Volume 25 Issue 7
Originally issued as C1

Global Journal of Management and Business Research: C Finance
Volume 25 Issue 1 Version 1.0 Year 2025
Type: Double Blind Peer Reviewed International Research Journal
Publisher: Global Journals
Online ISSN: 2249-4588 & Print ISSN: 0975-5853

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Keywords: government procurement, organizational culture, procurement compliance, health workforce education, philGEPS.

GJMBR-C Classification: JEL Code: H57, D73

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Marc Danielle V. Escoto [α] & Alma Lyn S. Miase [σ]

Abstract- Procurement compliance plays a vital role in public sector governance by fostering transparency, accountability, and the effective use of public resources. Previous studies have indicated that individual awareness and organizational culture impact compliance behavior; however, there is limited evidence in Region XII (South Cotabato), Philippines. This quantitative study examined how awareness and organizational culture influence procurement compliance among government agencies in South Cotabato. Data were gathered using a structured questionnaire distributed to procurement personnel. To analyze the relationships between awareness, organizational culture, and compliance outcomes, descriptive statistics, Pearson correlation, and multiple linear regression were utilized. The findings indicated that both awareness and organizational culture significantly influence procurement compliance. A moderate positive correlation was found between awareness and compliance ($r = 0.56$) and organizational culture and compliance ($r = 0.59$), suggesting that a better understanding and a supportive organizational environment led to improved adherence to procurement regulations. To enhance procurement practices, it is crucial to raise staff awareness and develop a compliance-focused organizational culture. Government agencies should incorporate targeted training into Individual Development Plans (IDPs), especially in areas related to pre-procurement planning, documentation, and compliance with the Philippine Government Electronic Procurement System (PhilGEPS). Additionally, to bolster procurement oversight and operational efficiency, it is important to address staffing limitations, promote transparent leadership, and invest in automated tracking systems.

Keywords: government procurement, organizational culture, procurement compliance, health workforce education, philGEPS.

I. Introduction

Governments aim to enhance procurement compliance for transparency, corruption prevention, and improved public expenditure value. Higher adherence to procurement policies is thought to strengthen management and elevate best practices in government organizations (Jaafar, 2016). Research has explored the connections between procurement policy awareness (Dagohoy, 2023), organizational culture (Nguyen, 2016), and regulatory adherence (Mithamo, 2011). In the Philippines, the Government Electronic Procurement System (PhilGEPS) serves as the central portal for public procurement, providing comprehensive information on procurement opportunities. Established under the Government Procurement Reform Act (Republic Act No. 9184), PhilGEPS enables posting bids, notices, awards, and contracts to boost transparency and efficiency. Compliance with PhilGEPS is vital for procurement governance, but non-compliance persists. In 2022, 57 agencies failed to meet PhilGEPS posting requirements, the top non-compliance concern per the Development Academy of the Philippines - Technical Secretariat and Resource Institution, issued in 2023. Agencies often neglect to post Invitations to Bid, Requests for Quotation, and Notices of Award, which ensure public scrutiny and equitable supplier access to information. Challenges include timely and accurate document posting, managing transaction volumes, and resolving technical issues while navigating complex procurement laws. A lack of regulatory awareness among procurement personnel creates inefficiencies, affecting service quality, transparency, and competition (Navarro, 2023). Familiarity with procurement principles significantly impacts individual behavior. Research shows that knowledge is crucial for adopting government procurement, outweighing the importance of financial resources (Sönnichsen, 2020). Organizational culture profoundly influences procurement processes, affecting efficacy and ethical standards through implicit norms (Gyamfi, 2021). Cultivating a culture of ethics, openness, and responsibility promotes legal procurement practices. A study in Obuasi found that involvement and adaptability influenced compliance, while consistency was less significant (Gyamfi, 2021). An adaptable culture enhances procurement compliance, yet reliance on informal decision-making hampers efficiency (Jones, 2010). Promoting a culture prioritizing rule compliance is crucial to ensure effective procurement reforms.

