

## **EXPLAINING NON- COMPLIANCE IN PUBLIC PROCUREMENT IN UGANDA**

**Sarah Eyaa**

Department of Procurement and Logistics Management  
Makerere University Business School  
P.o.Box 1337, Kampala, Uganda.  
Email: eyaalydia@googlemail.com, Phone: +256712117415

**Pross Nagitta Oluka**

Higher Degrees Department  
Uganda Management Institute  
P.o.Box 20131, Kampala, Uganda.  
Email: nagittaoluka@gmail.com, Phone: +256772511950

### **Abstract**

**Purpose** – *The paper aims at contributing to the debate on the causes of non – compliance with public procurement regulations in Uganda.*

**Methodology** – *The hypotheses tested in this study were adopted from review of literature in a cross sectional study. Data was collected from 46 Central Government procuring and disposing entities using a structured questionnaire.*

**Findings** – *The empirical findings indicate that of the three variables which are professionalism, familiarity with procurement regulations and institutional factors, only one variable, familiarity is a significant predictor of compliance. The model explains 52.4% of the variation in compliance with regulations.*

**Research limitations** – *The study is limited by factors like the study being cross – sectional in nature and considered Central Government Entities and left out the Local Government Entities, which are also public. Future studies should consider being longitudinal in nature as well as extending to the Local Government Entities.*

**Practical implications** – *The managerial implication of the findings of this study is that for compliance with public procurement regulations to be improved, focus needs to be placed on improving familiarity with procurement procedures amongst procurement personnel and staff employed in the public entities.*

**Originality** – *Despite the fact that studies have been undertaken elsewhere to explain non – compliance with public procurement regulations, limited research has been carried out in Uganda. This paper therefore makes it contribution by providing information that is relevant for filling this gap that exists. The findings provide implications for procurement policy makers, the Public Procurement and Disposal of Public Assets Authority and researchers.*

**Key Words:** *Public procurement, Compliance, Uganda, PPDA, Public Entities, Procurement regulations*

### **1.0 BACKGROUND**

Public Procurement has always been a big part of the developing countries economy accounting for an estimated 9-13% of the developing nations Gross Domestic Product (GDP) and it is therefore an area that needs attention in the face of increasing non compliance (Odhiambo and Kamau, 2003). Procurement managers and stakeholders in the Public Service serve institutions created and governed by a complex array of statutes, regulations, policies, and directives. They operate in an environment of increasingly intense scrutiny and accelerated changes driven by technology, program reviews, and public and political expectations for service improvements. These combined result into growing institutional complexity and risks. However Ntayi (2009) observes that millions of dollars gets wasted due to inefficient and ineffective procurement structures, policies and procedures as well as failure to impose sanctions for violation of procurement rules thus resulting in poor service delivery. Public procurement is the acquisition of goods, services and works by a procuring entity using public funds (World Bank, 1995). The level of compliance to procurement regulations can therefore determine whether a government meets its goals and objectives or not as well as affect many internal and external stakeholders.

In order to improve the management of public procurement, many countries have come up with procurement reforms. According to Arrowsmith and Trybus (2003) the last decade of the twentieth century has witnessed the start of the global evolution in the public procurement. Nonetheless Thai (2005) asserts that challenges in public procurement go beyond procurement regulations to include procurement process, methods, organizational structure and work force.

This assertion is supported by the African Peer Review Mechanism Country Review (APRM) Report on Uganda (2009), which asserts that non – compliance with the regulations is so high in Uganda. The same report estimates that more than Uganda Shillings 300 Billion (US Dollars 184) is lost every year due to non – compliance. De Boer and Telgen (1998) as cited by Gelderman et al., (2006) explain that compliance is a problem not only in the third world countries but also evident in the countries in the European Union. Gelderman et al., (2006) further advances reasons for non compliance is explained by the tendency to avoid red tape involved in the procurement process. However Sewanyana (2009) asserts that the type of goods and services procured sometimes influences the degree of compliance with the procurement regulations.

