engage in maverick buying. PPA and the districts should link up on how eProcurement systems, can be implemented to ensure compliance. The most commonly declare solution for maverick buying is the implementation of electronic procurement. By connecting probable offenders to the correct goods, services, and suppliers and making it the easiest way for them to purchase in that manner, compliance can be easy. eProcurement systems offer controls that can prevent MB.
- The study suggest for future studies must use all the district assemblies in the region using quantitative design to authenticate or otherwise the validity of the results.

REFERENCES

- Aberdeen Group (2006). 'The Contract Management Benchmark Report Procurement Contracts-Maximizing Compliance and Supply Performance' Aberdeen Group, Boston, MA
- Aberdeen Group (2009). 'Procurement Contracts: Real Value, Real Returns'. Aberdeen Group, March 2009.
- Adjei, A. B. (2006). 'Message from the Chief Executive, Public Procurement Board'. Available online at www.ppbghana.org/story.
- Adusei, C. & Awunyo-Vitor, D. (2015). 'Implementation Challenges of the Public Procurement Act by Selected Metropolitan, Municipal and District Assemblies in the Ashanti Region, Ghana' 2015 Scientific Research Publishing Inc <http://www.scirp.org/journal/ibhttp://dx.doi.org/10.4236/ib.2015.71005>
- Agyekum-Kwatiah, F. (2014). 'Impact of public procurement ACT, 2003 (ACT 663) on public procurement practice in Korle Bu Teaching Hospital' KNUSTSpace
- Akech, J. M. M. (2005). 'Development partners and governance of public procurement in Kenya: enhancing democracy in the administration of aid'. International law and politics, 37(4), 829-868.
- Ameyaw, C., Mensah, S. and Osei-Tutu, E. (2012). 'Public procurement in Ghana: The implementation challenges to the Public Procurement Law 2003 (Act 663)'. International Journal of Construction Supply Chain Management Vol. 2, No. 2
- Appelbaum, S. & Shapiro, B., (2006). 'Diagnosis and Remedies for Deviant Workplace Behaviors'. Journal of American Academy of Business, 9(2), 14-20.
- Appelbaum, S., Deguire, K. & Lay, M. (2005). 'The relationship of ethical climate to deviant workplace behaviour'. Corporate Governance 5(4), 43-56.
- Bardach, E. & Kagan, R. (1982), 'Going By the Book: The Problem of Regulatory Unreasonableness', Temple University Press, Philadelphia, p. 107.
- Basheka, B. C. & Mugabira, M. I. (2008). 'Measuring Professionalism Variables and their Implication to Procurement Outcomes in Uganda'. The 3rd International Public Procurement Conference Proceedings.

- Basheka, B. C. & Bisangabasaija, E. (2010). 'Determinants of unethical public procurement in local government systems of Uganda': a case study. *Int. J. Procurement Management*, 3(1), 91–104.
- Blumberg, B., Cooper, D.R., & Schindler, S. P., (2005). 'Business Research Methods', McGraw and Hill, London
- Bosch, M. Kemperma, M. & Raes, S. (2012). 'Sustainable Procurement and International Financial Institutions' Discussion paper <http://www.unpcdc.org/media/403727/discussion-paper-on-sustainable-procurement-and-international-financial-institutions-final-version.pdf>
- Choi, JW (2009). 'A Study of The Role of Public Procurement – Can Public Procurement Make Society Better?'
- Coviello, D. & Gagliarducci, S. (2010). 'Building Political Collusion: Evidence from Procurement Auctions'. Discussion Paper, 4939.
- Cox, A., Chicksand, D. & Ireland, P., (2005). 'Overcoming demand management problems: the scope for improving reactive and proactive supply management in the UK health service'. *Journal of Public Procurement*, 5(1), 1-22.
- Cressey, D.R. (1973). 'Other People's Money: A Study in the Social Psychology of Embezzlement. Montclair, NJ: Patterson-Smith.
- Cuganesan, S. & Lee, R. (2006). 'Intra-Organisational Influences in Procurement Networks Controls: The Impacts of Information Technology', *Management Accounting Research* 17(2), 141–170. doi:10.1016/j.mar.2005.12.005.
