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## Antecedents of Supplier Selection Decisions in the Public Sector in Nigeria

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## ANTECEDENTS OF SUPPLIER SELECTION DECISIONS

## Abstract

This paper develops and tests a conceptual model of supplier selection decisions in the public sector. The study seeks to determine the relative importance of a broad range of non-economic variables in explaining supplier selection decisions during strategic organizational purchases. Data were collected from a national sample of 341 senior staff and top management team (TMT) members in 40 public sector organizations in Nigeria using structured questionnaires. Results of structural equation modelling (SEM) analysis shows that government policy requirements, social ties of organizational actors, party politics, decision-makers' experience, and the perception of instrumental ethical work climates are, respectively, the most important determinants of strategic supplier selection decisions, followed in descending order of importance by: the perception of rules ethical work climates, self-enhancement personal values, CEOs' structural position, self-transcendent personal values and the perception of time pressure. Findings also indicate that the choice of a supplier *per se* is not an important determinant of organizational performance.

*Key words:* Public Sector, supplier selection decisions, behavioral and non-economic determinants.

## ANTECEDENTS OF SUPPLIER SELECTION DECISIONS

## Antecedents of Supplier Selection Decisions in the Public Sector in Nigeria

Organizational buying decisions are mainly modeled and explained using *rational economic theory of the firm*, thus assuming that firms will always be objective (or apply rational criteria) when selecting suppliers during important purchase decisions (Wilkinson & Young, 2013). Hence, industrial marketing research has focused on the so-called ‘rational variables’ such as price, quality, delivery time, and others, with little or no emphasis on the behavioral and non-economic factors influencing organizational purchasing decisions (Iyer, Xiao, Sharma & Nicholson, 2015; Flynn & Davies, 2014; Hadjikhani & LaPlaca, 2013; Ariely, 2009; Tullous & Munson, 1992). However, an emerging stream of empirical studies, starting from the 1970s, have challenged the notion of organizational rationality, demonstrating that organizations (like individuals) are not always rational when making choices (Iyer et al., 2015; Augier, 2013; Van De Ven & Lifchitz, 2013; Hadjikhani & Laplaca, 2013; Ariely, 2009).

These emerging studies, which are largely based on *behavioral theory of the firm* and *bounded rationality theory*, are attempts at providing explanations as to why seemingly ‘irrational’ decision-making occurs in organizations (Iyer et al., 2015; Van De Ven & Lifchitz, 201). Moreover, while transactional economic theory is based largely on the behavior of manufacturing and commercial organizations, other forms of organization are given very little consideration (Flynn & Davis, 2014; Ozmen, Oner, Khorowshahi, & Undewood, 2013; Wilson, 2000).

## ANTECEDENTS OF SUPPLIER SELECTION DECISIONS

With this growing awareness of the shortcomings of *rational economic theory of the firm* in explaining 'irrational' organizational actions, several scholars have advocated for the development of decision models which use sociological/psychological and non-economic variables, because of their robustness in explaining choice behavior (Augier, 2013; Wilkinson & Young, 2013; Van De Ven & Lifschitz, 2013; McCue and Peter, 2008; Ho, Lim and Camerer, 2006; Wilson, 2000). Wilson (2000, p.783) captures the current focus of research when he observes that:

*Research into many other forms of organizations is still in relatively early stages, for example, with respect to foreign (i.e. with non-western cultures) organizations, SMEs, family organizations (i.e., those owned and run by families) service providers, churches, arts and leisure organizations, public sector organizations, and other not-for-profit organizations. The result is that organizational buyer behavior theory is still dominated by a default paradigm of large manufacturing organizations operating primarily in the context of western markets and assumed (simplistically and misleadingly) to be driven by profit-maximizing objectives.*

Against this background, as well as McCue and Peter's (2008, p.2) call for the intensification of research to enhance the prediction and explanation of the behavior of public sector organizations, the current study has two key objectives. First, to develop and empirically test a model comprising a broad range of behaviorally-relevant and non-economic factors that may explain public sector supplier selection outcomes in a non-western country context. Second, to determine the extent to which the supplier selection decisions made by public sector organizations influence their performance. This study contributes to the literature by bringing together and

## ANTECEDENTS OF SUPPLIER SELECTION DECISIONS

testing, in a single model, a broad range of organizational outcome determinants initially proposed in isolation by various authors, with a view to assessing their relative importance.

### **Theoretical Framework and Hypotheses**

Several forms of non-economic and behaviorally relevant antecedents might provide alternative explanations of the decision behavior of organizations. Some of the concepts and constructs that have been investigated in empirical studies include: purchase importance; familiarity with purchase situations; time pressure; experience; personal stakes; organizational size, and degree of formalization (Garrido-Samaniego & Gutiérrez-Cillan, 2004); government regulations and policies (Nwakibinga & Buvik, 2013; Qiao, Thai & Cummings, 2009); political activities (Khemakhem & Dicko, 2013; You & Du 2012; Bliss & Gul, 2012); personal values of decision-makers (Roman, 2014; Suar & Khuntia, 2010; Schwartz, 2006; Connor & Becker, 2003); favoritism and political connections (Du et al., 2008); ethics (Simha and Cullen, 2012; Weber, 1997), and more. In studying these variables, researchers have developed frameworks for identifying and categorizing these concepts and constructs (for example, see Garrido-Samaniego & Gutierrez-Cillan, 2004; Dawes, Lee, & Dowling, 1998; Wren & Simpson, 1996; Robinson, Faris & Wind, 1967; Webster & Wind, 1972; Bonoma & Zaltman, 1978; Sheth, 1973; McQuiston, 1989; Lilien & Wong, 1984; Hakansson, 1982).

This study proposes a causal-explanatory model in which external environmental factors (government policies and party politics) interact with internal organizational factors (organizational ethical work climates and CEOs' structural positions), social elements (the

## ANTECEDENTS OF SUPPLIER SELECTION DECISIONS

perception of time pressure and social ties) and the personal characteristics of organizational actors (personal values and experience) to influence strategic supplier selection decisions in public sector organizations. Furthermore, the current model extends the Webster and Wind (1972) framework by proposing that the decision to select one vendor rather than another may impact on relative organizational performance. The proposed model (figure 1) considers these variables as some of the most important factors that come to play in public sector organizations when deciding who gets selected as contractor during strategic purchase decisions. Although the work of Webster and Wind (1972) serves as the primary basis for the development of this model, the works of several other scholars including Kobhi (1989), Dawes et al. (1992) and Garrido-Samaniego and Gutierrez-Cillan (2004), provided the theoretical rationale for specifying this model. In so doing, a broad range of factors is brought together and tested in a single model.

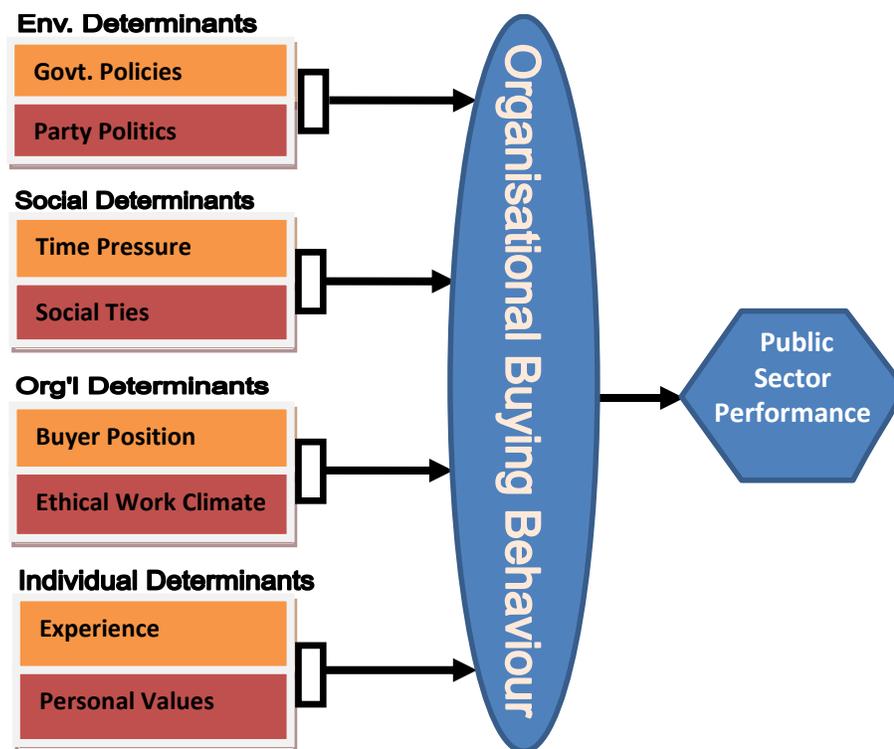


Figure 1: Conceptual Model

## ANTECEDENTS OF SUPPLIER SELECTION DECISIONS

### **Environmental Determinants**

**Government policies.** Compliance and adherence to institutionalized procurement rules and procedures are key prerequisites buyers are expected to meet (Nwakibinga & Buvik, 2013). Government buying policies serve as guiding frameworks to align decision-making processes with intended objectives. These objectives could range from mitigation of corrupt practices (Nijboer et al., 2017; Lindskog, Brege, & Brehmer, 2010), to encouraging sustainable procurement practices and innovations (Nijboer, Senden, & Telgen, 2017; Akenroye, 2013; Rao & Holt, 2005), to protecting local entrepreneurial production capacity (Bremmer & Walker, 2011; Qiao et al., 2009). To this end, government policies are, essentially, control mechanisms meant to ensure that organizational actors act in certain ways or within certain bounds (Kobhi, 1989).