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Understanding compliance factors in the procurement processes of National Government Agencies (NGAs) in South Cotabato Region XII, Philippines, fosters transparency, accountability, and practical resource use. Organizations seeking enhanced compliance with procurement practices can adopt several strategies. These include investing in training and development for staff, equipping them with the expertise to navigate complex processes and stay updated on regulations. Strengthening oversight mechanisms enhances detection and resolution of non-compliance through robust audits and reviews of regular procurement activities. Streamlining procurement processes by simplifying procedures and reducing bureaucratic hurdles facilitates protocol adherence. Fostering a culture of transparency and integrity reinforces compliance by emphasizing ethical conduct and incentivizing adherence. Leveraging technology, like procurement management software, enhances compliance by automating tasks and improving efficiency monitoring. Collaboration among stakeholders -government, industry, and civil society- fosters collective problem-solving for systemic compliance challenges. Embracing a culture of continuous improvement ensures procurement practices evolve with changing regulations and organizational needs, supported by stakeholder feedback and lessons from past experiences.

This study contributes significantly to public procurement, governance, and education. It highlights the critical role of targeted training programs in enhancing procurement compliance. The research emphasizes integrating training on key procurement activities-pre-procurement planning, proper documentation, and PhilGEPS posting guidelines- into the Individual Development Plans (IDPs) of Bids and Awards Committee (BAC) members, BAC Secretariat, and Technical Working Groups. Insights into the value of regular workshops and refresher courses for End-Users are also provided, deepening their understanding of procurement procedures and ethical standards. Additionally, it underscores the need for accessible, expanded training opportunities, especially for the growing number of younger government employees lacking sufficient background in procurement processes.

This study provides practical insights to enhance procurement efficiency and compliance. It highlights how staffing constraints affect performance and underscores the need to evaluate workloads, hire skilled personnel, cross-train staff, and utilize temporary hires during busy periods. The research also discusses leadership, stressing the importance of transparency and accountability through open communication, anonymous reporting, and prompt resolution of procurement issues. It also advocates investing in automated procurement tracking systems to improve oversight, minimize manual errors, and ensure timely PhilGEPS submissions. Standardized planning tools like procurement calendars and checklists are offered as effective strategies for maintaining organized and compliant processes. The study contributes to the researcher's academic growth and the literature by comprehensively understanding procurement dynamics, regulatory compliance, and organizational behavior in the public sector. Disseminating findings through academic publications, policy briefs, and conferences enhances the researcher's profile and supports evidence-based policymaking. It also lays the groundwork for future research, serving as a reference for exploring leadership influence, policy implementation challenges, and digital transformation in procurement. Future studies can expand on these contributions by refining methodologies to advance transparency, efficiency, and accountability in public sector procurement.

II. Literature Review

To address this issue, we will explain how non-compliance, specifically PhilGEPS posting non-compliance, in government procurement, relates to agency theory. Information asymmetry occurs when the principal cannot observe the agent's compliance with procurement laws and regulations, especially after the fact. The principal cannot verify PhilGEPS posting compliance, which promotes transparency in government transactions. (Bergen, 1992) Argue that self-interest may make the agent reluctant to share information, potentially leading to false claims. In cases of non-compliance, an employee might falsely assert that PhilGEPS postings have been met. The principal cannot determine whether this claim is factual or an attempt to cover non-compliance. Additionally, information asymmetry arises from the lack of visibility in procurement spending. Government agencies often lack detailed information at the item level regarding expenditures, purchasers, suppliers, and compliance with the Approved Procurement Plan (APP). Studies and reports highlight underspending visibility issues across various government organizations (Cuenca, 2020; Navarro, 2017), and spending visibility is particularly problematic in government settings (Monsod, 2016). This is partly due to the slow adoption of e-procurement systems (Calleja, 2015). However, Essig (2012) suggests that government procurement faces obstacles related to inadequate management information, exacerbated by multiple distinct financial and procurement systems that hinder data integration. This study significantly contributes to public procurement, governance, and education. It highlights the crucial role of targeted training programs in improving government agencies' procurement compliance. By integrating training on key activities- like pre-procurement planning,