In Uganda the need for procurement reforms became urgent because of internal and external pressure given the fact that the Government was losing huge sums of money in poorly managed procurement processes that cost the tax payer a lot of money. The procurement reforms that were recommended in 2001 in Uganda in the Country Procurement Assessment Report are; the abolition of the Central Tender Board; enactment of a Procurement Law (Public Procurement and Disposal of Assets Act); establishment of a policy regulation body, the Public Procurement and Disposal of Assets Authority; establishment of Contract Committees and Procurement Units in procuring entities; harmonization of central and local government regulations; incorporation of procurement plans in sector investment programs; preparation of standard bidding documents, establishment of a procurement cadre in the civil service and restoration of professionalism in the procurement function. All procurements and disposals handled by public procuring and disposing entities (PDEs) are governed by the regulations in the PPDA Act (2003). These regulations specify procurement and disposal procedures that have to be followed by all persons involved in procurement and disposal processes in order to ensure fairness, transparency, competitiveness and non – discrimination to all potential providers of goods, services and works (PPDA Act, 2003).

When compliance is mentioned, focus is on the unethical behavior of the procurement officers and other aspects of public procurement. However, not much focus has been placed on explaining non compliance with public procurement regulations in Uganda despite the fact that each year compliance reports produced by the Public Procurement and Disposal of Public Assets Authority report that there is non – compliance.

In Uganda, some scholars have conducted research on unethical practices in public procurement but no comprehensive study has been carried out on the factors responsible for non compliance. Moreover, there are no empirical studies that can be traced to explain why there is non – compliance. Ntayi et al., (2010a) sought to explain the unethical behavior of public procurement officers using social cohesion, group think and ethical attitudes and established that these variables considerably contribute to explain the unethical procurement behavior of procurement officers in Uganda. Ntayi et al., (2010b) explained unethical procurement behavior using psychological climate, catharsis, organizational anomie, procurement planning behavior and psychological wellness. Basheka and Mugabira (2008) measured professionalism variables and their implication to procurement outcomes in Uganda's public sector. National Integrity Baseline Surveys (2002, 2004, and 2006) have been conducted with the aim to establish the most corrupt central government ministry or local governments, sectors and ministries. Several authors have advanced theories explaining the prevalence of corruption in public (Ackerman, 2002; Basheka, 2010; Nagitta and Ssenoga, 2010, Epak, 2005; Palmier, 2000; Duperouzel, 2005; Khai, 2008; TI-Uganda Chapter, 2007; Preston and Snilsberg, 2002; Soreide, 2004 and Onapa, 2005) among others. But none of the above authors explains factors responsible for non-compliance by public official although Gelderman et al., (2006) attempts to establish factors responsible for non compliance in the European Union as being lack of professionalism, and familiarity

## **2.0 RESEARCH PROBLEM**

Compliance levels continue to be low in public entities in Uganda despite efforts by the Public Procurement and Disposal of Assets Authority (PPDAA) to put in place measures to improve compliance (PPDA Capacity Building Strategy Report, 2011-2014). Procurement audits carried out in PDEs revealed non – compliance with procurement regulations.

Audits carried out by the PPDA in the financial years 2006/2007 and 2007/2008 revealed that the levels of non – compliance with the regulations was very high and procurement regulations were being flaunted (PPDA Audit Reports, 2006/2007; 2007/2008). According to Anti corruption Coalition Uganda (ACCU), Uganda loses Uganda Shillings 200 Billion annually, as a result of flaws in public procurement processes. This position is confirmed by the Transparency International Report (2009) on Uganda which revealed that public procurement is marred by high levels of non – compliance with procurement regulations. Procurement officers and persons involved in procurement activities use wrong methods leading to high procurement costs, poor quality purchases, late deliveries or no deliveries at all. For example, during preparations to host the Common Wealth Heads of Government Meeting (CHOGM) that Uganda hosted in November 2007, there were very many cases of non – compliance with procurement regulations. In one case, the value of the procurement to be made exceeded Uganda Shillings 100 Million and the direct procurement method was used as opposed to the competitive procurement method that ought to be used in such cases as required by the law (CHOGM Report, 2010).