The influence of government policies come to bear on organizational buying behavior in many ways. Some of these ways include providing general and specific guidelines as to when to purchase, who does the purchasing, from whom to purchase, and how to purchase. For example, Qiao et al., (2009) report cases in the United States of America where ‘preferential treatment’ policies are used by governments at different levels to restrict the purchase of certain types of products from certain regions. These cases are not dissimilar to the intent of South Africa’s Affirmative Action policy (Kruger, 2013), or Malaysia’s *Bumiputera* policy (Akenroye, 2013) or, indeed, Nigeria’s ‘due process’ and ‘local content’ policies (Nwapi, 2015; Achua, 2011; Oguonu, 2005).

The literature on government procurement largely suggests that buying and supplying decisions are generally guided by strict rules (Nijboer et al., 2017; Mbago, Ntayi, & Muwezi, 2016; Lindskog et al., 2010). These ‘strict rules’ accurately describe the ‘rule climate’ and ‘law and code

## ANTECEDENTS OF SUPPLIER SELECTION DECISIONS

climate' often associated with public sector organizations (Simha & Cullen, 2012; Agarwal, 2010; Wimbush, Shepard, & Markham, 1997). 'Rules climate' describes organizations where decisions are "perceived as being guided by a strong and pervasive set of local rules or standards, such as codes of conduct" (Simha & Cullen 2012, p. 22). 'Law and code climate' is associated with the perception that "decision-making is based on external codes such as the law, the Bible, or professional codes of conduct" (Simha & Cullen, 2012, p. 22). These rules and regulations are put in place to mitigate the conflicts of interest that often characterize public procurement activities (Woodside, Cheng, & Chang, 2012; Kennedy & Cannon, 2004). This is not unexpected, because the supplier evaluation and selection process is such that it can promote unethical behavior because of the coming together of buyers and sellers to negotiate (both formally and informally) to arrive at agreeable deals for their firms (Osisioma, 2001; Tanzi, 1998).

In view of the foregoing discussions, the following hypotheses are put forward to be tested:

*H<sub>1</sub>: The width of government procurement policies influences positively: a) strategic supplier selection decisions; b) the perception that public sector buying decisions are made within the purview of strict rules.*

**Party politics.** Given that "politics is one of the determinants of a country's institutional landscape" (Khemakhem & Dicko, 2013, p.118), it is only logical to think that its influence would be felt in the business environment. Indeed, several studies point to the influence of political activities on organizational processes and outcomes (You & Du, 2013; Khemakhem & Dicko, 2013; Sheng, Zhou, & Li, 2011; Faccio, 2007; Peng & Luo, 2000). Such influences are expected because of the embedded ties between government and public sector firms (Flynn & Davis, 2014; Woodside et al., 2012; Sun, Mellahi, & Wright, 2011).

## ANTECEDENTS OF SUPPLIER SELECTION DECISIONS

The mention of politics or party politics usually conjures a negative picture or impression in the mind of the public. This is not unconnected with the general perception of politics as being “self-seeking ...without reference to the common good” (Webster’s New World College Dictionary, 2010), and the use of “undue influence” (Weber, 1997) which results in the “misuse of power” (Wright, 2004, p.10). However, politics has been reported to have both positive and negative effects on organizational processes, depending on the angle from which it is analyzed (You & Du, 2012; Faccio, 2010). So, the question here is not whether, there is a relationship between party politics and organizational processes/outcome: such a relationship is inevitable given the proximate resource dependence ties between public sector establishments and government (Roman, 2017; Lindskog et al., 2010). The issue here is verifying the perception that the weight attached to political considerations by public sector organizations and their members when making supplier evaluation and selection decisions is usually very significant, to the extent that it overlooks public interest. This is premised on the observation that ‘politicness’ (the subjective and normative interpretation of a work environment as being politicized) shapes decision behavior in organizations (Roman, 2017, p.65). Furthermore, Sheng et al.’s (2011, p.3) study posit that politicians exhibit “opportunistic behavior” by commanding or obliging firms to undertake actions with low social but high private returns.

It is rarely the case that a clear-cut link between party politics and supplier selection decisions can always be established. Findings from relevant studies suggest that party politics manifest its influence in organizational processes in such indirect manners as: according preferential treatment to ‘politically connected’ members (You & Du, 2012); appointment to strategic positions in the organizations (Sun et al., 2011; Li et al., 2008); the promulgation of directives and regulations which stipulate what to buy, who does the buying, and which supplier

## ANTECEDENTS OF SUPPLIER SELECTION DECISIONS

is patronized (Roman, 2014, 2017; Nwakibinga & Buvik, 2013); and so forth. That is, it is the affiliation the decision-makers have with political stakeholders and institutions (through their network of external informal interpersonal relationships) which accord them power and influence in organizational buying decisions. This line of argument is plausible when one considers cases, especially in public-sector organizational settings, where important regulatory oversight is relaxed (Luo, 2007; Faccio, 2007) and outright collusion between buyers and sellers overlooked (Tanaka & Hayashi, 2016) because of the political connections of the individuals involved.

Furthermore, given the suggestion that organizational actors leverage the capital provided by their political connections to secure favorable regulatory oversight (Karahana & Preston, 2013; You & Du, 2012), it is not far-fetched to associate the ‘undue’ and ‘self-seeking’ tendencies of party politics with the circumvention of rules and the promotion of egoistic considerations during important organizational decisions. Self-seeking tendencies in organizational activities are often described in terms of instrumental ethical work climates – the shared perception that the work environment has norms which promote “ethical decision-making from an egoistic perspective” (Simha & Cullen, 2012, p.21). Though often associated more with volatile and competitive private sector work environments than with pro-social, pro-welfare organizations like government establishments (Agarwal et al., 2010), this study argues that the undue and self-seeking nature of party politics will come to bear on public sector organizational activities so much so that it is positively linked to instrumental ethical work climates and negatively associated with the perception that public sector organizations promote rules-based decision making. This argument is premised on institutional theory, which argues that organizations and their members make themselves relevant by acting in tandem with the external pressures they face (DiMaggio & Powell, 1983). Moreover, the perception of public sector organizations as politicized or

## ANTECEDENTS OF SUPPLIER SELECTION DECISIONS

‘politically-controlled’ work environments will engender the accommodation of conflicting interests in procurement decisions (Roman, 2017).

The above discussion leads us to posit the following hypotheses:

*H<sub>2a</sub>: The importance of the role of party politics has a positive impact on strategic supplier selection decisions. H<sub>2b</sub>: The importance of the role of party politics is positively related to the social ties cultivated by public sector decision-makers. H<sub>2c</sub>: The higher the buyer position is positively related to the importance of the role of party politics H<sub>2d</sub>: The importance of the role of party politics is negatively related to rules-related ethical work climates. H<sub>2e</sub>: The importance of the role of party politics is positively related to instrumental ethical work climates.*

### Social Determinants

**Time pressure.** There are situations when organizations need to make critical decisions within a short space of time. The phenomenon is described in the literature as ‘decision under time pressure’ (Chong, Ferd, Choi, & Rute, 2011; Garrido-Samaniego & Gutierrez-Cillan, 2004’ Suri & Munroe, 2003). Indeed, studies have identified time pressure as a critical variable in explaining decision-making behavior (Rice & Trafmow, 2012; Suri & Munroe, 2003). In the specific case of organizational buying, Garrido-Samaniego and Gutierrez-Cillan (2004, p.323) describe time pressure as “the degree to which buying center members feel under pressure when they have to reach a particular decision quickly.”

Depending on the country or region of the world they come from, consumers’ time orientation has been categorized as either monochromic or polychromic (Xu-Priour et al., 2012; Van Everdingen & Waarts, 2003). Monochromic cultures are said to perceive time as a tangible resource that can be harnessed and managed to attain set goals (Kotabe & Helsen, 2001). Western

## ANTECEDENTS OF SUPPLIER SELECTION DECISIONS

European countries, the United States of America and Canada are generally described as being highly monochromic in orientation (Van Everdingen & Waarts, 2003; Kotabe & Helsen, 2001). Polychromic cultures, on the other hand, have the tendency to disregard or downplay the importance of planning and co-coordinating time relative to set goals, because of their general perception of time as being an intangible resource that can neither be properly controlled nor planned (Van Everdingen & Waarts, 2003; Kotabe & Helsen, 2001). Kotabe and Helsen (2001) rank Latin American, Middle Eastern, and African countries as highly polychromic cultures.

Implicit in the above categorization is the suggestion that countries or regions of the world with monochromic values of time are likely to 'feel' more time-pressured and to be more organized than those with polychromic time orientations. Some evidence from the literature supports this conceptualization. Citing the work of Hawes (1980), Gross (1994, p.120) argues that time pressure is a multi-dimensional phenomenon varying with respect to groups, place and time. This line of argument is supported by the study of Xu-Priour et al. (2012) which found that Chinese consumers tilt toward the polychromic side on the time value orientation scale, and they feel relatively less time-pressured when shopping offline (compared to when shopping online). Furthermore, Van Everdingen and Waarts (2003) also apply this idea of culture-based time orientation to explain variations in time pressure perception among consumers in various countries when adopting new products.

Therefore, against the backdrop of the idea that the degree to which consumers 'feel' pressured by time is a function of their perception of the value of time (Xu-Priour et al., 2012), and the observation by Garrido-Samaniego and Gutierrez-Cillan (2004) that there exists little empirical research on the relationship between time pressure and organizational buying behavior, the following hypothesis is put forward to be tested:

## ANTECEDENTS OF SUPPLIER SELECTION DECISIONS

*H<sub>3</sub>: Time pressure has a negative effect on strategic supplier selection decisions.*

**Social ties.** The literature suggests that organizational buying activities are embedded in networks of interpersonal, intra-organizational and inter-organizational ties generally described as ‘social ties’ (Gonzalez et al., 2014; Sheng et al., 2011; Bowler, Dahlstrom, Servers, & Skinner, 2011; Peng & Luo, 2000). In other words, social ties, by nature, involve the boundary-spanning personal and professional relationships cultivated and nurtured by members of buying centers, in their capacity both as members of the organization and members of the larger society (Sun et al., 2011).