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documentation, and PhilGEPS guidelines- into the Individual Development Plans (IDPs) of Bids and Awards Committee (BAC) members, BAC Secretariat, and Technical Working Groups, the research emphasizes their importance. The study also reveals the benefits of regular workshops and refresher courses for End-Users to enhance their understanding of procurement procedures and ethical standards. Additionally, it addresses the growing need for accessible training for younger government employees lacking adequate procurement knowledge. This study offers insights to enhance procurement efficiency and compliance. It shows how staffing constraints impact performance and emphasizes the need to evaluate workloads, hire qualified staff, cross-train, and use temporary personnel during peak times. The research underscores the role of leadership in fostering transparency and accountability through open communication, anonymous reporting, and swift issue resolution. It also highlights the benefits of investing in automated procurement tracking systems that improve oversight, minimize manual errors, and ensure timely PhilGEPS submissions. Standardized tools like procurement calendars and checklists also help keep processes organized and compliant.

a) Hypothesis Development

i. *Regulatory Awareness and Understanding*

Regulatory awareness links to historical and contemporary regulatory processes, originating from "red tape." While "regulatory awareness" is not attributed to a specific author, exploring "red tape" offers insights into regulatory challenges. The term first appeared under Charles V, King of Spain, in the early 16th century when he used red tape to improve administrative procedures within his realm (Dickson, 2015). This practice binds important documents, distinguishing them from ordinary matters and expediting discussions in the Council of State. The use of red tape quickly spread among European monarchs, reflecting its role in streamlining bureaucracy. The "regulatory state" concept emerged in the late 20th century in response to public sector reforms in industrialized nations. Scholars examined shifts in state functions and governance styles, with the regulatory state representing changes in institutional structures and policy mechanisms used by governments to regulate economic and social activities. While serving as an analytical framework, "regulatory state" highlights the significant effects of regulatory changes on governance (Yeung, 2010). Historically, regulating economic activities arose from recognizing market failures that necessitated state intervention. Governments aimed to correct market inefficiencies to enhance functionality, with the regulatory state emerging as a response to these issues, emphasizing the need for comprehensive regulation to protect public welfare, ensure safety, and maintain economic stability. Government procurement regulation includes laws governing how public authorities award contracts, founded on efficiency, transparency, equality, and value for money (Trepte, 2005). Regulatory awareness involves understanding and complying with these legal frameworks to ensure fairness and transparency during procurement. Effective programs enhance compliance by informing employees of relevant regulations and their implications. Moreover, organizations with strong compliance cultures invest in ongoing training and communication to promote a culture of compliance from top management to frontline employees.

H1: There is no significant relationship between regulatory awareness and understanding and compliance in the procurement process.

ii. *Organizational Culture*

The relationship between compliance and culture, viewed through Neo-Institutional Theory and the Competing Values Model, emphasizes how external pressures and internal dynamics shape organizational behavior (Cameron, 2016). Compliance manifests through different isomorphism forms: coercive isomorphism arises from pressures to comply with laws and regulations, driven by the need to adhere to rules for legitimacy (Interligi, 2010). Mimetic isomorphism occurs when uncertainty leads organizations to imitate successful peers, adopting industry best practices to ensure survival. Normative isomorphism is influenced by professional norms, requiring adherence to ethical codes for legitimacy and respect. Institutional logic encompasses belief systems that guide behavior within an institution, shaping organizational culture by dictating appropriate behavior. For example, a culture emphasizing innovation follows norms that encourage creativity and align practices with cultural values. Decoupling occurs when organizations adopt formal compliance structures to appear legitimate while internally differing practices align with cultural values. The Competing Values Model illustrates how organizational cultures approach compliance: clan culture relies on shared values, adhocracy fosters adaptive compliance, promoting innovation, market culture emphasizes strict adherence to rules for competitiveness, and hierarchy prioritizes order through detailed procedures. Integrating both models reveals the balance of external and internal pressures on organizations. Neo-Institutional Theory focuses on external coercive, mimetic, and normative pressures, while the Competing Values Model highlights internal dynamics influencing compliance implementation. In a hierarchical culture, compliance is systematic and controlled, while in an adhocracy, it adapts to foster innovation. Legitimacy is core to Neo-Institutional Theory; the Competing Values Model shows how cultures strive for it. Market culture seeks legitimacy through performance, ensuring strict compliance, while clan culture embeds compliance in values. Organi-

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zations lacking a compliance-focused culture may see reduced regulatory awareness, leading to non-compliance or misconduct. Organizational culture also affects how regulatory requirements are communicated and followed.