PPDA Capacity Building Strategy Report (2011-2014) revealed that the overall performance under the compliance areas where both Central Government (CG) and Local Government (LG) Procurement and Disposal Entities (PDEs) scored lowest were record keeping and contract award and contract management. The report further revealed mixed performance as follows: there were significant variances between the actual and indicative time frames in the processing of procurements from the stage of approval of procurement to the award and signing of contracts. The variance in days was higher with the more competitive method of open bidding of negative 26 days as opposed to the less competitive methods of request for quotations/proposals of 6 days; the variances in the time with regard to the contractual payment period revealed that 29.5% of the procurements had a time variance against the contractual payment period as compared to 21.8% of the procurements that did not have a time variance and 48.7% of the procurements where the procurement files lacked the actual information on contract payments. This position is supported by the finding that only 43.3% of the procurement cases were reported to have had copies of all contract documents. The above finding is supported by Agaba and Shipman (2008) who contends that implementing the procurement law and its regulation with its inherent principles of transparency, efficiency and value for money has been a challenge. The Global Integrity Report on Uganda (2008) contends that the majority of government contracts are not awarded according to established procurement procedures thus underpinning the argument that compliance is not observed. This situation if not checked, may lead to an attainment of the government objectives and poor service delivery. This study sought to fill the gap by examining the factors that explain non – compliance in central government entities in Uganda.

Some theorists may casually assert that complying with the new procurement and disposal law automatically improves governance. However there has been no empirical verification of the factors responsible for non compliance especially in developing countries like Uganda.

### **3.0 THEORETICAL BACKGROUND**

In this paper the researchers dealt more with institutional theory, and principal agent theory. There is no single and universally agreed definition of “institution” or “institutional theory”. According to Scott (2004), institutions are composed of cultural-cognitive and regulative elements that, together with associated activities and resources give meaning to life. The author explains the three pillars of institutions as regulatory, normative and cultural cognitive. The regulatory pillar emphasizes the use of rules, laws and sanctions as enforcement mechanism, with expedience as basis for compliance. The normative pillar refers to norms (how things should be done) and values (the preferred or desirable), social obligation being the basis of compliance. The cultural-cognitive pillar rests on shared understanding (common beliefs, symbols, shared understanding). In Uganda, public procurement has is guided by the PPDA Act (2003), regulations and guidelines which are from time to time issued by the PPDA Authority only and which must complied with to the latter by all PDEs and providers.

The principal agent theory as advocated by Donahue, (1989) explains that procurement managers in public sector play a relationship role. But his findings are based on the buyer/supplier relationship and the need of the buyer, as the principal, to minimize the risks posed by the agent. The author argued that procurement managers including all civil servants concerned with public procurement must play the agent role. Therefore procurement managers take on the role of agent for elected representatives. The principal-agency theory holds that shirking is likely to occur when there is some disagreement between policy makers and the bureaucracy. The democratic perspective focuses on responsiveness to citizens and their representatives (Strom 2000; Lupia 2003).

However, Soudry (2007) identifies this principal/agent relationship among the possible risks whereby procurement managers show apathy towards principal's preferred outcomes or even overriding of the principals preferences thus resulting into non compliance.

#### **4.0 LITERATURE REVIEW**

A few studies have been undertaken to explain non – compliance with public procurement regulations but none specifically focuses on Uganda. The main purpose of the procurement procedures is to ensure openness to all the stakeholders involved in the procurement exercise. In the public sector especially where value for money has been emphasized, compliance is precondition.

