

# A CONCEPTUAL MODEL FOR EFFECTIVE AND EFFICIENT IMPLEMENTATION OF GHANA'S PUBLIC PROCUREMENT ACT 2003 (663) AS AMENDED BY ACT (914)

Agyapong Nobel Kwadwo<sup>1</sup>, Dr. Boison David King<sup>2</sup>, Dr. Asiedu Esther<sup>3</sup>,  
Addison Linda<sup>4</sup> and Ofori-Nyarko Ernest<sup>5</sup>

CASS University Europe France<sup>1</sup>, Ghana Technology University College Accra-Ghana<sup>2,3</sup>, Coventry University UK<sup>4</sup>, and  
Methodist University College<sup>5</sup>.

---

**Abstract:** This paper proposes a conceptual model for the effective and efficient implementation of the public procurement Act of Ghana. The paper was inspired by the incessant and constant violations of the Public Procurement Act even after its amendment after decade of the enactment of the law. This has largely been attributed to the lack of a model to operationalize its effective and efficient implementation. The study was descriptive in nature and leveraged largely on reviews of theories and extensive literature of secularly works, reports, documents and records, to develop a framework which identified six (6) critical variables: Political Interference, Media Publicity, Professionalism, Organizational Culture, Familiarity with Rules and Regulations and Effective Monitoring as Compliance/Non Compliance variables categorized as explanatory variables. The paper further developed three (3) predictor variables: Value for Money, Fairness and Transparency. Also the paper premised some hypotheses as grounds to enable future studies to test through impact assessment or analysis on the predictor variables. This model also confluences the six (6) most critical compliance/noncompliance variables into a single framework moderated by motivation; thus affording future researchers to measure pre and post introduction of the moderating variable and its impact on effective and efficient public procurement delivery.

**Keywords:** Conceptual, Model, Procurement, Noncompliance, Compliance, Value for Money, Fairness, Transparency, Public.

---

## I. INTRODUCTION

In recent times, compliance in public procurement has become an issue of public attention and debate, as such has been subjected to reforms, restructuring, rules and regulations in many countries especially, West Africa. Ghana Public Procurement Act 2003 (Act 663) has undergone some form of challenges over the past decade since its introduction. There had been notable infractions over the period of its implementation. These infractions stem from lack of understanding of the objectives of the Act (value for money, transparency, fairness and accountability) which has consequently led to compliance issues such as, high political influence, lack of professionalism, effective espoused organizational culture, disregard for rules and regulations and lack of effective monitoring. Previous studies prove that, these non-compliance issues led to corruption and misappropriation of public funds in addition to poor delivery of contracts and projects which cast a slur on the reputation of government and public officials. According to [1], public firms are known for their large purchases; dealing with colossal budgets. [2] therefore emphasized that, public procurement accounts for 18.42% of the world GDP. In developing countries, public procurement is progressively recognized as important in service delivery [3], and it represents a high proportion of total expenditure. For instance, public procurement accounts for 60% in Kenya [4] [4], 58% in Angola, 40% in Malawi and 70% of Uganda's public spending (Wittig, 1999; Government of Uganda, 2006) as cited in [3]. These percentages are very high when compared

with a global average of 12-20 % [5]. In Ghana, the situation is not different as 17% of GDP and approximately 80% of tax revenue are attributed to public procurement delivery [6]. Due to the massive amount of funds involved in government procurement and the fact that such monies emanate from the public purse, there is a need for accountability and transparency [7]. Subsequently, various countries both in developed and least developed countries have instituted procurement reforms involving laws and regulations. Ghana has since 2003, amended the Public Procurement Act (663) with a provision (Act 914) to deal with major challenges observed since its implementation. Despite this obviously low public procurement compliance, not much focus has been placed on explaining non-compliance with public procurement regulations in Ghana. Non-compliance in its literal meaning, are activities of procurement officials and professionals which does not conform to the objectives outlined in the Public Procurement Act (663) as amended by Act (914). Ghana has since 2003, witnessed some serious non-compliance issues. The canker of non-compliance in the Effective and Efficient Public Procurement Delivery (EPPD) has gained prominence in the socio-political discourse in Ghana in recent times. In the past two years, the newspapers continue to report extensively on the abuse of the Public Procurement Act by state institutions on a large scale. This has been partly attributed to lack of an operational framework to implement the objectives of the Act. [8], further reports other non-compliance scandals at the National Communication Authority (NCA). In the said publication, the C.E.O. and four others were arraigned before the High Court for willfully causing financial loss to the state through a contract between the NCA and a supplier –supplying communication surveillance equipment to the state [8]. The report emphasizes the fact that, governmental procurement bodies in Ghana seem to be more interested in the processes leading to the awarding of contracts rather than the execution of contracts [8]. The measure of the objectives of the Act with regards to value for money, fairness and transparency in relations to compliance/noncompliance is a challenge. So it is clear that the review of the Act after ten (10) years of implementation has not achieved much as report on infractions of the Act have been flooding the Ghanaian Newspapers almost every quarter in the last decade. This paper therefore is aimed at developing an operational model/framework for the effective and efficient implementation of the Public Procurement Act (663) as amended by Act (914).