H2: There is no significant relationship between organizational culture and compliance in the procurement process.

III. Methodology

This quantitative study examined how awareness and organizational culture affect procurement compliance in South Cotabato's national government agencies. The sample included 42 respondents from various national government agencies in Region XII, South Cotabato. The questionnaires were organized with unique identification numbers for efficient tracking during data entry. This numbering helped reference individual responses and reduced the chance of data errors. It also facilitated quality control, allowing for the identification of inconsistencies and duplicate entries. After assigning numbers, the researcher reviewed each response for completeness and internal consistency. Incomplete answers were flagged for follow-up, ensuring dataset integrity. Likert scale responses were converted into numerical values for analysis, using descriptive statistics to summarize data characteristics. Measures like the mean indicated central tendencies, while percentages showed response distributions. Standard deviation illustrates data variability. For inferential analysis, Pearson correlation assessed the relationship between independent and dependent variables, determining how changes in one variable corresponded. This provided insights into potential associations, aiding hypothesis testing. A correlation test assessed the relationships between variables, while frequency counts analysed respondents' demographics. A weighted mean evaluated compliance levels, organizational culture, and awareness of procurement compliance. A Kolmogorov-Smirnov Test checked data normality. As the data were not normally distributed, a nonparametric test was used. Spearman's rho correlation assessed the relationship between awareness and compliance and organizational culture and compliance, with all tests conducted at a 0.05 significance level.

IV. Results and Discussions

a) Level of Awareness with Procurement Compliance

According to Table 1, compliance with procurement activities is moderate. This reflects high adherence to the End-User, BAC Secretariat, BAC Members, and BAC Technical Working Group guidelines. While this suggests a fundamental understanding of procurement rules, improvements are necessary in training, guidelines, and monitoring for full compliance. The statement "I have encountered challenges in understanding procurement requirements" received the highest mean score, while "I feel confident in my ability to comply with procurement regulations" received the lowest. These findings indicate a lack of clarity and confidence in procurement processes. The high average score for the former statement suggests many find procurement rules complicated. In contrast, the low score reflects apprehension about meeting regulatory standards, posing risks of non-compliance and inefficiencies. This highlights the need for better training, more straightforward guidelines, and improved support systems. Addressing these issues is vital for ensuring compliance, operational efficiency, and enhancing employee morale and performance. Recent studies show that challenges like human errors require comprehensive training and seminars to equip users effectively (Cruz, 2023).

Table 1: Level of Awareness with Procurement Compliance

	Indicators	Mean	Remarks
1.	I am aware of the procurement rules and guidelines.	3.88	High
2.	I understand the procedures. My organization provides adequate training on procurement compliance.	3.85	High
3.	I feel confident in my ability to comply with procurement regulations.	3.41	High
4.	I have encountered challenges in understanding procurement requirements	3.90	High
5.	Time constraints hinder full compliance with procurement processes.	3.92	High
6.	My organization provides clear guidance when compliance issues arise.	3.83	High
	Level of Awareness	**3.89**	High

b) Organizational Culture with Procurement Compliance

Table 2 shows high alignment between organizational culture and compliance with PhilGEPS posting requirements. This indicates a strong commitment to compliance systems and leadership, yet highlights the need for a more inclusive culture. Employees should feel empowered, informed, and involved. To improve compliance from moderate to high,

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further investment in training, enhanced communication, and increased ethical awareness is necessary. The statement "Compliance with PhilGEPS posting is strictly monitored" received the highest mean score, while "Employees have a clear understanding of the ethical standards in procurement" received the lowest. This underscores a firm adherence to PhilGEPS requirements and suggests effective regulatory oversight. Conversely, the low score for understanding ethical standards indicates a concerning lack of ethical awareness among procurement personnel. This points to a potential gap between procedural compliance and understanding ethical principles, increasing the risk of unethical behavior despite technical compliance. Findings highlight the need to balance regulatory oversight with thorough ethics education to uphold integrity in procurement. Moreover, this situation creates information asymmetry that could allow agents to hide actions, complicating compliance verification, particularly for platforms like PhilGEPS focused on transparency (Bergen, 1992). The lack of spending visibility worsens this issue, as insufficient insight into expenditure limits effective monitoring (Cuenca, 2020).