#### **4.1 Familiarity with Regulations and Non – Compliance**

The procurement exercise follows steps according to the PPDA of 2003. These steps must be observed in order to ensure that all the stakeholders involved in the procurement exercise obtain fair treatment. The steps include; planning for the required procurement over a given period, identifying the source of the items, highlighting specifications/initiation of procurement, determination of procurement procedure, Sourcing (soliciting) offers, evaluation of offers, post qualification, commencement of contract, contract performance (delivery) and management, record keeping and accountability, payment and post contract performance (PPDA, Act, 2003). Many corporate board members in Africa, especially of state-owned companies, have limited understanding of their roles, and are usually open to manipulation by management, chairmen, or principal shareholders. Some are outright incompetent. Non-executive directors in Africa need to play any meaningful role in the ensuring compliance. However many simply act as rubber stamps for decisions taken outside the board (Charles & Oludele, 2003). In this perspective, compliance arises from a dynamic equilibrium between the various powers of the state and understanding what their roles are (Fisher 2004).

According to De Boer and Telgen (1998) as quoted by Gelderman et al., (2006), one of the factors causes of non – compliance with procurement regulations is the level of familiarity with the procurement regulations. De Boer and Telgen (1998) assert that during the early days of the inception of public procurement regulations in The Netherlands, many municipalities could not comply to the regulations because they were not familiar with them. Gelderman et al., (2006) confirmed this position in a survey on compliance with EU procurement directives. Given that the procurement profession is still relatively new in Uganda, with the regulations having come into force in 2003, it is possible that the level of familiarity with the regulations is still low. On the other hand, it is possible that those who are familiar with the regulations know it so well that they know how to beat the loopholes to their advantage. It is worth noting that the ambiguity in the public procurement procedures may provide a chance for dubious acts including opaque tendering and discriminate supplier selection which may progress into poor compliance levels. Some theorists have noted that deficient familiarity of the procurement procedure by all the internal stakeholders may affect compliance.

We therefore propose the first hypothesis:

*H1: Familiarity with procurement regulations improves compliance with the regulations*

#### **4.2 Professionalism and Non – Compliance**

De Boer and Telgen (1998) add that another cause of non – compliance is lack of professionalism. The PPDA Audit Report (2008) revealed that lack of professionalism was high amongst public procurement officers in Uganda and this can still be attributed to the fact that the profession is still young in Uganda. This position is confirmed by Basheka and Mugabira (2008) who state that the level of professionalism in public procurement is low or non – existent. Dobler and Burt (1996) define a profession as:

*“a calling requiring specialized knowledge and often long and intense preparation including instruction in skills and methods, maintaining by force of organization or concerted opinion high standards of achievement and conduct, and committing its members to continued study and to a kind of work to which has for its prime purpose the rendering of a public service”*

This definition is echoed by Millerson (1964) who lists the following essential features of a profession. A profession according to Millerson has the following essential features; A skill based on theoretical knowledge; A skill requiring training and education; the demonstration of competence by professional by passing a test; maintenance of integrity by adherence to a code of conduct; service provided for the public good and that the profession is organized.

Procurement professionals need to acknowledge and devise strategies for managing all these complex challenges. The professionals must be seen as champions of efficiency and effectiveness and must acknowledge the challenges and their various forms, and their sources. The requirements to educate professionals and equip them with new and higher-level skills have consequently become urgent (Sauber et al, 2008). A skill is the ability either to perform some specific behavioral task or the ability to perform some specific cognitive process that is related to some particular task (Peterson and Van Fleet, 2004). However, Lan, Riley and Cayer, (2005) report that finding, hiring and retaining dedicated, energetic, and ethical employees with special skills is always hard. While we understand that professionalism is a key mechanism for, and primary targets of institutional change, the precise role of professions and professional service firms in processes of institutional change remain under-theorized (Hwang & Powell, 2009; Scott, 2008). We would therefore like to examine the extent to which professionalism in public procurement explains non – compliance and propose the hypothesis below:

*H2: Professionalism in public procurement improves compliance levels*

#### **4.3 Institutional factors and non compliance**

According to Guy (2000), there are six dimensions through which we can judge the level of institutionalization of any structure and its ability to adapt to change, including: autonomy, complexity, coherence, congruence and exclusivity. Implementation of organizational activities depends on the relationships between and within organizations. One way to explain this relationships and its effect on implementation of organizational activities is the principal-agency theory holds that shirking is likely to occur when there is some disagreement between policy makers and the bureaucracy. Civilian political leaders (principals) delegate authority to the bureaucracy (agent) with the expectation that the agent does not move quickly enough to reflect the policy preferences of principal, the committee members could show their displeasure by cutting the funding of the organization. Leaders (the principals), through powers of appointment and the purse are in position to influence bureaucratic outputs. Guy, (2004) quoting Calvert et.al., (1989), Moe (1985) and Wood Waterman (1991) found that politicians wield considerable power in affecting bureaucratic outputs via the power of appointment. Calvert et al posits that the chief executive's power of appointment and the threat of legislative sanctions influence bureaucratic output. Moreover, they assert that there is a boundary in which agents are allowed to exercise various amounts of discretion. The amount of discretion allowed to agents is determined by the importance of a policy-the more important a policy, the lesser the amount of discretion that will be allowed to agents and conversely, the less important a policy to a principal, the more discretion that will be accorded to the agent.

Political and bureaucratically motivated practices affect the institutional and legal frameworks discussed above. However some of these practices have been studied under the concept of public choice. Public choice theory studies the behaviours of voters, politicians and government officials as (mostly) self interested agents and their interactions in the social systems either as such or under alternative constitutional rules. Politicians and government employees are driven by self-interest resulting in under provision of good government policies. While they are supposed to work in public interest, putting into practice policies of government as efficiently and effectively as possible, public choice theorists see bureaucrats as self-interested utility maximizers, motivated by such factors as salary, prerequisites of the office, public reputation, patronage and ease of managing the bureau (Niskanen, 1973). We therefore propose that:

*H3: Institutional factors affect compliance levels*

#### **5.0 METHODOLOGY**

The study adopted the cross – sectional research design and adopted the quantitative approach. Data were collected from the respondents who were procurement officers using a structured self –administered questionnaire. The responses to the statements in the questionnaire were hinged on a 4 – point Likert scale ranging from 4 – strongly agree; 3 – agree; 2 – disagree; and 1 – strongly disagree. This is consistent with Raaijmakers et al., (2000) who contend that “Odd numbers of responses were avoided because the mid-point neutral statement of “neither agree nor disagree” is confused with “don't know” or “not available.”. We desired that our respondents make a definite choice instead of choosing a neutral position. The measurement scales used in the questionnaire were obtained from previous studies and the public procurement regulations of Uganda. Familiarity with procurement regulations was examined using 4 items which included “familiarity with applicability”, “familiarity with exceptions”, “overall knowledge of the rules” and “perceived clarity of the rules”. These scales were obtained from a study on compliance with procurement in the European Union undertaken by Gelderman et al., (2006).

Professionalism was measured using 12 items obtained from the works of Ntayi et al., (2009), Ntayi and Eyaa (2010) and Basheka and Mugabira (2008). These items covered integrity, confidentiality, being ethical, matters relating to conflict of interest, competencies in the area of procurement and level of procurement knowledge. Institutional factors scales were 5 and were obtained from the Public Procurement and Disposal of Public Assets Regulations (2003) of Uganda. These items were “the accounting officer effectively supervises and coordinates procurement activities in the procurement and disposal unit”, “there is effective coordination of procurement activities among departments of the entity”, “the hierarchical reporting mechanism within the entity is appropriate”, “the independence of the contracts committee is strong”, “where there is a disagreement regarding a procurement, it is solved according to the PPDA Act (2003)”, “the Accounting Officer does not seek to influence the decision or activities of others”. Compliance was measured using 14 items obtained from Gelderman et al., (2006) and the PPDA regulations. Scales for institutional factors were obtained and adapted from Guy (2000) and covered aspects that included hierarchical reporting, influence of procurement professional, autonomy and independence of the evaluation, contracts committee and procurement officers, effective coordination of activities and bureaucratic procedures.