## **II. LITERATURE**

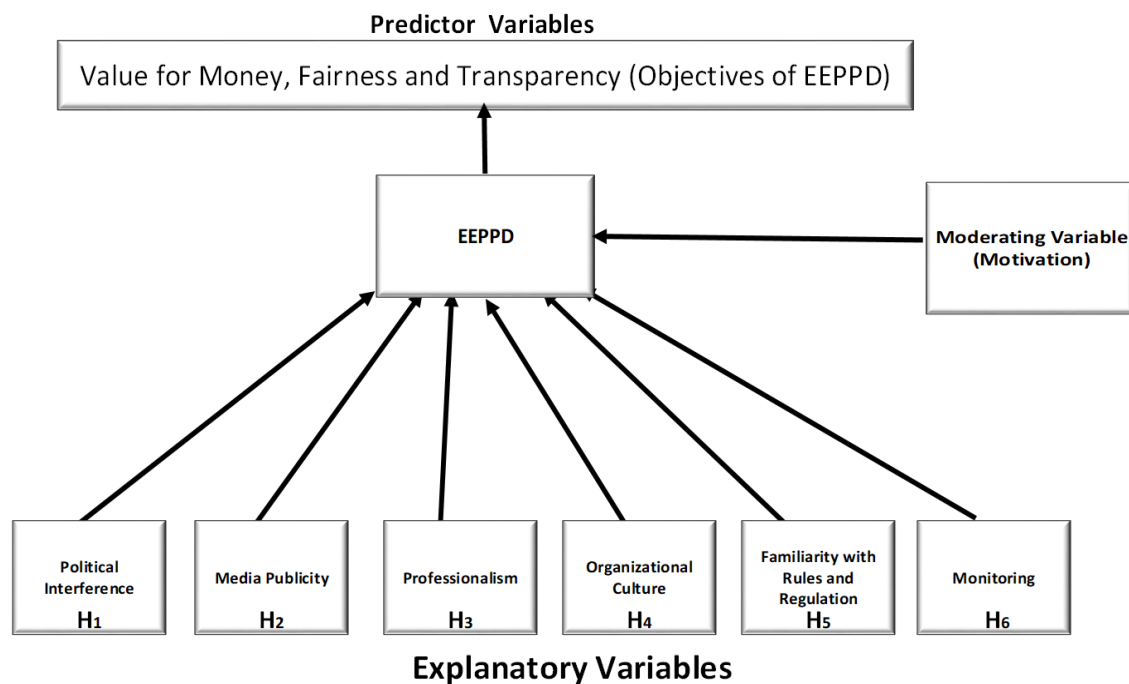
### ***Theoretical Review***

As cited by [9], good research should be grounded in theory [10]. According to [11], institutional theory is the traditional approach that is used to examine elements of public procurement. [12] identifies three pillars of institutions as regulatory, normative and cultural which is also affirmed by [13]. The regulatory pillar stresses the use of rules, laws and sanctions as enforcement apparatus, with expedience as the basis for compliance. The normative pillar is concerned with norms and values, with social obligation as the foundation of compliance. The last pillar that is, the cultural cognitive pillar relies on symbols, shared understanding and common beliefs. In reference to this theory, public institutions in Ghana are guided by rules and regulations with the Public Procurement Act and its regulations directing procurement activities. From the three pillars espoused by [12], social influence, enforcement, organizational culture and incentives are classified as antecedents of compliance to procurement rules and regulations. [12] further confirms in his study that, institutional theory attends to a deeper and more resilient aspects of social structure. The theory considers the processes by which structures, including rules, schemes, norms and routines become affirmed as authoritative guidelines for social behavior. He subsequently stated that the roots of institutional theory hastened through the formative years of the social sciences; enlisting and incorporating the creative insights of scholars like Marx and Weber, Cooley and Mead, Velen and Commons among others. A number of studies have been conducted by some notable authors in this area. [13] defined institutional distance –a component of institutional theory– as the difference or similarity between institutional profile (regulatory, cognitive and normative) of two countries on a particular issue. Economists developed the principal agent theory or model that deals with situations in which the principal is in the state to induce the agent, –to perform some task in the interest of the principal– but not necessarily the agent’s [14]. The theory aids to investigate the role of political interference and record the management of public procurement compliance as public procurement managers are agents for politicians and the government. [15] elucidates that, procurement agents including all civil servants concerned with public procurement must play agent roles for elected agents. As cited by [16], compliance may represent a principal agent problem [17]. Most procurement officers in government institutions in Ghana execute the tenets of the procurement Act (Act 633) as amended by Act (914), as agents of government. The study is therefore deeply rooted in the principal agent theory because it resonates well in principle and in practice. The theory of legitimacy postulates that the firm is responsible for disclosing its practices to its shareholders, particularly to the public and also justifies its existence within the confines of society [18]. According to [7], the theory centers on the relationship and interaction between a firm and the society;

providing an adequate and a superior paradigm for understanding public procurement system. Based on this theory, the perceived legitimacy of Ghana’s public procurement Act has been identified as one of the ingredients for public procurement compliance. The theory of legitimacy with accompanying proponents are widespread in the execution of most state institution policies and this gives rise to the question as to whether the perceived idea of the theory is practiced. The three theories discussed above formed the basis for the development of the proposed conceptual model. Variables used to create the proposed model emanated from the theories adapted.