The multi-dimensional relationships maintained by organizational actors translate into social capital which impacts on organizational processes and outcomes (Karahanna & Preston, 2013; Bowler et al., 2011; Luo, 2007). For example, in their study of the effect of relationship managers’ social network ties on the sales performance of some North and South American companies, Gonzalez et al. (2014) demonstrate how network overlaps (that is, the concurrence of multiple kinds of relations maintained by organizational actors) provide them with important and unique ‘insider information’ which influences organizational outcomes. Similarly, the study by Kwon and Adler (2014) also suggests that multiple social ties provide goodwill to individuals and groups which gives them leverage to influence organizational outcomes. Given the foregoing contention, the below hypothesis is put forward to be tested:

*H<sub>4</sub>: Social ties of decision-makers positively influence strategic supplier selection decisions.*

### **Organizational Determinants**

## ANTECEDENTS OF SUPPLIER SELECTION DECISIONS

**Position.** There are certain managerial positions which, because of their centrality and boundary-spanning nature, are imbued with the power to influence organizational processes and outcomes (Nath & Mahajan, 2011; Floyd & Wooldridge, 1997). Studies of organizational buying centers show that participation and influence in buying decisions depend, to a large extent, on the decision types and the decision-makers' position in the organizational hierarchy (Garrido-Samaniego & Gutierrez-Cillan, 2004; Dawes et al., 1998; McQuiston, 1993).

Strategic (important) decisions are the prerogative of organizations' TMT members (Engelen et al., 2013; Garrido-Samaniego & Gutierrez-Cillan, 2004; Floyd & Wooldridge, 1997). What this means is that certain individuals who are strategically placed (because of their position in the organizational hierarchy) have greater influence on important decisions (Dawes et al., 1998) and the 'explicit responsibilities' of the position of chief executive officers (CEOs) provides them with the leverage and capacity to significantly influence strategic organizational decision-making and outcomes (Engelen, Lackboff, & Schmidt, 2013; Karahanna & Preston, 2013; Nath & Mahajan, 2011). The below hypothesis is advanced to be tested in view of the above argument.

*H<sub>5</sub>: The buying organization's CEO's structural position positively influences the strategic supplier selection decisions.*

**Ethical work climate.** Organizational ethical work climates describe the shared perception of how things are done or ought to be done in the work environment (Raile, 2013; Simha & Cullen, 2012; Qualis & Puto, 1989). Empirical studies suggest that five types of ethical work climates are common (Raile, 2013; Simha & Cullen, 2012): instrumental, independent, caring, rules, and law & codes.

## ANTECEDENTS OF SUPPLIER SELECTION DECISIONS

As a group phenomenon, ethical work climates provide the basis for understanding what is permissible and desirable from a collective perspective, and this ‘shared perception’ has been shown to be strongly associated with attitudes, actions and behavior in organizations because of the role they play in response to ethical issues (Raile, 2013; Arnaud, 2010; Tsai & Huang, 2008). The literature documents a variety of positive (for example, see Raile, 2013; Deshpande, Joseph, & Shu, 2011) and negative (see Martin & Cullen, 2006) influences associated with organizational ethical work climates, depending on whether the shared perception connotes a positive or negative motivation. Thus, the actions and reactions to work situations by employees could be gauged by the type of ethical work climate prevalent in that work environment (Martin & Cullen, 2006).

Studies suggest that different types of organizations encourage different ethical climate types (Wimbush et al., 1997) and pro-social not-for-profit organizations are likely to encourage benevolent climates (including independent and caring climates) compared to pro-profit private sector establishments where egoistic interests and competition are encouraged (Agarwal et al., 2010). Therefore, because public sector buying activities are usually guided by ‘strict’ rules (Mbago et al., 2016; Andreca, 2016; Lindskog et al., 2010), it is expected that the ‘rules’ climate (that is, the perception that organizational decisions and processes are always guided by a set of pervasive rules and standard) will prevail in such organizations. The existence of such rules and codes should ensure due process and accountability in public procurement. However, given the resource-dependence and *quid pro quo* relationship existing between the political system and public sector firms (Khemakhem & Dicko, 2013; You & Du, 2013; Reich, 2009), as well as the pervasively negative and self-seeking nature of party politics (Roman, 2017, 2014; Wright, 2004), this study posits that supplier selection decisions will be associated with instrumental ethical work climates (the shared perception that organizational norms promote egoistic tendencies during

## ANTECEDENTS OF SUPPLIER SELECTION DECISIONS

decision-making), irrespective of the existence of ‘strict’ rules. Furthermore, given that organizational actors use their personal values and beliefs as a basis for making decisions (Roman, 2017, 2014; Sousa et al., 2003), it is not far-fetched to suggest that the instrumental ethical work climates prevalent in ‘politicized’ work environments such as most public sector firms (Roman, 2017) will be associated with self-enhancing personal values (also defined as the promotion of self-seeking tendencies and parochial personal interests). To test these claims, the following hypotheses are conjectured:

***H<sub>6</sub>:** Strategic supplier selection decisions are positively influenced by a) instrumental ethical work climates and b) rules ethical work climates causally determine supplier selection decisions in public sector organizations.*

***H<sub>6b</sub>:** Instrumental ethical work climates are positively related to the activation of self-enhancement personal values by decision makers.*

### **Individual Determinants**

**Personal values.** One fundamental theme that cuts across the literature on values is the idea that values shape the behavior of individuals which, in turn, reflects on the way they decide or are likely to decide (Roman, 2014; Suar & Khuntia, 2010; Schwartz, 2006; Sousa et al., 2005; Connor & Becker, 2003). Most contemporary studies on the influences of personal values largely adopt Schwartz’s (1992) value theory (e.g., see Fu et al., 2010; McGuire et al., 2008; Sousa et al., 2003; Connor & Becker, 2003; etc.). Schwartz’s values theory divides individuals’ value-types into 10 orientations plotted against two bi-polar axes: (i) openness-to-change (stimulation, hedonism and self-direction) versus conservatism (security, conformity and tradition); (ii) self-enhancement (power and achievement) versus self-transcendence (universalism and benevolence).

## ANTECEDENTS OF SUPPLIER SELECTION DECISIONS

Consistent with Fu et al.'s (2010) approach, this study uses the self-enhancement versus self-transcendent dimensions of personal values to explain public sector supplier selection decisions mainly for the reasons that (i) this value set underscores the desire to strike a balance between parochial self-interest and pro-social public interest goals (Suar & Khuntia, 2010; Wimbush et al., 1997) and (ii), this value set is generally regarded as 'higher-order' values compared to the other (Fu et al., 2010; Schwartz, 1992).

Public sector organizations, by nature, are established to provide social services at a reasonable cost to the public (Lindskog et al., 2010). Unlike private sector firms, they are neither driven by profit motives nor subjected to competitive market forces (Lindskog et al., 2010). Therefore, it is expected that public sector employees should have or exhibit transcendence values if there is to be a 'fit' between their decision behavior and the organizations' espoused pro-social objectives (Suar & Khuntia, 2010). However, given the much-reported cases of ethical transgression associated with most public procurement exercises (Roman, 2014; Simha & Cullen, 2012; Achua, 2011; Lindskog et al., 2010), it is not implausible to suggest that self-enhancement values dominate self-transcendent values during public sector supplier selection decisions. Consistent with this view, Roman (2014, p.455) observes that, though public procurement decision-makers may possess and exhibit both elements of values associated with purists and brokers, "one of the two interpretations will clearly dominate". This line of argument may be particularly salient in public sector settings where 'straightforward' and professional managers may find it difficult to act on their values because of 'political pressures'. In addition, this study intends to test Chong et al.'s (2011) proposition which suggests that individuals who are self-motivated to achieve, dominate situations, show their competence or pursue personal ambitions/goals (characteristics often associated with self-enhancement values) are most likely to

## ANTECEDENTS OF SUPPLIER SELECTION DECISIONS

consider time-pressure conditions as opportunities to prove themselves and gain personal gratification. To this end, the following hypotheses are advanced:

*H<sub>7</sub>: Strategic supplier selection decisions are positively influenced by a) self-enhancement personal values and b) self-transcendent personal values*

*H<sub>7a</sub>: Time pressure positively influences self-enhancement values during strategic supplier selection decisions.*

**Experience.** Garrido-Samaniego and Gutierrez-Cillan (2004) contend that very few studies on the relationship between experience and strategic supplier selection decisions exist in organizational buying literature; they demonstrated that experience levels have a strong positive effect on the level of participation and influence in supplier selection decisions for strategic products (in this case, the purchase of capital equipment). Their study also found that the effect of experience in involvement and influence in routine-type decisions was negligible, thus suggesting that experience is relatively more important during strategic buying decisions than routine buying decisions.

Furthermore, experience accords individuals expertise which enhances their internal organization of information in memory as well as providing a repertoire of rules on how to use it when the need arises (Rice & Trafimow, 2012; Perkins & Rao, 1990; Kobhi, 1989). In situations of insufficient information, experienced managers use their cumulative knowledge of previous similar situations as heuristics and cues to make decisions (Balaz et al., 2014; Rice & Trafimow, 2012; Chong et al., 2011). This means that experienced managers are less likely to shy away from making decisions if faced with insufficient information relative to an impending decision.