The study population was the 120 Central Government Procuring and Disposing Entities (PDEs). The list of the entities was obtained from the Public Procurement and Disposal of Public Assets Authority (PPDAA). Consistent with Kreijcie and Morgan (1970), the sample size selected was 92. The sample size was randomly selected from the population in order to give each entity an equal chance of being selected. The names of 120 entities were written on papers, folded and placed in a bucket. One paper was selected at a time and not returned in the bucket, till 92 papers were chosen. Data were collected from the selected firms by research assistants who were taken through the data collection process in order to equip them with the relevant skills. The research assistants were provided with introduction letters to make it easy for them to access the respondents and entities. There was an overall research coordinator to oversee the data collection process and ensure quality control.

Out of the 92 questionnaires distributed, 46 usable ones were received, giving a response rate of 50%. The collected data was entered into the SPSS software for analysis. Correlation analysis was used to test the strength and direction of the relationship between the variables while regression analysis was used to determine the variance in the independent variable that is explained by the dependent variables. The reliability of the measures was determined using the Cronbach Alpha Co-efficient. According to Cronbach (1950), a co-efficient of 0.5 and above is considered adequate. All co-efficients of the variables were above 0.5, implying that the measures were adequate.

## 6.0 PRESENTATION OF FINDINGS

In this section, we present the findings of our study. Data was analyzed using the SPSS software. Correlation Analysis was used to establish the strength and direction of the relationship between the variables in the study. Regression Analysis was used to examine the variance in compliance (dependent variable) that is explained by the institutional factors, familiarity with procurement regulations and professionalism (independent variables). We used the hierarchical regression analysis to determine the impact of each independent variable on compliance. We therefore entered each variable, creating three (3) models to explain variations in compliance.

### Correlation Analysis

The results of the correlation analysis are presented in the table below:

**Table 1: Correlation Analysis**

	Mean	Standard Deviation	(a)	(b)	(c)	(d)
Institutional Factors (a)	3.52	0.94	1.000			
Familiarity with Procurement Regulations (b)	3.75	3.45	-.013	1.000		
Professionalism (c)	3.57	0.411	.192	.717**	1.000	
Compliance with Procurement Regulations (d)	3.80	0.201	.139	.716**	.618**	1.000

\*\* Correlation is significant at the 0.01 level (2-tailed).

Findings revealed positive and significant results between familiarity with procurement regulations and compliance ( $p < 0.01$ ,  $r = 0.716$ ) and professionalism and compliance with procurement regulations ( $p < 0.01$ ,  $r = 0.618$ ). The relationship between institutional factors and compliance with procurement regulations was positive but not significant ( $p < 0.01$ ,  $r = 0.139$ ). Our findings supported hypothesis H1 and H2 but did not support hypothesis H3.

### Regression Analysis

The results of the hierarchical regression analysis are shown in the table below:

**Table 2: Regression Analysis Results**

	Model 1		Model 2		Model 3	
	Unstandardized Beta	Sig.	Unstandardized Beta	Sig.	Unstandardized Beta	Sig.
Institutional Factors	-0.003	0.278	-0.003	0.098	-0.002	0.217
Familiarity with procurement regulations			0.430	0.000	0.358	0.000
Professionalism					-0.008	0.207
F	1.198		34.510		23.790	
Sig.	0.278		0.000		0.000	
R	1.9%		53.5%		54.7%	
R Square Change	1.9%		51.6%		1.2%	
Adjusted R Square	0.3%		51.9%		52.4%	

Dependent Variable: Compliance with procurement regulations

In model 1, the institutional factors variable was entered and results indicate that it accounts for 1.9% variation in compliance with procurement regulations. Model 1 is not statistically significant in explaining compliance (Sig=0.278,  $p>0.05$ ,  $F=1.198$ ). In model 2, we added familiarity with procurement regulations and the model becomes statistically significant (Sig = 0.000,  $p<0.05$ ,  $F=34.510$ ) and the R Square increases to 51.6%. Familiarity with procurement regulations therefore accounts for an increase of 51.6% in the variation in compliance with procurement regulations.