**Proposed Conceptual Model**

In light of the review of theoretical and empirical studies relating to this research, the framework in Figure 1 below was designed; adapting variables from R. Benjamin (2015) to ensure that public procurement delivery (PPD) is done in a fair and transparent manner that ensures value for money. The ideology behind this framework centers on concepts of compliance/ non-compliance and PPD. With variables of compliance/non-compliance being: Political Interference, Organizational Culture, Media Publicity, Professionalism, Effective Monitoring and Familiarity with Rules and Regulations and that of PPD being: Value for Money, Fairness and Transparency. The model uses the compliance/non-compliance variables to predict each of the variables of PPD in order to determine the effect of both compliance and non-compliance on Effective and Efficient Public Procurement Delivery (EEPPD). Furthermore, a moderating variable– Motivation (training, rewards, job enrichment and job satisfaction among others) is introduced to the model with the aim of ascertaining the effect of the variable on EEPPD.



**Fig. 1: Proposed Conceptual Model**

**Effective and Efficient Public Procurement Delivery (EEPPD)**

The aim of an effective and efficient procurement delivery is to ensure accountability, fairness, transparency and value for money as espoused in the public procurement Act (Act 633) as amended in Act (914). However, the proposed model (in Fig. 1) chose value for money, fairness and transparency as the three predictor variables. Accountability was not considered as a variable in this model as the three selected invariably translate into accountability. In the context of this model, efficient and effective public procurement delivery is viewed in the lens of the three predictors (value for money, fairness and transparency) being impacted by the compliance/non-compliance variables namely political interference, media publicity, professionalism, organizational culture, familiarity with rules and regulations and effective monitoring. Likewise, as depicted in the model above, the effect of the compliance/non-compliance variables on the predictors are in two forms. First the general impact of the compliance/non-compliance variables on the predictors and secondly, the impact of these variables on the predictors as moderated by motivation.

*Explanatory Variables: Compliance/Non-compliance Indicators*

*Political Interference*

According to [19] public procurement is inherently seen as a politically sensitive activity. Political interference is defined here for the purpose of this framework as political leaders meddling in procurement activities for private gain and this results in a weak system of motivation as public officials will not be honest in their line of duty. [20] holds the view that senior officials and political leaders use public office for private gain and this has debilitated the motivation to remain honest. [21] also argues that government appointees and political parties receive concealed payments in government procurement. This eventually interferes with the procurement process and limits compliance. This is also resounded by [22], who identifies that social and political interference have a vital component on public sector reform. In developing countries; one of the main obstacles to the procurement system is governmental or ministerial interferences with the tender process where government appointees intervene and influence tender awards. The fear of being suspended or fired has in many instances intimidated public officials into obeying illegal governmental directives leading to non-compliance [4]. To throw more emphasis on this, [7] posited that interference from the businesspersons, local politicians, members of parliament and very influential top management government people has interrupted the procurement processes and discouraged transparency. In Ghana and most parts of the world, there were claims that, bribes were paid by the world's largest retailer by revenue to obtain permits to build stores in Mexico and this led the U.S. Department of Justice to launch an investigation into such a misconduct [8]. There is a possibility that, political influence will have a negative effect on the predictor variables (value for money, fairness and transparency). As such, there is likelihood of an inverse relationship between political interference and the predictors to ensure effective and efficient public procurement delivery. The study therefore proposes that H1: *Political Interference has a negative effect on EEPPD.*