Based on the above premise, the following hypotheses are put forward to be tested:

## ANTECEDENTS OF SUPPLIER SELECTION DECISIONS

*H<sub>8</sub>: The level of decision makers' experience with the purchase situation influences: a) positively, their influence in supplier selection decisions in public sector organizations; and b) negatively, their perception of time pressure.*

### **Strategic Buying Decisions and Performance**

This study is interested in strategic buying decisions (as distinct from routine or operational buying decisions). Eisenhardt & Zbaracki (1992, p.25) contend that strategic decisions “critically affect organizational health and survival” and they are also “important in terms of the action taken, the resources committed, and the precedents that are set”. What this means is that the performance and outcomes of organizations, both in the long and short terms, could be explained by the strategic choices they make.

Public sector organizations often pursue multifaceted qualitative objectives which are sometimes conflicting and very difficult to measure, unlike private sector firms (Hawke, 2012; Aubert & Bourdeau, 2012; Boyne, 2003). To avoid some of these issues, this study adopts the ‘performance approach’ based on agency theory in examining the impact of public sector organizational purchase decisions on their performance (Pestieau, 2009). This approach describes a principal-agent relationship, where performance is conceptualized in terms of the extent to which the agent (decision-maker or employee) fulfills or attains the goals/objectives assigned by the principal (i.e., the state, representing the society) (Pestieau, 2009; Popper & Wilson, 2003).

The idea of this approach is to assess efficiency and effectiveness in terms of benchmarks or predetermined objectives. For every strategic buying decision, there is an intended objective to be achieved. The objectives can be described in terms of the completion of a project within budgeted resources (time, money, personnel, etc.), the satisfaction of the public, cost-savings, the

## ANTECEDENTS OF SUPPLIER SELECTION DECISIONS

reduction of corruption, the satisfaction of political interests, and so on. (Ambaw & Telgen, 2017). In this sense, performance is the result of an internal self-assessment or evaluation against benchmarks or standards set by a principal (Pestieau, 2009). Hence the performance of organizations is as 'perceived' by the organization's members.

Based on the general idea of 'performance approach' and agency theory advocated by Pestieau (2012), and consistent with the 'perceived performance' approach applied by Choi & Poister (2014), we hypothesize that:

*H<sub>9</sub>: Organizations' supplier selection decisions positively influence their performance.*

## Methodology

### Context of the Study

Public organizational buying decisions (or procurement) form a complex system which comprises a series of varied but interrelated decisions, including (but not limited to) needs identification, solicitation for and evaluation of tenders, pre-qualification and selection of suppliers, signing and the monitoring of contract execution (Patruccio, Luzzini, & Ronch, 2017). This study focuses on one stage of the organizational buying process, namely the supplier selection phase. The instrument designed for this study uses specific questions which refer to this stage or aspect of the buying decision process. Such questions have been shown to have more advantage than global ones with respect to consistency and reliability (Raykov & Calantone, 2013; Dawes et al., 1998; Silk & Kalwani, 1982). In determining the time for the strategic purchase decision being considered, care is taken not to burden the memory of the participants. Thus, the survey asked questions pertaining to strategic purchases 3-5 years prior. This time range falls within the tenure lifespan of most chief executive officers and heads of government agencies in Nigeria. Without

## ANTECEDENTS OF SUPPLIER SELECTION DECISIONS

specifying a product or service, participants were asked to consider a recent situation where their organization purchased assets or hired services of strategic importance.

### **Measurements and Sampling**

All the measurement items used were adapted from literature as well as validated measures that have been used to assess the same constructs in previous studies. In addition, the instrument underwent a 2-step pre-test process where the draft instrument was administered to six PhD students and 2 senior public servants in Nigeria who are familiar with the Nigerian system. Secondly, it was vetted by 2 senior lecturers in the UK who are experienced in the subject matter. The feedback and suggestions from the pre-test groups led to most items being re-worded and the initial item pool of 70 being pruned to 61. The survey instrument was subdivided into topical themes comprising 5 filter/classification questions and 56 target questions meant to measure thirteen (13) constructs; eleven (11) exogenous constructs and two (2) endogenous constructs (including the control variable, requisite funding). The instrument was formatted as a structured questionnaire where participants are expected to indicate their degree of agreement/disagreement with series of statements by ticking the corresponding boxes after each statement. The items were all 5-point Likert-type scales ranging from 1=strongly disagree to 5=strongly agree (see Appendix A for the measurement items and their corresponding codes). In choosing the sampling unit for this study, the key informant approach was adopted (Kumar et al., 1993). Fifteen participants per organization were selected based on their explicit responsibility on the organizational chart as well as their familiarity with their organization's strategic buying process. In all, the target sample comprises 600 senior-level officers and TMT members in 40 federal public sector organizations in Nigeria. These organizations are either listed in the Schedule to the Fiscal Responsibility Act (2007) or created by Acts of Parliament. One unique characteristic common to all the organizations

## ANTECEDENTS OF SUPPLIER SELECTION DECISIONS

considered in this study is that unlike 'pure' or 'classic' forms of public organizations such as ministries and the civil service (Baarspul and Wilderom, 2011), these government corporations and agencies/authorities engage in revenue-yielding businesses (though not-for-profit).

The selection of multiple informants per organization per decision-type was meant to minimize bias as well as enhance the estimation of aggregate scores that fairly approximate the diversity of opinion about the issue being considered. From a total of 600 questionnaires distributed, 366 were retrieved (representing a response rate of 61%). The retrieval rate per organization range from 33.3% (5 of 15 participants) to 80% (12 of 15 participants) returning their completed questionnaire. The high response rate is attributed to many factors including the complete anonymization of responses (thus, assuring participants of their confidentiality) and a vigorous follow-up on participants to ensure timely completion of the survey instrument. Overall, however, only 341 responses were found usable for the analysis.

### **Results and Findings**

#### **The Measurement Model**

Confirmatory factor analysis (CFA) was used to assess scale unidimensionality, reliability and validity. After the measurement model modification and improvement process, only forty-six (46) measurement items remained from the fifty-six (56) items that were used in the initial CFA model run. In all, ten (10) items were eliminated for either having low and insignificant loading on the respective constructs they are meant to measure, or for having unacceptably high standardized residual score values as suggested by Schumacker and Lomax (2016). The resultant measurement model fit indices (RMSEA=0.018, GFI=0.890, AGFI=0.87, CFI=0.990, TLI=0.988) and individual items factor loadings (factor loadings range from 0.623 to 0.99) indicate that the

## ANTECEDENTS OF SUPPLIER SELECTION DECISIONS

theoretical measurement model is satisfactory (Schumacker & Lomax, 2016; Hair, Black, Babin & Anderson, 2010).

The average variance extracted (AVE) and composite construct reliability (CR) of each sub-scale was computed by applying the approach suggested by Fornell & Larcker (1981). From the results in Appendices B-D: (i) the AVE values are lower than the respective CR values and both the AVE and CR are above the recommended thresholds of 0.5 and 0.7 respectively; (ii) the maximum shared variance (MSV) and average shared variance (ASV) values are both lower than their respective AVE values, and the AVE for each construct is comparatively higher than the squared inter-construct correlation (SIC) coefficients for the respective constructs. Taking the above measurement model statistics into consideration, this study's measures are internally consistent, and all the scales are unidimensional and valid with respect to discriminant and convergent validity (Blunch, 2005; Fornell & Larcker, 1981).

### **The Structural Model**

The structural model was tested after validating the measurement model. In this model, government policies (GOV\_P), party politics (PAT\_P), social ties (SOCT), time pressure (TM\_P), instrumental ethical work climates (IN\_EC), rules ethical work climates (RL\_EC), position (POSTN), self-enhancement personal values (EPVL), self-transcendent personal values (TPVL) and experience (EXPR) are the variables explaining strategic supplier selection decisions (SUP\_DEC). SUP\_DEC is also hypothesized to explain organizational performance (PERFM) while requisite funding (FUNDS) serves as the control variable on both SUP\_DEC and PERFM. Because of the complex nature of the model, structural equation modeling (SEM) techniques based on maximum likelihood estimation (MLE) in AMOS were used to test the

## ANTECEDENTS OF SUPPLIER SELECTION DECISIONS

structural model (Schumacker & Lomax, 2016). More so, this study satisfies SEM requirements in terms of data normality and sample size (Soper, 2017; Westland, 2010; Hair et al., 2011; Blunch, 2005).

The results of the adjusted model are displayed in Table 1 and as Figure 2 below. While Table 1 shows all the hypothesized relationships and their respective standardized estimators and critical ratios (t-values), Figure 2 displays the updated model alongside the relevant goodness-of-fit indices ( $X^2$ , *GFI*, *AGFI*, *NFI*, *CFI*, *TLI* and *RMSEA*). All the structural model fit indices are within acceptable cut-off limits, indicating that the model is satisfactory (Blunch, 2005).

The result shows that experience, party politics, social ties, instrumental ethical work climates and government buying policies causally explain strategic supplier selection decision ( $p < 0.01$ ). The remaining explanatory variables (time pressure, self-enhancement personal values, self-transcendent personal values, position, and rules ethical work climates) have critical ratio values less than 1.96, indicating that their relationship with strategic supplier selection decision is non-significant. Similarly, the hypothesized relationship between supplier selection decision and performance was found to be non-significant ( $p > 0.05$ ). In terms of the relative importance of the examined antecedents (see the relative *beta weight* rankings in Table 2 below), government policy (with a score of 0.530) is the most important, followed by social ties (0.250) and party politics (0.226) respectively. Following in descending order of importance after government policy, social ties and party politics are: experience (0.131), instrumental ethical work climates (0.125), rules ethical work climates (0.054), self-enhancement personal values (0.052), position (0.047), self-transcendent personal values (0.016), and time pressure (-0.047). These results and their implication for theory and practice are discussed in the proceeding sections.