In model 3, professionalism is added and the R Square increases to 54.7, presented a 1.2% increase in the variation in compliance explained by professionalism. Model 3 is statistically significant in explaining compliance (Sig. = 0.000,  $p<0.05$ ,  $F = 23.790$ ).The overall model is significant at the 0.01 level ( $F=23.790$ , Sig=0.000,  $p<0.05$ ). Institutional factors, familiarity with procurement regulations and professionalism explain 52.4% of the variation in compliance with procurement regulations. Institutional factors (Sig=0.217,  $p>0.05$ ) and professionalism (Sig=0.207,  $p>0.05$ ) are not significant predictors of compliance at the 0.05 level. The only significant predictor is familiarity with procurement regulations (Sig=0.000,  $p<0.05$ ). When institutional factors and professionalism improve, compliance reduces as indicated by the negative standardized beta values. The variable with the positive and highest beta is familiarity with procurement regulations.

### 7.0 DISCUSSION AND RECOMMENDATIONS

Familiarity with procurement regulations is a significant predictor of compliance with procurement regulations. The implication is that the more procurement personnel are familiar with the regulations, the more compliant they will be. This finding is in agreement with Gelderman et al., (2006) who in his study on the causes of non-compliance with European Union procurement directives established that familiarity with procurement regulations improves compliance. Lukic (2007) in his paper on how to improve compliance with international environmental law argues that compliance can be improved by increasing knowledge of the law. This argument is based on the notion that once people are aware or familiar with what they are supposed to do or not to do, it becomes easier for them to do the right thing, which in this case is compliance. According to Howsam (1985), "some of the indicators of professionalism include skills based on theoretical knowledge, existence of a professional association, extensive period of education, testing of competence, institutional training, licensed practitioners, work autonomy, code of professional ethics, self regulation, legal recognition, control of pay and high status and rewards.

For all the efforts made to attain professional education and adhere to ethical practices, autonomy to make decisions should be the hallmark of the procurement profession. This means that the profession should have a high degree of control to run its professional affairs.” These indicators are lacking in Uganda, explaining why professionalism is not a significant predictor of compliance with procurement regulations.

First and foremost, procurement is still a relatively new profession in Uganda, not more than ten (10) years old, having been introduced in 2003/2004 implying that a number of persons holding positions in the procurement function do not have professional training in procurement. Secondly, there is no local professional association in Uganda that governs procurement professionals in Uganda. The Institute of Public Procurement of Uganda (IPPU) exists but has not yet been passed by law implying that it does not have the mandate to monitor procurement professionals and also to punish them for wrong doing. The lack of a local professional association also implies that practitioners are not licensed. One can practice as long as they have the relevant qualifications. A number of procurement practitioners in Uganda are members of the Chartered Institute of Purchasing and Supply (CIPS – United Kingdom) by virtue of having attained the qualification but this institution (CIPS) does not extend to monitoring the actions of the professionals as they do their work in their home countries.

Thirdly, professionalism is hampered by the fact that procurement officers in Uganda have do not have a high level of work autonomy and control over their pay. This many times puts them in compromising positions, thereby affecting their professionalism. Fourthly, basing on the fact that the procurement profession is still relatively new, procurement officers were not appointed to high levels that are recognized in the organizational structure in Government Structure. It is a recent development that the position of Principal Procurement Officer (PPO) was created and procurement professionals appointed to the positions of Commissioner due to increased recognition of the procurement function and its contribution. Howsam (1985) provides an almost perfect explanation s to why professionalism is not a significant predictor of compliance with procurement regulations in Uganda. However, it should be noted that professionalism levels amongst procurement professionals is likely to improve given what is taking place and the changes that are likely to take place.