*Media Publicity*

Media publicity in this context, refers to the act of publishing all procurement issues or any expression of interest or request for quotations in the media. This plays a very important role in corporate compliance as the public is made aware of the regulatory outcomes [23] through the media. In addition, media publicity ensures that all wrong doings and malpractices in public procurement are exposed to serve as a deterrent to other organisations involved in public procurement. [7] argued that in Malaysia, extensive publication of tenders in the media such as newspapers and websites could help minimise corruption by increasing transparency and participation, thereby enhancing public procurement compliance. [24] found that media exposure reduces the incidence of infractions through press coverage that highlights instances of wrongdoing. Again, in an environment of intensified and effective press coverage of misconduct, others contemplating misconduct may be discouraged. Such claims are also reaffirmed by [25] as cited in [23] who states that there is a direct correlation between negative media publicity about a firm and their subsequent approach to corporate compliance. At a personal level, it was also posited that corporate executives who have a high standing in the business environment are fearful that their own personal reputations and respectability may be smeared by adverse publicity related to the corporation they manage. Related to this, [26] indicated that many procurement scandals have been uncovered by the media and a free and independent press is a powerful tool to promote transparency and accountability. In Uganda, Nationwide circulated and widely read newspapers such as The New Vision and The Monitor have been used in disseminating procurement information on one hand and exposing individuals flouting procurement procedures on the other. Also, [8], reports non-compliance scandals at the National Communication Authority (NCA) in Ghana. In the said publication, the C.E.O. and four others were arraigned before the High Court for wilfully causing financial loss to the state through a contract between the NCA and a supplier supplying communication surveillance equipment to the state [8]. Again, the Daily Graphic in 2017 in Ghana streamed the caption: "C.E.O of Cocobod and two others in Court" [27]. According to details of the case, the accused persons have been charged with causing financial loss of GHS 217.3m to the state. The author further reiterates that, the Attorney Generals (A-G) department charged the C.E.O with seven counts of contravention of the Public Procurement Act, contrary to sections 92(1), 92(2) (b) and 40 (1) (a) and 41 of the Public Procurement Act 2003 (Act 663). The A-G department further accused the C.E.O of misrepresenting facts to the Public Procurement Authority (PPA) in order to obtain unfair advantage. The media played a significance role in this exposé. There is a possibility that media publicity will positively affect the predictor variables (value for money, fairness and transparency) and consequently lead to an efficient and effective public procurement delivery. The study therefore posits that H2: *Media Publicity enhances EEPPD*

### *Professionalism*

Professionalism in this regard is defined as a specialized approach in the conduct of business activities. Although educational qualification is one of the prerequisites of the practice of professionalism, it should be noted that one's approach in carrying out duties diligently in a prescribed manner and in accordance with the ethics of the profession is important. In consequence, PPA should direct its resources in professional development, training, promotion and support for staff engaged in public procurement as this will encourage adherence to professional and ethical standards [28]. These attributes should be exhibited by public procurement officers in the course of discharging their daily duties. If the workers at public institutions are not adequately educated on procurement issues, serious repercussions are likely to occur including a breach in the codes of conduct. [29] argues cited in [21], there are approximately 500,000 professional purchasing people in the United States and only 10 per cent of these have been members of a professional body and the rest are not even aware that there are ethical and legal standards involved in procurement. Again, [21] associated lack of high degree professionalism in public procurement to corruption, which ultimately hamper compliance. The procurement officers must be trained and equipped with the requisite skills to be knowledgeable about all regulations in relation to procurement and related procedures [7]. [30] affirmed that ethical code is not only a restraint to incorrect behaviour but also an enabler for all members of the organisation to protect the ethical legacy of the firm. It can therefore be hypothesized that, professionalism will have a positive effect on the predictor variables; leading to an efficient and effective public procurement delivery. Thus this study posits that: *H3 Professionalism improves EEPPD.*

### *Organizational Culture*

Organizational culture refers to the codes of conduct and core values of a business which governs an organization. It is important to note that culture plays a central role in compliance. Culture is defined in the context of competing values model (hierarchical culture), which includes enforcement of rules, conformity and attention to technical matters, in this case technical procurement matters. [31] as cited by [32] argue that individual conformity and compliance are achieved through enforcement of formerly stated rules and procedures. Procurement staff should be perceived as more likely to engage in compliance behaviours by conforming to the tenets of the culture of the organization. Although it appears there is no single definition of culture, one can define it as 'the structure of behaviours, ideas, attitudes, values, habits, beliefs, customs, language, rituals, ceremonies, and practices of a particular group of people that provides them with a general design for living and patterns for interpreting behaviour' [33]. [34] affirms that culture plays a pivotal role in the compliance process and associated outcomes. [31] further stressed that awareness of the nature of public organizational culture is crucial in explaining and assessing the correctness and outcome of the current reform process. This applies to developing countries where issues of procurement reforms have resulted into enactment of procurement rules and regulations. It is hypothesized that organizational culture will have a positive effect on the predictor variables (value for money, fairness, and transparency) leading to an efficient and effective public procurement delivery. It is therefore premised that: *H4 Organisation Culture affects EEPPD.*

### *Familiarity with Rules and Regulations*

Familiarity with rules and regulation in the context of this framework relates to how public procurement officers understand and apply the rules and regulations (in this case the public procurement Act (Act 663) as amended by Act (914). Thus [30] argues that, compliance with the formal elements gives reference to knowledge of the rules. Rules and regulations are likely to be complied with when they are definite, specific, exact and very clear. It is expected that familiarity with rules and regulations will have a positive impact on the predictor variables (value for money, fairness and transparency); leading to an efficient and effective public procurement delivery. *Thus it is posited that: H5 Familiarity with Rules and Regulations improves EEPPD.*