## ANTECEDENTS OF SUPPLIER SELECTION DECISIONS

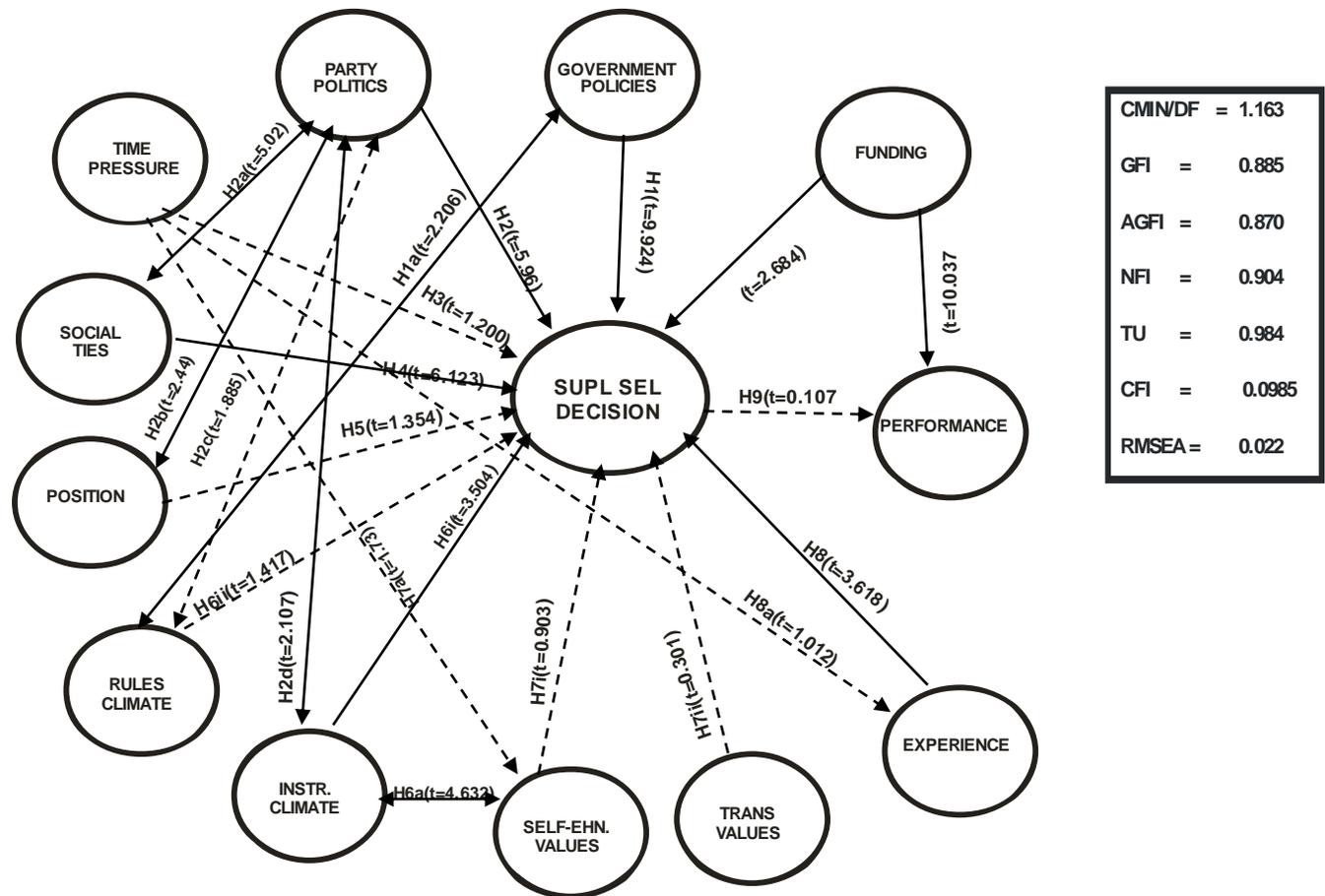
**Table 1: Regression weights and correlations (path estimates) for hypotheses testing**

			Estimate	S.E.	C.R.	P
SUP_DEC	<---	EXPR	.101	.028	3.618	***
SUP_DEC	<---	TM_P	-.039	.033	-1.200	.230
SUP_DEC	<---	PAT_P	.150	.025	5.960	***
SUP_DEC	<---	SOCT	.208	.034	6.123	***
SUP_DEC	<---	TPVLS	.010	.034	.301	.763
SUP_DEC	<---	FUNDS	.100	.037	2.684	.007
SUP_DEC	<---	POSTN	.029	.022	1.354	.176
SUP_DEC	<---	GOV_P	.344	.035	9.924	***
SUP_DEC	<---	IN_EC	.056	.016	3.504	***
SUP_DEC	<---	EPVLS	.029	.033	.903	.367
SUP_DEC	<---	RL_EC	.059	.042	1.417	.157
PERFM	<---	FUNDS	.895	.089	10.037	***
PERFM	<---	SUP_DEC	.007	.062	.107	.915
GOV_P	<-->	RL_EC	.044	.020	2.206	.027
PAT_P	<-->	SOCT	.146	.029	5.020	***
POSTN	<-->	PAT_P	.081	.033	2.442	.015
PAT_P	<-->	RL_EC	.038	.020	1.885	.059
PAT_P	<-->	IN_EC	.048	.023	2.107	.031
IN_EC	<-->	EPVLS	.221	.048	4.632	***
TM_P	<-->	EPVLS	-.043	.025	-1.730	.084
EXPR	<-->	TM_P	-.023	.023	-1.012	.311

**Table 2: Standardized rankings of supplier selection antecedents**

	FUN DS	RL_ EC	EPV LS	TPV LS	TM _P	IN_ EC	SO CT	PAT _P	GOV _P	POS TN	EX PR
SUP_ DEC	.095	.054	.052	.016	.04 7	.125	.25 0	.226	.530	.047	.13 1

ANTECEDENTS OF SUPPLIER SELECTION DECISIONS



**Figure 2: Adjusted model and hypotheses**

*Note: The lines with single-headed arrows indicate causal-explanatory relationships. Double-headed arrows indicate hypothesized correlations between independent variables. Broken lines, whether on single- or double-headed arrows indicate significant relationships, while thick continuous lines depict hypotheses that were confirmed.*

**Discussion of Findings.**

Consistent with several suggestions in the literature (e.g., Nijboer et al., 2017; Ambaw & Telgen, 2017; Mbago et al., 2016; Akenroye, 2013; Achua, 2011; Qiao et al., 2009; Erridge, 2005) this study’s result confirms that government policy requirements are an important determinant of strategic supplier selection decision in public sector organizations (**H<sub>1</sub>**). In the same vein, the significant positive relationship observed between government policies and rules ethical work

## ANTECEDENTS OF SUPPLIER SELECTION DECISIONS

climates (**H<sub>1b</sub>**) suggests that more regulations are associated with a greater awareness that decisions are constrained by a pervasive set of rules which may sometimes be as complex as they are complicated. This may explain the ‘bureaucratic bottlenecks’, ‘red tape’ and frustrations often encountered when doing business with public sector organizations (Woodside et al., 2012; Achua, 2011; Kennedy & Cannon, 2004).

Our findings also show that public sector organizational decision makers take the interests of external political stakeholders and government officials into consideration when making important strategic decisions (**H<sub>2</sub>**) This is hardly surprising given the proximate and dependence relationship that exists between political-governmental systems and government-owned organizations (Roman, 2017; Khemakhem & Dicko, 2013; You & Du, 2013; Sun et al., 2011). To further buttress this finding, the relationship between party politics, on the one hand, and the personal and intra/inter-organizational relationships cultivated/maintained by important organizational actors (**H<sub>2a</sub>**), appointment to strategic decision making positions (**H<sub>2b</sub>**), and the organization-wide perception that organizational decisions allow for the accommodation of selfish/parochial interests (**H<sub>2a</sub>**), on the other hand, are positive and significant, thus indicating that organizational actors rely on, and consciously seek mutually beneficial relationships with, important government officials with a view to securing or enhancing their decision-making leverage and personal interests. This results also shows that the overwhelming role of party politics in both the decision of who to select and who does the final selection (given the pervasive negative influence of party politics in organizational processes) creates an environment where decisions pivot more on personal and parochial interests than on public interests. These results are generally consistent with literature which suggest that public sector procurement is influenced by politics (Roman, 2014).

## ANTECEDENTS OF SUPPLIER SELECTION DECISIONS

Contrary to expectation, our data did not show that organizational actors' perception that decisions are (and ought to be guided) by a pervasive set of rules is neutralized or negated by the undue influence of party politics ( $H_{2c}$ ), thus suggesting that there is a strong perception that things are still being done by the rules. Though surprising, this result is not implausible. This finding appears to show the fact that more and more rules and regulations are being put in place to ensure equity, fairness and accountability in government transactions (Achua, 2011; Akenroye, 2013; Nwakibinga & Buvik, 2013; Sun et al., 2011; Qiao et al., 2009), and that employees are very much aware of this. Indeed, public sector organizations are often described as full of bureaucratic red tape because of the many rules that guide their operations (Woodside et al., 2012; Lindskog et al., 2010). Hence, there is no shortage of rules in the public sector to mitigate the perceived negative undue influence of party politics. Therefore, this result suggests that although many rules exist to constrain decision-makers, these rules are not effective enough (or are not enforced enough) to match the pervasive incursion of party politics. This may particularly be the case in Nigeria which "has a poor history of effectively implementing statutes and policies" and where procurement contract award criteria are "only protected by the goodwill of the government in power at any given time." (Achua, 2011, p.327).