- Cuthill, M. (2002). 'Exploratory research: Citizen participation, local government, and sustainable development in Australia. *Sustainable Development*', 10(2), 79-89. <http://dx.doi.org/10.1002/sd.185>
- De Boer, L., & Telgen, J. (2006). 'Purchasing Practice in Dutch Municipalities, *Journal of Supply Chain Management*, Vol.34, No 2, pp. 31 – 36.
- De Boer, L., Harink, J. & Heijboer, G., (2002). 'A conceptual model for assessing the impact of electronic procurement'. *European Journal of Purchasing & Supply Management*, 8(1), 25-33.
- De-Boer, L. & Telgen, J. (1998). 'Purchasing practice in Dutch municipalities'. *International Journal of Purchasing and Materials Management*, 34(2), 31-36
- Deci, E. L., & Ryan, R. M. (1985). 'Intrinsic motivation and self-determination in human behavior'. New York: Plenum Press.
- Deci, E. L., & Ryan, R. M. (2000). The "what" and "why" of goal pursuits: Human needs and the self-determination of behavior. *Psychological Inquiry*, 4, 227-268.
- DePaoli, T (2014) 'Strategies to Limit Backdoor or Maverick Buying' <http://www.mypurchasingcenter.com/office-products/blogs>
- Donahue, J.E. (1989). 'The Privatisation Decision: Public Ends, Private Means, Basic Books', New York, NY
- Eisenhardt, K.M. (1985). 'Control: Organizational and economic approaches', *Management Science*, Vol. 31, Nr. 2, p. 134-149.
- Eyaa S, & Oluka P (2011). 'Explaining Non- Compliance In Public Procurement In Uganda. *International Journal of Business and Social Science* Vol. 2 No. 11 , June
- Fayezi, S. O'Loughlin, A.& Zutshi, A (2012). 'Agency theory and supply chain management: a structured literature review' Emerald Group Publishing Ltd 1359-8546 <http://doi.org/10.1108/13598541211258618>

- Gabel, O., Klein, R., Murashov, M., & Sova, S., (2008). 'Maverick Buying: Is This Really An Issue For Companies? *Cornerstones to manage it* <http://www.deondernemer.nl/UserFiles/File/Kennisbron/Inkoopfraude.pdf>
- Gelderman, C., Ghijsen, P. & Brugman, M., (2006). 'Public procurement and EU tendering directives – explaining noncompliance'.
- Government of Uganda (2006). 'The Local Government (Amendments) Act, 2006'. Kampala, Uganda:
- Health, J. & Norman, W. (2004). 'Stakeholder theory, corporate governance and public management'. *Journal of Business Ethics*, 53, 247-265.
- Heikkinen, L. (2014). 'Controlling and Assessment Indirect Spend –Case Study from Beverage Industry' Thesis. Lappeenranta University of Technology
- Henle, C., Giacalone, R. & Jurkiewicz, J. (2005). 'The Role of Ethical Ideology in Workplace Deviance'. *Journal of Business Ethics* 56(3), 219–230.
- Hui, W. S., Othman, R. O., Normah, O., Rahman, R. A. & Haron, N. H. (2011). 'Procurement issues in Malaysia'. *International Journal of Public Sector Management*, 24(6), 567-593.
- Irwin.
- Jensen, M. & Meckling, W. (1976). 'Theory of the firm: managerial behavior, agency costs and ownership structure', *Journal of Financial Economics* 3, 305–360.
- Johnson, P.F. (1999). 'The Pattern of Evolution in Public Sector Purchasing Consortia.' *International Journal of Logistics: Research and Applications*, 2 (1), pp.57-73.
- Kalubanga, M., Kakwezi, P., & Kayiise, D. (2013). 'The effects of fraudulent procurement practices on public procurement performance'. *International Journal of Business and Behavioral Sciences*, 3(1), 17-27
- Karjalainen, K , (2009). "Non-compliant work behavior in purchasing: An exploration of reasons behind maverick buying", Competitive paper.