### *Effective Monitoring*

Essentially, monitoring is a process or system for measuring expected targets against the actual, to ascertain the variation. It is also a continuous improvement activity which reviews policies and procedures to ensure an efficient and effective procurement delivery. Furthermore, monitoring is ensuring the adherence to the policies and procedures outlined in the Act and how these policies and procedures are implemented or operationalized by the various organisations involved in the practice of procurement activities. It guarantees that the right quantity, quality, and price of product and service are delivered at the right place and time. It is anticipated that an efficient and effective procurement delivery will require that a robust monitoring system is in place to prevent public officials and procurement practitioners from flouting the rules and procedures espoused by the Act. It is therefore hypothesized that monitoring will probably have a positive effect on the predictor variables; value for money, fairness, and transparency hence an efficient and effective public procurement delivery. It is therefore concluded that: *H6 Effective Monitoring enhances EEPPD.*

### ***Predictor Variables***

#### *Value for Money*

An efficient and effective public procurement delivery will require that the purchaser gets what is worth the product or service delivered by the supplier. Within the context of the Public Procurement Act (663) as amended by Act (914, 4A3c), value for money is defined as the best returns in terms of price, quality, and delivery of money spent in exchange for goods and services. Value for money is a foremost indicator for procurement. Therefore, ensuring value for money in procurement is prerequisite for the optimum use of the limited budgetary resources of government. It normally involves acquiring assets with the lowest whole-life costs that is fit for use and meets requirements. It can be hypothesized that the explanatory variables have an impact on value for money.

#### *Fairness*

According [35], the term fairness can be used in different perspectives: strengthening the perception of transparency; reduction of the incidence of corruption; development of mutual trust and the fact that procedures are adhered to in all stages of the tendering process, and this relates to the model in Figure 1 above. An efficient and effective Public Procurement Delivery requires that the element of fairness must be exhibited by public officers or procurement practitioners; as in the Public Procurement Act (663) as amended by Act (914). It can therefore be assumed that the explanatory variables will have an impact on fairness in an efficient and effective public procurement delivery.

#### *Transparency*

Transparency in procurement practice is very vital and forms part of the pivotal points which drives procurement practice. In view of the framework above, transparency is the application of rules which serve as a guide to all suppliers of goods, works and services. Consequently, these rules are publicized prior to their use which forms the basis of procurement decisions. Section 4A2 of the Public Procurement Act (663) as amended by Act (914) stipulates that “subject to this Act, all procedures and disposal shall be conducted in a manner that maximizes integrity, competition, accountability, economy, efficiency, transparency and achieves value for money”. This article or provision in the Act, aligns with the definition as outlined by the framework. To ensure efficient and effective public procurement delivery, transparency as a predictor variable must be impacted positively by the explanatory variables (compliance/non-compliance variables). For that reason, it can be posited that, the compliance variables will have a positive impact on transparency.

#### *Motivation –Moderating Variable*

The subject of motivation has been an old concept. [36] defines motivation as, “process that starts with a physiological deficiency or need that activates a behaviour or a drive that is aimed at a goal incentive”. Motivation (either intrinsic or extrinsic) should be an influencing factor in achieving a successful public procurement delivery. The incentive for following rules and regulations to the later by public procurement officers or practitioners, may be driven by some intrinsic or extrinsic drive. This may include congenial working environment, rewards for compliance and involvement of officers or practitioners as part of the decision making process, which inspires some level of confidence, commitment and satisfaction. The model seeks to investigate the impact of motivation as a moderating variable on the explanatory variables (compliance/non-compliance) and how it explains the predictor variables.

### ***Empirical Review***

Compliance and non-compliance have been an old menace in most public procurement institutions in West Africa and Africa at large. To some extent, there seems to be some militating factors implicitly or explicitly preventing procurement officers and professionals from executing the tenets of the Act. There have been a number of studies which points to this fact. [37] studied the degree and nature of violations of Ghana’s Public Procurement Act (Act 663) 2003 as captured in the Attorney-General’s reports after a decade of its implementation. The authors used a longitudinal exploratory approach and chose secondary data (extracted from the A-G’s reports spanning from 2004 to 2013) which was analyzed with Microsoft Excel. Their findings revealed that uncompetitive tendering, sole sourcing without the approval of the appropriate review boards, constitute the most violated sections of the law. They also realized that the Ministries of Education, Health, Local Government and Rural Development were the three (3) top violators of the law during that period. This suggests that fairness and transparency are flouted and this may be caused by political influence. This situation does not allow public officers in government institutions to exhibit their level of professional conduct or attitude in the execution of their duties. In some instances, it is believed that public officers take advantage of the situation to