This study's data found no support for the hypothesis that higher time pressure will inversely influence supplier selection decisions ( $H_3$ ), thus suggesting that decision-makers are not bothered by an insufficiency of time or information when making important decisions. Though inconsistent with the results of some previous studies (see Garrido-Samaniego and Gutierrez-Cillan, 2004), this result is much in line with Africans' polychromic orientation and economic value for time, which shows that people generally do not consider time as a resource to be planned and properly managed (Kotabe and Helsen, 2001). For this reason, public sector decision-makers

## ANTECEDENTS OF SUPPLIER SELECTION DECISIONS

may act like they have all the time in the world, and nobody is bothered when time-bound public contracts are not executed fully within budgeted resources. This interpretation, which may also explain the spate of abandoned public projects and poor infrastructural development in most African countries, is supported by the studies of DeVoe and Pfeffer (2011, p.1397) where they conclude that “the more valuable time becomes, the more reluctant people are to waste it; thus, they feel both greater pressure and greater anxiety”.

Consistent with our prior expectation as well as with previous studies (e.g., Gonzalez et al., 2014; Kwon & Adler, 2014; Sheng et al., 2011; Lin, 2008), our data supports the hypothesis that the multiple and boundary-spanning personal informal relationships nurtured by organizational decision-makers with entities within and outside the organization provide them with leverage in influencing strategic purchase decisions (**H<sub>4</sub>**), thus suggesting that organizational actors can increase their power to influence strategic organizational outcomes by aligning themselves (both at the formal and informal levels) with key stakeholders within and outside the organizations.

Our results also indicate that the relationship between the CEO’s structural position and influence in strategic supplier selection decision (**H<sub>5</sub>**) is not significant. This result, which is contrary to our expectation, implies that being in a strategic position (as the CEO’s is) in an organization’s TMT is important and necessary if an individual is to have a say in organizational strategic processes, but such a position is not sufficient to guarantee that one can always influence all strategic decisions all the time. Though surprising, this finding makes more sense when one considers the fact that organizational buying decision is essentially a ‘group-level’ or ‘joint decision’ phenomenon where choices are ‘influenced’ by several individuals from several departments who constitute the organization’s buying center (Hutt & Speh, 2013; Johnston &

## ANTECEDENTS OF SUPPLIER SELECTION DECISIONS

Schandler, 2012; Garrido-Samaniego & Gutierrez-Cillan, 2004). Typically, organizational decision processes for buying important assets (including the engagement of contractors) involve the contributions of ‘experts’ and other important stakeholders from both within and outside the organization.

Our data also confirm the existence of a positive and significant relationship between instrumental ethical work climates and supplier selection decisions (**H<sub>6-i</sub>**), implying that public sector employees generally believe that self-seeking and parochial interests play a prominent role during supplier selection. In addition, the expected positive and significant relationship between rules ethical work climates and strategic supplier selection decisions (**H<sub>6-ii</sub>**) was refuted by our data, indicating that there is a general belief that extant buying rules and regulations are not being strictly adhered to during supplier selection decisions. Taken together, these results suggest that the preponderance of instrumental ethical climates in public sector establishments reduces the importance of rules and regulations during strategic supplier selection decisions. That is, although there is no shortage of rules and regulations to guide decision-making, egoistic and parochial self-satisfying tendencies accentuated by external socio-political interests often dictate the outcome.

Furthermore, the positive and significant relationship found between instrumental ethical work climates and self-enhancement personal values (**H<sub>6a</sub>**) suggest that organizations which harbor instrumental ethical climates are likely to also attract and harbor employees whose personal value orientations gravitate towards self-enhancement and self-gratifying virtues. In other words, some organizational practices engender environments that permit the expression of parochial and egoistic tendencies without employees feeling the moral burden of having done something wrong. This interpretation is consistent with Roman’s (2014) findings which show that procurement officers in government-owned establishments perceive certain decisions as ‘correct’ and

## ANTECEDENTS OF SUPPLIER SELECTION DECISIONS

acceptable within the context of their work environment, yet those officers reject or condemn such decisional motivations as they pertain to their private lives.

The hypothesis that both self-enhancement and self-transcendent personal values will be significantly and positively associated with supplier selection decisions (**H<sub>7</sub>**) was not supported. This shows that neither the individual decision-makers' desire (motivation) to be successful and respected (recognized) as competent achievers and ambitious goal-getters nor their concern for the welfare of the public considerably influence who gets selected as the supplier. An explanation for these results may be provided by the decision context. Given the 'joint' nature of most organizational buying decisions (Hutt & Speh, 2013; Johnston & Schandler, 2012; Garrido-Samaniego & Gutierrez-Cillan, 2004; Wright, 2004), it is very likely that different value types may come to play at different stages in the buying decision process. Equally, some individuals can exhibit varying degrees of different value types at different stages of the purchase decision cycle because of their boundary-spanning positions in the organization. This is consistent with Rockeach's finding cited by Fu et al. (2010, p.228) which observes that "all men everywhere possess the same values, but to different degrees." This also suggest that the possession or expression of certain forms of values (for example, pro-social values) does not automatically translate to the possession of zero levels of other forms of values; the vicissitudes of context (opportunity, time, place, pressure, etc.) can give expression to different types of values in the same individual (Roman, 2014). Also, consistent with Roman's (2014) '*Purist-Broker*' value model, our study shows that self-seeking values (with a standardized *beta* score of 0.056) relatively predominate over self-transcendent and pro-social considerations (*beta* value=0.016) during supplier selection decisions.

## ANTECEDENTS OF SUPPLIER SELECTION DECISIONS

This study's data also did not support the hypothesis that situations of higher time pressure will be associated with the demonstration of greater self-enhancement tendencies and behaviors by decision-makers (**H<sub>7a</sub>**), thus suggesting that public sector decision-makers put forward less and less self-serving values and tendencies as the pressure to reach a decision quickly grows higher. Though unexpected, this finding is not implausible. Some decisions are so strategic and important that they leave no room for mistakes on the part of the decision-makers. The implications of some failed decisions are such that entire governments may be brought down and even political 'godfathers' may be unable to help their protégés. Since most individuals, like organizations, are risk-averse, they may likely curtail their personal ambitions by consulting 'experts' (thus expressing other value types which favor consultations, conformity, universalism, preservation of status quo, etc.). An alternative explanation may be that when time is short (i.e., pressure is high) and there is no option for choice deferral, the decision stakes become high and decision-makers set aside their personal ambitions and use objective heuristics to reach decisions quickly. When the pressure is low, decision-makers do not feel the need to reach a decision quickly. Thus, they have ample time to consider which options serve their interests better. Hence, it appears that decision-makers only get the opportunity to act on their values when the pressure/stake is low. This interpretation is in line with McGuire et al.'s (2008, p.345) findings which suggest that "managers may be less likely to give expression to their personal values" when the stakes are high. Similarly, Connor and Becker (2003, p.159) point out that "decisions made based on [a] greater amount of information, and under [a] lesser time constraint, were more in keeping with the individual's values."

This study provides additional evidence in support of the importance of the experience of decision makers in determining their level of influence in strategic supplier selection decisions

## ANTECEDENTS OF SUPPLIER SELECTION DECISIONS

(**H<sub>8</sub>**), consistent with previous studies (Balaz et al., 2014; Garrido-Samaniego and Gutierrez-Cillan, 2004; Dawes et al., 1992; Perkins and Rao, 1990; Kobhi, 1989). This result shows that decision-makers' cumulative learning (in terms of their track records, familiarity with the issues and requirements surrounding the decision types at hand, competencies, etc.) positively and significantly determine participation and influence during the selection decisions for important suppliers. The result also implies that on occasions where organizations appear not to have personnel with the requisite experience to assess impending decisions, experts may be consulted to help top management reach the required decisions.

However, the hypothesis that highly experienced decision-makers will feel less perturbed by time-pressured conditions during strategic decisions (**H<sub>8a</sub>**) was not supported by our data. A possible explanation for this might be that although decision-makers require higher levels of cumulative knowledge to cope with time-pressured conditions during important decisions, their coping capacity depends on the level of fit between their core competencies and the decision requirements at hand. What this means is that there are conditions of time pressure when experience may not be so useful (i.e., less effective) in defusing or deflecting pressures. This view is in consonance with studies which observe that the importance of experience is decision-specific, depending on the type of purchase and core expertise required for such decisions (Garrido-Samaniego & Gutierrez-Cillan, 2004; Kobhi, 1989).

Also, not supported by our data is the hypothesis that the supplier selection choices public sector organizations make will substantially reflect on their performance in terms of attaining set objectives for those choices (**H<sub>9</sub>**), thus implying that relative to other factors (such as funding), suppliers selected are only marginally important in explaining (influencing) public sector organizational performance. A possible explanation for this might be that, rather than who is

## ANTECEDENTS OF SUPPLIER SELECTION DECISIONS

selected as final supplier *per se*, such internal and external factors as a lack of strategic planning, inadequate funding, corruption in public procurement, political interference, bureaucratic red tape, etc., are more critical in determining organizational performance. Be that as it may, this result calls for further empirical investigation.

### **Conclusions and Limitations.**

#### **Conclusions.**

Having analyzed the results, we now consider some of the major conclusions and implications of the findings.

- Compliance with government buying policies, though very important, is only a minimum; to enhance their chance of being selected, prospective suppliers must make efforts to develop both business and personal connections with important stakeholders within the buying organizations as well as with important politicians and government officials.
- The strong influence of party politics in supplier selection decisions and the significant shared perception that public sector work environments promote self-gratifying tendencies are indicators that rules play a secondary (unimportant) role during decision processes, despite their proliferation in public sector organizations.
- Organizational actors' experience with the buying process is very important during strategic supplier selection decisions. To increase their chances of being selected, prospective suppliers must reach out to experienced members of the buying center, not just the CEO alone. This is because the CEO position is not critically important in determining who gets selected during joint decision situations.