For example, all universities in Uganda now offer bachelors degrees in the area of procurement and supply chain management. Majority also offer diploma and masters programmes in procurement. The duration of a bachelor’s degree is three (3) years and the National Council for Higher Education (Uganda) requires that students should be attached to an organization for a period of 3 months, by the time they graduate, implying that universities will now produce procurement graduates who have acquired skills in their area of specialization as opposed to producing graduates with only theory in procurement. Secondly, the Public Procurement Law of Uganda has been reviewed and is yet to be passed. The revision involved massive stakeholder consultation and also proposed the recognition of the Institute of Public Procurement of Uganda. With this in the offing, things are likely to get better given that the IPPU will now be mandated to monitor procurement professionals, license their practice and punish them when they do not comply. Thirdly, the Ministry of Public Service now holds the procurement profession highly and with positions that are high in the structure being created, together with the increased recognition of the procurement function, procurement professionals will be motivated to do their work.

Institutional factors were also found not to be significant predictors of compliance with procurement regulations. This finding disagrees with the finding of Ntayi et al., (forth coming) who studied psychological climate, catharsis, organizational anomie, psychological wellness and ethical procurement behaviour in Uganda’s public sector. This implies that focus on improving compliance should not be put on minimizing the effect of institutional factors.

### **8.0 IMPLICATIONS OF THE FINDINGS**

Our study raises a number of implications that have to be addressed if compliance with procurement regulations is to be improved.

First and foremost, the PPDA and the public entities should work together to improve on the familiarity of staff with public procurement procedures. This can be done through taking procurement skills assessment and training staff through refresher courses, workshops, seminars and conferences where staff meet and share experiences. The PPDA can also work together with willing organizations like the COMESA, European Union to promote professionalism because these bodies have been funding development of procurement capacity in the country.



Secondly, the PPDA should push for the legalization of the IPPU in order to promote professionalism in the procurement function and also punish procurement professionals when they do not comply.

Thirdly, the National Council for Higher Education should work together with the PPDA, universities and organizations to develop internship opportunities so that graduates who are produced are familiar with the procurement regulations and have the necessary experience.

#### **9.0 LIMITATIONS OF THE STUDY AND DIRECTIONS FOR FUTURE RESEARCH**

This study is limited by a number of factors, whose analysis provides directions and areas for study in the area of compliance with procurement regulations in Uganda's public sector.

First, the study focused on the Central Government Entities (CGEs) and left out the Local Government Entities (LGEs). In Uganda, public and disposing entities are classified into two groups, the Central Government Entities and the Local Government Entities. The findings of our study cannot therefore be generalized to the LGEs, implying that there is need for a study examining compliance with procurement regulations in LGEs given that they operate in environments that are different from those of CGEs. Secondly, we note that compliance is a behavior that is acquired over time and in order to examine its true nature, a longitudinal study is necessary. We therefore recommend a longitudinal study to examine compliance with public procurement regulations in the public entities.

Thirdly, our model explained on 52.4% of the variation in compliance with procurement regulations. The implication is that we left out other factors that explain the variation of 49.6% that is not accounted for by the variables that we considered in this model. We recommend consideration of other variables from relevant theories like the Theory of Planned Action, Social Exchange Theory, variables in the macro – environment, e.t.c to determine their impact on compliance with procurement regulations. Finally, the findings presented here cannot also be generalized to the private sector, where there is not law to govern procurement activities and procurement polices vary from firm to firm even within the same industry. On the other hand, some firms in the private sector, do not even have procurement polices in place. We therefore recommend that studies that are specific to the private sector be carried out to ascertain the causes on non – compliance with procurement policies.

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