abuse the system. Since 2003, it was expected that the reform programs which led to the amendment of the Procurement Act after a decade of its implementation would have improved the public sector –addressing some of these issues. However, current literature shows the reoccurrences of these issues and happenings in Ghana, which is evident that there has not been any improvement [38] examined the effect of procurement professionalism on performance of the public procurement function in Tanzania. The research employed the purposive sampling technique –with a sample size of 100 out of a population of 470. In addition, Mrope used the mixed method strategy where multistage stratified random sampling technique was adopted. Also the performance of procurement function was examined by the extent to which the department had achieved the procurement objectives expressed in terms of: On Time Delivery, Right Quality and Cost of the procured items, works and services. It was discovered in the findings that, the coefficient of professionalism was 0.526 and the t-test value was 4.360 and this coefficient was significant at 0.05. These outcomes show a 53% variation in performance of the procurement functions in public institutions. This therefore explains the extent to which officials, procurement experts or professionals involve in procurement processes and decision making in institutions adhere to procurement professionalism in the course of discharging their duties and responsibilities. The study recommended that, the procurement department in Tanzania must be equipped with adequate and professionally qualified personnel. It also highlighted the strategic importance of procurement professionalism on performance, where procurement function will only be realized if the current provision of the law addressing procurement professionalism is enforced. It is worth mentioning that, continuous training and education of public officers may be necessary to equip officers with requisite skills and competences to exhibit the expected level of professionalism. It was obvious in the studies by [37] and [38] that unprofessional conduct was the key issue that needed serious attention and therefore both authors in their recommendations highlighted the need to train staff or employ more qualified staff. On compliance, [39] investigated the moderating impacts of compliance with Government Procurement Policy (GPP) on the relationship between the explanatory factors and current Sustainable Public Procurement (SPP) practice in Malaysia, in a comprehensive single framework. Survey questionnaires were distributed to 104 public organizations and 177 responses were elicited from the respondents. The hierarchical multiple regression analysis tool was used with the anticipation that the expected outcome will be the extent to which the procurement compliance does not justify the implementation of SPP practice. The results depicted some explanations regarding the extent of compliance with GPP on the relationship between the exogenous factors and SPP factors. Four main compliance areas were adopted namely: management systems, information and communication, procurement process and contract management. Recent studies have argued that the compliance to the procurement law appears to have a weak impact and insignificant on time delivery, cost and quality [40]. They further pinpointed that compliance does not automatically lead to cost effectiveness, timeliness and quality. Research findings by [39] further affirmed the extent to which compliance with GPP moderates the relationship between some of the explanatory factors and several elements of SPP practice. The four compliance variables adopted for this study appears to be very relevant considering their important role in the execution of the tenets of the Act in most countries. However, there are not enough evidence to show that compliance has a weak impact on the outlined objectives in the Act in most countries; giving rise to further research to curb this menace.

### **III. METHODOLOGY**

This study was theoretical and based on the reviews of previous literature to develop research propositions that resulted into a conceptual model. The theoretical perspective of the study did not allow the paper to follow a rigorous methodology because of the descriptive nature of the study and there were more textual reviews made [41]. The research approach was qualitative and a descriptive design was used for the study. Its arguments and conclusions were however drawn from secondary sources of information through an extensive review of scholarly literature relating to compliance in general and the objectives of effective and efficient public procurement delivery. The study made use of some very high level documents like the Public Procurement's ACT 2003 (663) AS AMENDED BY ACT (914) [42] Audit General Report 2016 of Ghana [43] World Bank Reports [44], Organization for Economic Co-operation and Development [45] UNDP Reports [26], Alliance for Integrity Report [8] and African Peer Review Mechanism Country Review [45] among others. The study obtained literature from databases such as Emerald, PPDA website, UNDP websites, World Bank and we used Google to access the free access journal articles. Considering that good research should be grounded in theory [10]. This paper utilized the institutional theory, principal agent theory, and legitimacy theory which helped in identifying the variables that were considered as compliance and noncompliance. Six variables were developed as compliance/ noncompliance as explanatory variables and value for money, fairness and transparency as predictor variables. The study further premised six (6) hypothesis based on literature to establish the effect of the compliance/ noncompliance variables on EEPD.

#### **IV. FINDINGS**

The purpose of the study was to develop a conceptual model for the effective and efficient implementation of Ghana's Public Procurement's ACT 2003 (663) AS AMENDED BY ACT (914). Through extensive reviews from theoretical and empirical perspectives, the study found that: 1) among the numerous explanatory variables from the three main theories reviewed, political interference, media publicity, professionalism, organizational culture, familiarity with rules and regulations were adopted as compliance/noncompliance variables. Political interference was seen to have a negative impact on EEPPD, due to evidence from the studies of [21], [22], [4] and [7] who confirmed that interference of government appointees and top officials in public procurement breeds corruption and impedes compliance. Media publicity was found to improve compliance based on the studies from [7], [24], [23] and UNDP (2010) who collectively argued that media publicity enhances compliances. Furthermore, studies from [28], [21] and [7] revealed that lack of high degree professionalism in public procurement leads to corruption, which ultimately hamper compliance. [31] and [34] agreed in their studies that Organizational Culture affects compliance whilst on familiarity with rules and regulations. [30] argues that, compliance with the formal elements gives reference to knowledge of the rules and in that respect it was affirmed that familiarity with rules and regulations improves compliance. 2) Three predictor variables were reached as value for money, fairness and transparency. Even though the Public Procurement's ACT 2003 (663) AS AMENDED BY ACT (914) outlined four (4) objectives and the 4<sup>th</sup> objective is accountability, the study was of the view that the three variables dovetails into accountability and for that matter it would be superfluous to include accountability which is the product of the other three (3) variables. Value for was defined with regards to the Public Procurement Act (663) as amended by Act (914, 4A3c), value for money is defined as the best returns in terms of price, quality, and delivery of money spent in exchange for goods and services. Fairness was denied in the context of the Act and study of [35], as strengthening the perception of transparency; reduction of the incidence of corruption; development of mutual trust and the fact that procedures are adhered to in all stages of the tendering process. Furthermore, transparency was also defined in the context of the Act as "subject to this Act, all procedures and disposal shall be conducted in a manner that maximizes integrity, competition, accountability, economy, efficiency, transparency and achieves value for money". The moderating variable "motivation" was introduced based on the empirical reviews made These predictors variables were identified as EEPPD and the explanatory variables defined and explained based on literature as explanatory variables. The claims established through the hypothesis (H1-H6) were based on the evidence from the literature reviewed.