## ANTECEDENTS OF SUPPLIER SELECTION DECISIONS

- There is a strong shared perception that public sector supplier selection decisions are made under conditions that promote parochial and self-seeking goals, without much regards for the interest of the public. However, there was no evidence to suggest that any one decision-maker's value orientation causally determines group decision outcomes.
- Time pressure is not an important determinant of supplier decision in the Nigerian public sector, probably because decision-makers operate under a polychronic sense of time (and thus fail to see the long-term effects of their current decisions).
- It does not matter much to public sector performance who is given a contract; rather, what matters is the interplay of other factors such as timely funding availability. The non-performance of government contractors may be attributed more to other factors (including inadequate financing, corruption, weak enforcement of regulations and fiscal irresponsibility, etc.) than to the choice of suppliers *per se*.

### **Limitations**

Further studies are needed to confirm or refute the results/conclusions of this study. Some relevant variables have been omitted in our model; thus, further studies incorporating such variables as culture, trust, corruption, religiosity, and ethnicity may improve the explanatory and descriptive capacity of the model. Furthermore, the non-specification of a product/service type may present a challenge for generalization, given that these antecedents may apply differently in diverse strategic buying decision situations (Garrido-Samaniego and Gutierrez-Cillan, 2004; Dawes, et al., 1998; Kobhi, 1989). We suggest that future research may specify whether the decision pertains to service/consultancy or works/construction contracts. Finally, the questionnaire format used may present issues of common method bias. Although we took adequate measures to

## ANTECEDENTS OF SUPPLIER SELECTION DECISIONS

minimize this, future research may use objective measures of performance or incorporate multiple sources/types of data in their analysis.

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### Appendix A: Measurement Items and their Codes

Questionnaire items description	Codes
Your Gender	GENDER
Your Age	AGE
Which of the following best describe your department	DEPARTMENT
How long have you beeg in your current position?	TENURE
Has this organization engaged in the purchase of assets (such as the purchase of capital equipment or contracting for important project, etc.) within the past 3-5 years of which you are aware?	AWARENESS
Government policies	GOP, GOV_P

## ANTECEDENTS OF SUPPLIER SELECTION DECISIONS

This organization complies with all the buying regulations of both the federal and state governments.	GOP1
This organization considers only suppliers who comply with both domestic and national procurement requirements.	GOP2
This organization is always guided by the government policy requirements of 'due process' and 'local content' when making supplier selection.	GOP3
In this organization, the adherence to government rules and regulations is very important.	GOP4
Party Politics	PAP, PAT_P
Government officials are important stakeholders in the survival of this organization.	PAP1
The ruling party has a say in the appointment of CEO in this organization	PAP2
This organization often comes under pressure to adjust its internal buying policies to accommodate the preferences of important stakeholders in the ruling party	PAP3
Political parties sometimes exert undue pressure when pursuing their interest.	PAP4
The interest of external political stakeholders is often taken into consideration during important purchase decisions	PAP5
Time Pressure	TMP, TM_P
The CEO often takes his/her time to consider information and options when making decisions; he/she is usually not worried by the pressure to reach a decision quickly.	TMP1
The CEO always feels the pressure to reach a decision quickly when making important decisions.	TMP2
Time is not so much an important factor when making decision; there is usually no need to rush decision	TMP3
Social Ties	SOT, SOCT
The CEO in this organization has built good connections with other members of the top management team (TMT)	SOT1
The CEO in this organization has good personal relationships with officials at various levels of government	SOT2
So far, this organization's relationship with regional government officials has been in good shape	SOT3
The CEO of this organization has good friendly relationship with people both within and outside this organization, including business men, professional associates, religious and social groups, etc.	SOT4
The CEO of this organization considers it important to have informal contacts and interactions with people from all walks of life	SOT5
The CEO of this organization considers it important to have good connections with managers in other organizations	SOT6
The CEO in this organization has good connections with officials in regulatory authorities, such as ministries and house of assemblies, etc.	SOT7
Experience	EXP, EXPR
The CEO is knowledgeable about the organization's needs.	EXP1

## ANTECEDENTS OF SUPPLIER SELECTION DECISIONS

The CEO has the competence to assess the various options available to the organization.	EXP2
The CEO is familiar with the requirements for making important/strategic decisions in this organization	EXP3
It matters to this organization a lot that the CEO has the requisite experience.	EXP4
The CEO has the track records and expertise in making important decisions.	EXP5
Position	POST, POSTN
Relative to other positions in the organization's TMT, the CEO's position is much more important when it comes to making important purchase decisions.	POST1
One's formal rank or level in the organizational hierarchy is very important.	POST2
The CEO's position in the organizational hierarchy accords him/her ease of access and influence with important stakeholders both within and outside this organization	POST3
Instrumental ethical work climate	IN_EC, INEC
In this organization, people are mostly out for themselves	ECI1
In this organization, people protect their own interest above other considerations	ECI2
People are expected to do anything to further the organization's interest	ECI3
There is no room for one's own personal morals and ethics in this organization	ECI5
In this organization, decision-makers do generally factor in their personal and selfish interest when making decisions.	ECI6
Rules ethical work climate	RL_EC, RLEC
In this organization, the first consideration is whether decisions violate any law or professional standards.	ECR10
In this organization, it is very important for people to follow laid down rules and regulations	ECR11
In this organization, people are expected to comply with the law and professional standards above other considerations	ECR12
Supplier selection decision	SUP_DEC, SUPL
The criteria for evaluating and selecting suppliers in this organization are clear enough	SSD1
This organization attaches great importance to the selection of suppliers during strategic purchases	SSD2
Given the list of pre-qualified vendors, the decision as to who is finally selected does not matter a lot	SSD3
Self-enhancement personal values	EPVLS
It is very important to the CEO that people recognize his/her capabilities and competence	PVE1
The CEO likes to be in charge and tell people what to do. He/she wants people to do what he/she says	PVE6

## ANTECEDENTS OF SUPPLIER SELECTION DECISIONS

For the CEO, being successful is important. He/she likes to impress other people and want people to recognize his/her	PVE7
For the CEO, being rich is important. He/she loves to have a lot of money and expensive things	PVE9
The CEO is ambitious. He/she likes showing people how capable he/she is	PVE10
The CEO likes enjoying himself/herself. He/she likes to 'spoil' himself/herself a little	PVE11
For the CEO, getting ahead in life is very important. He/she strives to do better than others	PVE13
The CEO always wants to be the one who makes the important decisions; he/she likes to be in the lead	PVE15
Self-transcendent personal values	TPVLS
The CEO believes that everyone in the world should be treated equally, that everyone should have equal opportunity in life	PVT2
It is very important for the CEO to help the people around him/her; He/she wants to care for other people	PVT3
The CEO strongly believes that people should care for nature and look after the environment	PVT4
The CEO listens to people who are different from him/her. Even when he/she disagrees with them, he/she still wants to understand them	PVT5
For the CEO, it is important to be loyal to friends. He/she devotes himself/herself to people close to him/her	PVT8
The CEO treats everyone justly, even people he/she doesn't know. It is important to him/her to protect the weak in society	PVT12
The CEO always forgives people who offend him/her; he tries to see what is good in them, and not to hold a grudge	PVT14
Perceived performance	PERF, PERFM
The selection of suppliers has implications for the organization (in terms of accomplishing projects within budgeted resources, organizational effectiveness, etc.)	PERF1
The suppliers selected by this organization have affected our capability to effectively deliver required services	PERF2
The suppliers selected have affected this organization's performance in terms of cost savings and service delivery quality	PERF3
The selection of suppliers has influenced the performance of this organization in terms of achieving the purpose for which the decision was made	PERF4
Requisite funding	FUNDS
This organization depends heavily on government funding	FND1
This organization's asset purchase budget is seriously affected by funding availability	FND2
This organization can survive without government funding	FND3

## ANTECEDENTS OF SUPPLIER SELECTION DECISIONS

Appendix B: Inter-items correlation with square roots of AVE on the diagonal

	<i>GOP</i>	<i>PAP</i>	<i>TMP</i>	<i>SOT</i>	<i>EXP</i>	<i>POST</i>	<i>INEC</i>	<i>RLE</i> <i>C</i>	<i>TPV</i> <i>L</i>	<i>EPV</i> <i>L</i>	<i>FUN</i> <i>D</i>	<i>PER</i> <i>F</i>	<i>SUP</i> <i>L</i>
<b>GOP</b>	<b>0.859</b>												
<b>PAP</b>	0.347	<b>0.876</b>											
<b>TMP</b>	0.055	0.007	<b>0.748</b>										
<b>SOT</b>	0.425	0.328		<b>0.788</b>									
<b>EXP</b>	0.303	0.164	-	0.177	<b>0.934</b>								
<b>POST</b>	0.267	0.184	0.001	0.210	0.266	<b>0.860</b>							
<b>INEC</b>	0.002	0.087	-	0.129	0.112	0.018	<b>0.822</b>						
<b>RLE</b>	0.162	0.098	0.273	0.099	0.036	0.040	0.234	<b>0.788</b>					
<b>C</b>	0.060	0.038	-	0.149	0.006	0.105	0.115	-0.062	<b>0.920</b>				
<b>TPVL</b>	0.000	0.075	0.096	0.100	-	-	0.335	-0.135	0.591	<b>0.734</b>			
<b>EPVL</b>	0.131	0.000	0.202	0.149	0.026	0.025	-	0.059	0.080	0.056	<b>0.756</b>		
<b>FUN</b>	0.107	0.029	0.111	0.060	0.070	0.057	0.068	0.037	0.032	0.086	0.572	<b>0.798</b>	
<b>D</b>	0.690	0.488	-	0.522	0.386	0.334	0.152	0.116	0.135	0.164	0.171	0.124	<b>0.869</b>
<b>SUPL</b>	0.066	0.044	0.002	0.200	0.386	0.334	0.152	0.116	0.135	0.164	0.171	0.124	<b>0.869</b>