- Karjalainen, K., Kemppainen, K. & Van Raaij, E. (2009). 'Non- Compliant Work Behaviour in Purchasing: An Exploration of Reasons Behind Maverick Buying'. *Journal of Business Ethics* 84(2), 245-261.
- Karjalainen, K.J. & Raaij, E.M. van (2011). 'An empirical test of contributing factors to different forms of maverick buying'. *Journal of Purchasing and Supply Management*, 17 (3), 185-197. doi: <http://dx.doi.org/10.1016/j.pursup.2011.05.001>
- Kauppi, K. & van Raaij, E. M. (2014) 'Opportunism and Honest Incompetence—Seeking Explanations for Noncompliance in Public Procurement' *Journal of Public Administration Research and Theory* 01/2014; 25(3). DOI:10.1093/jopart
- Kiama, G. P. (2014). 'Factors affecting implementation of public procurement act in SACCO societies in Kenya'. *International Journal of Academic research in Business and Social Science*, 4 (2), 169-194.
- Kippra, (2006). 'Public procurement policy in Kenya: The need for a coherent policy framework'. Policy brief no. 3/2006
- Kotteaku, A., Laios, L. & Moschuris, S. (1995). 'The Influence of Product Complexity on the Purchasing Structure'. *Omega* 23(1), 27.- 39.
- Kulp, S., Randall, T., Brandyberry, G. & Potts, K., (2006). 'Using Organizational Control Mechanisms to Enhance Procurement Efficiency': How GlaxoSmithKline Improved the Effectiveness of EProcurement. *Interfaces*, 36(3), 209-219.
- Lonsdale, C. & Watson, G., (2005). 'The internal client relationship, demand management and value for money: A conceptual model'. *Journal of Purchasing & Supply Management*, 11(4), 159-171.

- Maignan, I. & Ferrell, O.C. (2004). 'Corporate social responsibility and marketing: An integrative framework'. *Academy of Marketing Science*, 2004, 32, 3-19.
- Marcus, B. & Schuler, H., (2004). 'Antecedents of Counterproductive Behavior at Work: A General Perspective'. *Journal of Applied Psychology*, 89(4), 647-660.
- Mentzer, J. T., Stank, T. P. & Esper, T. L. (2008). 'Supply chain management and its relationship to logistics'. *Marketing, Production, and Operations Management. Journal of Business Logistics*, 29(1), 31-46
- Nollet, J., & Beaulieu, M., (2005). 'Should an organization join a purchasing group? Supply Chain Management: An International Journal 10 (1), 11-17.
- Ntayi, J. M., Eyaa, S., & Ngoma, M. (2010). 'Moral disengagement and the social construction of procurement officers' deviant behaviours. *Journal of Management Policy and Practice*, 11(4), 95-110
- Obanda, W. P. (2010). 'Fighting corruption in tactical procurement'. PHD dissertation
- Odhiambo, W., and Kamau, P. (2003). 'Public Procurement': Lessons from Kenya, Tanzania and Uganda, OECD Development Centre Working Paper No. 208
- OECD (2000). 'Reducing The Risk Of Policy Failure: Challenges For Regulatory Compliance'. <http://www.oecd.org/gov/regulatory-policy/46466287.pdf>
- OECD (11 – 12 February, 2013). Leading Practitioners on Public Procurement. <http://www.oecd.org/gov/ethics/meetingofleadingpractitionersonpublicprocurement.htm>
- OECD. (2007). 'Integrity in Public Procurement Good Practice from A to Z,' OECD Publishing, Paris, France
- Osei-Tutu, E. Badu, D. & Owusu-Manu, D. (2010). "Exploring corruption practices in public procurement of infrastructural projects in Ghana", *International Journal of Managing Projects in Business*, Vol. 3 Iss: 2, pp.236 – 256
- Osei-Tutu, E., Mensah, S., & Ameyaw, C. (2011). The Level of Compliance with the Public Procurement Act (Act 663) in Ghana, *Management and Innovation for a Sustainable Built Environment*, pp. 20-23.