#### **V. CONCLUSIONS**

It is an undeniable fact the role that public procurement plays in socio-economic growth and the development especially in African countries and the world at large. In spite of the introduction of reforms to curb the incessant violations of the provisions of the Act, there still exist a cancer of clear disregard by corruptible acts leading to the rise in noncompliance behaviour by public officers and government appointees. As a result of nonexistence of a framework for the effective and efficient implementation of the objectives of the Public Procurement's ACT 2003 (663) AS AMENDED BY ACT (914), this model was developed to fill that gap. There are also limited studies that have attempted to merged these variables into a single framework which specifically addresses the effective and efficient implementation of the Act after the review. The proposed framework will facilitate future studies which may choose to conduct empirical studies on public procurement compliance/noncompliance in Ghana and countries which use the same model. This will also go a long way to guide policy makers and implementers in achieving specific objectives given the claims (hypotheses) made which should be tested. The model also presents preliminary grounds for a further impact analysis (regression) to be conducted given the definitions of the explanatory and predictor variables. By enhancing compliance through the implementation of this model, huge resources usually lost due to noncompliance as a result of corruption in the public procurement space would be mitigated if not eradicated. The introduction of the moderating variable "motivation" will help to assess the effectiveness of the model. There would be fair grounds to justify the form of motivation which public officers may need in complying to the tenets of the Act. This study has some limitations. The proposed model constrained itself to only six (6) compliance variables exclusively to address the specific needs of Ghana and countries that have similar laws. Future study can extend the variables and increase the scope. Also because the study is more theoretical the claims (hypotheses) made were not tested.



## REFERENCES

- [1] Roodhooft, F. & Abbeele, A. V. D, A, Public procurement of consulting services Evidence and comparison with private companies. *International Journal of Public Sector Management*, 5(19), pp. 490-512, 2006.
- [2] Mahmood, S. A. I, Public procurement and corruption in Bangladesh. *Confronting the challenges and opportunities. Journal of public administration and policy research*, 2(6), 103-111, 2010.
- [3] Basheka, B. C. & Bisangabasaija, E., Determinants of unethical public procurement in local government systems of Uganda: a case study. *Int. J. Procurement Management*, 3(1), 91–104, 2010.
- [4] 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, 2010.
- [5] Frøystad, M., Heggstad, K. K. & Fjeldstad, O. H., *Linking procurement and political economy*. UK Department for International Development and the World Bank Institute, 2010.
- [6] World Bank, *Public Procurement Corruption in Ghana*, Geneva: World Bank, 2007.
- [7] Hui, W. S, Othman, R. O., Normah, O., Rahman, R. A. & Haron, N. H., Procurement issues in Malaysia. *International Journal of Public Sector Management*, 24(6), 567-593, 2011.
- [8] Alliance for Integrity (2017)
- [9] Defee, C. C, Williams, B., Randall, W. S. & Thomas, R., An inventory of theory in logistics and SCM research. *The International Journal of Logistics Management*, 21(3), 404-489, 2010.
- [10] Mentzer, J. T, Stank, T. P. & Esper, T. L., Supply chain management and its relationship to logistics. *Marketing, Production, and Operations Management. Journal of Business Logistics*, 29(1), 31-46,2008.
- [11] Obanda, W. P, *Fighting corruption in tactical procurement*. PHD dissertation, 2010.
- [12] Scott, W. R., *Institutional Theory*. Encyclopedia Theory, Thousand Oak: CA, 2004.
- [13] Eden, L.& Miller,S, Distance Matters: Liabilities of forgiveness, institutional distance and ownership strategy. In M. Hitt & J Cheng (Eds). *Advances in International Management*. Elsevier, pp. 187-22, 2004.
- [14] Health, J. & Norman, W, Stakeholder theory, corporate governance and public management. *Journal of Business Ethics*, 53, 247-265, 2004.
- [15] Donahue, J. E, *The Privatization Decision: Public Ends, Private Means*, Basic Books, New York, NY, 1989.
- [16] Krawiec, K. D., Cosmetic compliance and the failure of negotiated governance. *Washington university law quarterly*, 81(2), 487, 2003.
- [17] Langevoort, D. C., Monitoring: The behavioral economics of corporate compliance with law. *Columbia Business Law Review*, 71, 71-118, 2002.
- [18] Wilmshurst, T. & Frost, G, Corporate environmental reporting: a test of legitimacy theory. *Accounting, Auditing, and Accountability Journal*, 13(1), 10-26, 2000.
- [19] Schapper, P. R, Malta, J. N. V. & Gilbert, D. L., An analytical framework for the management and reform of public procurement. *Journal of public procurement*, 6(1&3), 1-26, 2006.
- [20] Pillary, S., *Corruption – the Challenge to Good Governance: a South African Perspective*, Melbourne, Australia, 2004.
- [21] Raymond, J, Benchmarking in public Procurement. *Benchmarking: An International Journal*, 15(6), 782-793, 2008.
- [22] Lodhia, S. K. & Burrirt, R. L, Public sector accountability failure in an emerging economy: The case of the National Bank of Fiji. *International Journal of Public Sector Management*, 17(4), 345–359, 2004.
- [23] Zubcic, J. & Sims, R., Examining the link between enforcement activity and corporate compliance by Australian companies and the implications for regulators. *International Journal of Law and Management*, 53(4), 299-308, 2011.
- [24] Borden, M. J, The role of financial journalists. *Fordham Journal of Corporate & Financial Law*, 12, 323-36, (2007).