Appendix C: Table Of reliability and validity coefficients

	<b>CR</b>	<b>AVE</b>	<b>MSV</b>	<b>ASV</b>
<b>GOP</b>	<b>0.9173</b>	<b>0.7386</b>	<b>0.4894</b>	<b>0.0841</b>
<b>PAP</b>	<b>0.9293</b>	<b>0.7678</b>	<b>0.2343</b>	<b>0.0457</b>
<b>TMP</b>	<b>0.7911</b>	<b>0.5592</b>	<b>0.0745</b>	<b>0.0171</b>
<b>SOT</b>	<b>0.8649</b>	<b>0.6212</b>	<b>0.2725</b>	<b>0.0601</b>
<b>EXP</b>	<b>0.8816</b>	<b>0.8725</b>	<b>0.1498</b>	<b>0.033</b>
<b>POST</b>	<b>0.894</b>	<b>0.7393</b>	<b>0.1116</b>	<b>0.0285</b>
<b>INEC</b>	<b>0.8979</b>	<b>0.6921</b>	<b>0.1122</b>	<b>0.0251</b>
<b>RLEC</b>	<b>0.8308</b>	<b>0.6213</b>	<b>0.0745</b>	<b>0.0179</b>
<b>TPVL</b>	<b>0.9565</b>	<b>0.846</b>	<b>0.3493</b>	<b>0.0366</b>
<b>EPVL</b>	<b>0.8204</b>	<b>0.5392</b>	<b>0.3493</b>	<b>0.0479</b>

## ANTECEDENTS OF SUPPLIER SELECTION DECISIONS

<b>FUND</b>	<b>0.7996</b>	<b>0.5711</b>	<b>0.326</b>	<b>0.0362</b>
<b>PERF</b>	<b>0.8393</b>	<b>0.6367</b>	<b>0.326</b>	<b>0.0315</b>
<b>SUPL</b>	<b>0.9015</b>	<b>0.7549</b>	<b>0.4844</b>	<b>0.1149</b>

## Appendix D: Construct items loadings

			<b>Estimate</b>	<b>S.E.</b>	<b>C.R.</b>	<b>P</b>
<b>EXP5</b>	<---	<b>EXPR</b>	<b>1.000</b>			
<b>EXP4</b>	<---	<b>EXPR</b>	<b>.872</b>	<b>.063</b>	<b>13.822</b>	<b>***</b>
<b>EXP2</b>	<---	<b>EXPR</b>	<b>.919</b>	<b>.060</b>	<b>15.353</b>	<b>***</b>
<b>EXP1</b>	<---	<b>EXPR</b>	<b>1.271</b>	<b>.065</b>	<b>19.663</b>	<b>***</b>
<b>POST3</b>	<---	<b>POSTN</b>	<b>.818</b>	<b>.049</b>	<b>16.744</b>	<b>***</b>
<b>POST2</b>	<---	<b>POSTN</b>	<b>1.000</b>			
<b>POST1</b>	<---	<b>POSTN</b>	<b>1.155</b>	<b>.057</b>	<b>20.420</b>	<b>***</b>
<b>GOP1</b>	<---	<b>GOV_P</b>	<b>1.000</b>			
<b>GOP2</b>	<---	<b>GOV_P</b>	<b>.817</b>	<b>.049</b>	<b>16.517</b>	<b>***</b>
<b>GOP3</b>	<---	<b>GOV_P</b>	<b>.699</b>	<b>.063</b>	<b>11.148</b>	<b>***</b>
<b>GOP4</b>	<---	<b>GOV_P</b>	<b>1.005</b>	<b>.057</b>	<b>17.668</b>	<b>***</b>
<b>PAP4</b>	<---	<b>PAT_P</b>	<b>.925</b>	<b>.047</b>	<b>19.716</b>	<b>***</b>
<b>PAP3</b>	<---	<b>PAT_P</b>	<b>1.133</b>	<b>.044</b>	<b>25.724</b>	<b>***</b>
<b>PAP2</b>	<---	<b>PAT_P</b>	<b>.938</b>	<b>.048</b>	<b>19.358</b>	<b>***</b>
<b>PAP1</b>	<---	<b>PAT_P</b>	<b>1.000</b>			
<b>SOT7</b>	<---	<b>SOCT</b>	<b>1.000</b>			
<b>SOT3</b>	<---	<b>SOCT</b>	<b>.969</b>	<b>.077</b>	<b>12.624</b>	<b>***</b>
<b>SOT2</b>	<---	<b>SOCT</b>	<b>1.082</b>	<b>.085</b>	<b>12.758</b>	<b>***</b>
<b>SOT1</b>	<---	<b>SOCT</b>	<b>1.545</b>	<b>.099</b>	<b>15.552</b>	<b>***</b>
<b>ECI1</b>	<---	<b>IN_EC</b>	<b>1.000</b>			
<b>ECI2</b>	<---	<b>IN_EC</b>	<b>.627</b>	<b>.047</b>	<b>13.488</b>	<b>***</b>
<b>ECI3</b>	<---	<b>IN_EC</b>	<b>.928</b>	<b>.036</b>	<b>25.508</b>	<b>***</b>
<b>ECI5</b>	<---	<b>IN_EC</b>	<b>.935</b>	<b>.040</b>	<b>23.110</b>	<b>***</b>
<b>TMP2</b>	<---	<b>TM_P</b>	<b>1.000</b>			
<b>TMP1</b>	<---	<b>TM_P</b>	<b>1.051</b>	<b>.091</b>	<b>11.566</b>	<b>***</b>
<b>TMP3</b>	<---	<b>TM_P</b>	<b>.958</b>	<b>.087</b>	<b>11.025</b>	<b>***</b>
<b>PVT8</b>	<---	<b>TPVLS</b>	<b>1.000</b>			
<b>PVT4</b>	<---	<b>TPVLS</b>	<b>.987</b>	<b>.035</b>	<b>28.260</b>	<b>***</b>
<b>PVT3</b>	<---	<b>TPVLS</b>	<b>.908</b>	<b>.033</b>	<b>27.158</b>	<b>***</b>
<b>PVT2</b>	<---	<b>TPVLS</b>	<b>1.000</b>	<b>.030</b>	<b>33.348</b>	<b>***</b>
<b>PVE9</b>	<---	<b>EPVLS</b>	<b>1.000</b>			
<b>PVE10</b>	<---	<b>EPVLS</b>	<b>.710</b>	<b>.056</b>	<b>12.648</b>	<b>***</b>
<b>PVE11</b>	<---	<b>EPVLS</b>	<b>.734</b>	<b>.058</b>	<b>12.571</b>	<b>***</b>
<b>PVE13</b>	<---	<b>EPVLS</b>	<b>.793</b>	<b>.054</b>	<b>14.676</b>	<b>***</b>

## ANTECEDENTS OF SUPPLIER SELECTION DECISIONS

			<b>Estimate</b>	<b>S.E.</b>	<b>C.R.</b>	<b>P</b>
<b>SSD1</b>	<---	<b>SUP_DEC</b>	<b>1.000</b>			
<b>SSD2</b>	<---	<b>SUP_DEC</b>	<b>1.114</b>	<b>.049</b>	<b>22.809</b>	<b>***</b>
<b>SSD3</b>	<---	<b>SUP_DEC</b>	<b>.978</b>	<b>.056</b>	<b>17.401</b>	<b>***</b>
<b>PERF1</b>	<---	<b>PERFM</b>	<b>1.000</b>			
<b>PERF2</b>	<---	<b>PERFM</b>	<b>.919</b>	<b>.059</b>	<b>15.546</b>	<b>***</b>
<b>PERF3</b>	<---	<b>PERFM</b>	<b>.802</b>	<b>.058</b>	<b>13.945</b>	<b>***</b>
<b>ECR10</b>	<---	<b>RL_EC</b>	<b>1.000</b>			
<b>ECR11</b>	<---	<b>RL_EC</b>	<b>1.101</b>	<b>.082</b>	<b>13.379</b>	<b>***</b>
<b>ECR12</b>	<---	<b>RL_EC</b>	<b>1.066</b>	<b>.082</b>	<b>12.991</b>	<b>***</b>
<b>FND3</b>	<---	<b>FUNDS</b>	<b>1.000</b>			
<b>FND2</b>	<---	<b>FUNDS</b>	<b>.995</b>	<b>.083</b>	<b>12.028</b>	<b>***</b>
<b>FND1</b>	<---	<b>FUNDS</b>	<b>.929</b>	<b>.074</b>	<b>12.580</b>	<b>***</b>

Notes: *GOP=GOV\_P=Government Policies*

*PAP=PAT\_P=Party Politics*

*TMP=TM\_P=Time Pressure*

*SOT=SOCT=Social Ties*

*EXP=EXPR= Personal Experience*

*POST=POSTN=CEO's Position*

*INEC=IN\_EC=Instrumental Ethical Work Climates*

*RLEC=RL\_EC=Rules Ethical Work Climates*

*TPVL=TPVLS=Self-Transcendent Personal Values*

*EPVLEPVLS=Self-Enhancement Personal Values*

*FUND=FUNDS=Requisite Funding*

*SUPL=SUP\_DEC=Supplier Selection Decision*

*PERF=PERFM=Perceived Performance*