- Otieno (2004). 'Procurement activities in public institutions'. Unpublished thesis. Jomo Kenyatta University of Science and Technology, Kenya
- Partida, B. (2012). 'Maverick Purchasing Means Slower, Less Reliable Deliveries'. *Supply Chain Management Review*. pp. 52-54.
- Pillary, S. (2004). 'Corruption – the Challenge to Good Governance': a South African Perspective, Melbourne, Australia.
- PPA (2007), "Public Procurement Authority (PPA) Annual Report", Republic of Ghana, pp.18
- Public Procurement Act, 2003 (Act 663) of the Republic of Ghana.
- Public Procurement Authority Annual Report (2011) . 'Improving Efficiency And Transparency In Public Procurement' http://ppaghana.org/documents/PPA_Annual_Report_2012_online.pdf
- Raymond, J. (2008). 'Benchmarking in public Procurement'. *Benchmarking: An International Journal*, 15(6), 782-793.
- Roy, S., (2003). 'OK you are now an approved supplier – but you still do not get orders: Understanding the case of the P-card. *Industrial Marketing Management*, 32(7), 605-613.
- Sarens, G. & Abdolmohammadi, M.J. (2010). 'Monitoring Effects of the Internal Audit Function Agency Theory versus other Explanatory Variables. *International Journal of Auditing*, Vol. 15 No. 1, pp.1– 20.
- Schapper, P. R. , Malta, J. N. V. & Gilbert, D. L. (2006). 'An analytical framework for the management and reform of public procurement'. *Journal of public procurement*, 6(1&3), 1-26.

- Schiele, J. J. & McCue, C. P. (2006). "Professional service acquisition in public sector procurement." *International Journal of Operations and Production Management*, vol. 26(3), pp. 300-325.
- Sheldon, K. M., Ryan, R. M., Deci, E. L., & Kasser, T. (2003). 'The independent effects of goal contents and motives on well-being: It's both what you pursue and why you pursue it'. *Personality and Social Psychology Bulletin*, 30, 475-486.
- Spreitzer, G. & Sonenshein, S., (2004). 'Toward the Construct Definition of Positive Deviance'. *The American Behavioral Scientist*, 47(6), 828-847.
- Sutinen, J. G. & Kuperan, K. (1999). 'A socio-economic theory of regulatory compliance'. *International Journal of Social Economics*, 26(1/2/3), 174-193.
- Taylor, P. J., Catalano, G., & Walker, D. R. F. (2002). 'Measurement of the World City Network.' *Urban Studies*, 39(13), 2367-2376.
<http://dx.doi.org/10.1080/00420980220080011>
- Thai, K.V. (2001). "Public procurement re-examined", *Journal of Public Procurement*, Vol. 1 No.1, pp.9-50
- Trionfetti, F. (2003). 'Home-based government procurement and international trade.' *The Netherlands: Kluwer Law International*. Pp. 223-234.
- Tukamuhabwa (2012). 'Antecedents and consequences on public procurement non-compliance Behaviour', *Journal of Economics and Behavioural studies*, Vol.4 no.1 pp.34-46
- United Nations Development Programme (2006). "Capacity Development Practice Note" <http://capacity.undp.org/index.cfm?module=Library&page=Document&DocumentID>
- Vardi, Y., (2001). 'The effects of organizational and ethical climates on misconduct at work. *Journal of Business Ethics*, 29(4), 325-337.
- Wimbush, J. C. & Shepard, J. M. (1994). 'Toward an Understanding of Ethical Climate: Its Relationship to Ethical Behavior and Supervisory Influence. *Journal of Business Ethics* 13:637-647 DOI: 10.1007/BF0087181
- Wittig, W.A. (1999). 'Building Value through Procurement: A focus on Africa. A paper presented to the 9th International Anti-Corruption Conference.[On-Line]. Available at www.legacy.transparency.org
- World Bank (2002). *Lao PDR: Country Procurement Assessment Report*, Report No. 25334-LA. Washington, DC: Author. Pp. 21
- World Bank (2003). "Economic Report on Ghana", Washington, DC: Ghana Country Department, The World Bank.