- [25] Yeung, K, Is the use of informal adverse publicity a legitimate regulatory compliance technique? Paper presented at the Australian Institute of Criminology Conference on Current Issues in Regulation: Enforcement and Compliance, Melbourne, 2-3 September, 2002.
- [26] UNDP, Accountability in Public Procurement - transparency and the role of civil society, 2010.
- [27] Hawkson, E. E., Opuni 2 Others in Court: Accused of causing financial loss of GHs 217.3m to the state., Accra: Daily Graphic, 2018.
- [28] Adjei, 2006
- [29] Atkinson, W, New buying tools present different ethical challenges. *Purchasing*, 132 (4), 27-30, 2003.
- [30] Rossi, C. L, Compliance: an over-looked business strategy. *International Journal of Social Economics*, 37(10), 816-831, 2010.
- [31] Parker, R. & Bradley, L, Organizational culture in the public sector. Evidence from six organizations. *International journal of public sector organizations*, 13(2), 125-141, 2000.
- [32] Tukamuhabwa, B. R, Antecedents and Consequences of Public Procurement Non-compliance Behavior. *Journal of Economics and Behavioral Studies*, 4(1), pp. 34-46, 2012.
- [33] Rice, M. F, A post-modern cultural competency framework for public administration and public service delivery. *International Journal of Public Sector Management*, 20(7), 622-637, 2007.
- [34] Lisa, I, Compliance culture. A conceptual framework. *Journal of management and organization*, 19(7), 702-714, 2010.
- [35] Asare, E. N., & Prempeh, K. B, Measures of Ensuring Value for Money in Public Procurement: A Case of Selected Polytechnics in Ghana. *Journal of Logistics Management*, 5(1), pp. 22-31, 2016.
- [36] Luthans, F, *Organisational Behavior*. 8th ed. Boston: Irwin McGraw-Hill.
- [37] Atiga, O. & Azanlerigu, J. A, A Longitudnal outlook of violations of Ghana's Public Procurement Law, Act (663) 2003. *International Journal Procurment Management*, Vol 10(No. 1), pp. 38-50, 2017.
- [38] Mrope, N. P., July, The Effect of Professionalism on Performance of Procurement Function in the Pulic Sector: Experience from the Tanzanian Public Entities. *International Journal; of Business and Management Review*, 5(6), pp. 48-59, 2017.
- [39] Jaafar, M. R., Aziz, S. A. & Ramli, N. M., The Roles of Compliance with Government Procurement Policy: Moderating the Effects Between Explonatory Factors and Sustainable Public Procurement Practice. *Jurnal Pengurusan*, Volume 48, pp. 89-98, 2016.
- [40] Mbabazi, T., Bernadette, K. & Maurice, M., Compliance and service delivery case study of local government procurement units in Uganda. Dublin- Ireland., *Proceedings of the 4th International Public Procurement conference*, 2014.
- [41] Cumming, K. & Findlay, Digital recordkeeping: are we at a tipping point? *Records Management Journal*, 20(3), 265-278, 2010.
- [42] Ghana Public Procurement ACT, AS AMENDED BY ACT (914), 2003 (663).
- [43] Auditor's General Report, Ghana Audit Service, Accra, 2016.
- [44] World Bank Country Procurement Assessment Report, 2001.
- [45] OECD, Integrity in Public Procurement Good Practice from A to Z, OECD Publishing, Paris, France, 2007.
- [46] African Peer Review Mechanism Country Review, (APRM) Report ,2009.