Table 2: Organizational Culture and Compliance with PhilGEPS Posting Requirements

Indicators	Mean	Remarks
1. The organization's culture supports compliance with procurement policies.	3.97	High
2. There is a strong commitment from leadership to ensure compliance with procurement regulations.	4.12	High
3. Compliance with PhilGEPS posting is strictly monitored.	4.14	High
4. Employees feel encouraged to report procurement compliance issues.	3.93	High
5. The organization provides sufficient resources to ensure compliance with PhilGEPS requirements.	3.90	High
6. Employees have a clear understanding of the ethical standards in procurement.	3.76	High
7. There is open communication regarding procurement concerns and compliance.	3.94	High
8. Organizational policies align with national procurement regulations.	4.17	High
9. Training and development programs promote a culture of compliance.	3.96	High
10. The organization fosters accountability in procurement decision-making.	4.11	High
Overall Mean	**3.96**	High

c) Compliance Level with Procurement Activities

Table 3 shows that procurement compliance is generally rated High, indicating strong adherence to established rules and procedures. This reflects the commitment to proper processes and regulatory standards. The positive assessment suggests that stakeholders, such as the End-User, Bids and Awards Committee (BAC) Secretariat, BAC Members, and BAC Technical Working Group, view procurement practices as effective and compliant, due to systematic procedures, consistent monitoring, and efforts toward transparency. However, it is essential to continually assess areas for improvement, enhance ethical standards, and implement capacity-building initiatives to maintain and boost compliance across all levels.

The categories "Completion and Acceptance" and "Documentation and Reporting" scored highest, while "Pre-Procurement Planning" had the lowest score. These results highlight that "Completion and Acceptance" and "Documentation and Reporting" are the strongest aspects, with clear and effective protocols for finalization and documentation. Conversely, the low score for "Pre-Procurement Planning" indicates shortcomings in initial phases, suggesting inadequate focus on needs assessment, market analysis, and procurement strategy formulation. Poor planning can lead to inefficiencies and compliance issues, making it vital to improve this area with training, more straightforward guidelines, and strategic involvement. This aligns with studies pointing to challenges in canvassing, market research, and documentation, highlighting a need for improvement (Dagohoy, 2023).

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Table 3: Level of Compliance with Procurement Activities

	Indicators	Mean	Remarks
1.	Pre-Procurement Planning	4.14	High
2.	Procurement Preparation	4.43	High
3.	Publication (Advertisement/of Invitation to Bid)	4.27	High
4.	Pre-Procurement Conference	4.29	High
5.	Pre-Bid Conference	4.31	High
6.	Submission And Receipt of Bids	4.50	Very High
7.	Bid Opening Evaluation	4.39	High
8.	Post Qualification	4.47	High
9.	Awarding Of Contract	4.48	High
10.	Implementation And Monitoring	4.44	High
11.	Completion And Acceptance	4.57	Very High
12.	Documentation And Reporting	4.57	Very High
	Level of Compliance	**4.44**	High

d) Significant Relationship Between the Level of Awareness and the Level of Compliance

In Table 4, the correlation between awareness and compliance in the procurement process, with a p-value of 0.000, indicates that awareness is a key driver of compliance. The correlation coefficient of rs = 0.6746 signifies a moderate positive correlation, suggesting that improvements in awareness likely lead to better compliance behavior. Individuals with a deeper understanding of procurement rules and ethical standards will likely adhere to proper practices. Thus, efforts to enhance compliance should concentrate on raising awareness among all procurement personnel. This may include strengthening training programmes, creating user-friendly materials, and fostering a culture of transparency and accountability. By prioritizing awareness, organizations can expect higher compliance rates, reduced risks of irregularities, more efficient operations, and improved alignment with legal and ethical standards.

e) Significant Relationship Between the Extent of Organisational Culture and the Level of Compliance with the Procurement Process

Also, in Table 4, the statistical outcome shows a p-value of 0.000, below the significance threshold of 0.05, indicating a significant relationship between the organization's culture and adherence to the procurement process. This suggests that organizational culture is vital for effective compliance with procurement rules. Moreover, the correlation coefficient of rs = 0.5852 indicates a moderate positive correlation, demonstrating that compliance tends to increase as the quality of organizational culture improves. Cultivating a strong organizational culture- characterized by ethical behavior, accountability, and transparency- can enhance adherence to procurement regulations. Therefore, organisations should prioritize cultural values like integrity, discipline, and responsibility that support compliance. This can be achieved through exemplary leadership, ongoing training, performance incentives, and clear communication of expectations. Embedding compliance with the organizational culture becomes a shared norm rather than a procedural obligation, leading to more consistent and sustainable procurement practices.

Table 4: Significant Relationship Between the Level of Awareness and the Level of Compliance

Variables	Mean	r_s	Degree of Relationship	*p*-value*	Remark
Awareness Compliance	3.90 4.53	0.6746	Positive Moderate Relationship	0.0000	Significant

**Tested at 0.05 level of significance*

A survey of 42 procurement stakeholders from National Government Agencies in South Cotabato, Region XII revealed high compliance with procurement regulations, particularly in Completion and Acceptance, Documentation, and Bid Submission stages. However, pre-procurement planning was noted as a weaker area that needed improvement. Respondents were moderately aware of procurement policies, with gaps in early planning and documentation, indicating a need for additional training. Organizational culture moderately supports compliance with evident leadership commitment, but ethics understanding, employee engagement, and communication also need strengthening. Statistical analysis showed moderate positive correlations between awareness and organizational culture with procurement compliance, indicating that greater awareness and a strong culture improve adherence to standards. The study underscores the importance of addressing non-

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compliance through enhanced training, stronger culture, and better planning for good governance. Findings revealed that most procurement members were between 25 and 34 years old, suggesting they are gaining knowledge of procurement regulations (Van Deursen, 2015). The lowest mean score for "Pre-procurement Planning" indicates an adhocracy culture (Cameron, 2016) and coercive isomorphism (Interligi, 2010). Procurement organizations must adapt to regulatory pressures like compliance or PhilGEPS posting requirements. A lack of a structured process can lead to inefficiencies and wasted resources, as in survey compliance levels, where "pre-procurement planning" received the lowest score. The implications of insufficient awareness and coercive isomorphism in adhocratic cultures include increased underspending and non-compliance risks, often arising from inadequate procurement planning. Adhocratic cultures, flexible and innovative, generally lack structured processes for efficient procurement, and external compliance pressure without a robust framework increases risks, leading to inefficiencies and missed resource optimization opportunities. The research identifies macro perspective limitations that might overlook nuanced micro-level dynamics. It acknowledges the complexities of organizational culture, which evolves and is shaped by shared values, making accurate assessment challenging, particularly for long-term implications. Therefore, while valuable, the study's insights may be limited in contexts requiring detailed cultural analyses. Future research should explore factors influencing procurement compliance, including organizational capacity, leadership commitment, regulatory enforcement, and stakeholder engagement. Investigating the applicability of this study across different Philippine regions is essential due to variations in governance, culture, and practices. Such research would enhance the understanding of procurement compliance in the country. Non-compliance with procurement regulations, especially mandatory PhilGEPS posting, may indicate systemic issues in procurement management, necessitating an examination of underlying factors like organizational awareness gaps, cultural misalignments, and structural inefficiencies. Addressing these requirements involves strengthening support mechanisms, including regular training programs, updates on regulatory changes, and proactive management of cultural risks in procurement. Clear communication channels between the Bids and Awards Committee (BAC) and end-users are crucial for alignment, transparency, and accountability throughout the procurement lifecycle.

V. Conclusion

The study revealed a positive relationship between awareness, understanding, organizational culture, and compliance in procurement. It highlights the need for adequate regulatory knowledge among government employees and a compliance-oriented culture to improve adherence to procurement laws. Compliance levels improve significantly when public sector personnel understand procurement rules-especially RA 9184 and PhilGEPS- and work in a culture valuing accountability, transparency, and ethics. These aspects reinforce behavior and decision-making in the procurement process. Therefore, the researcher rejects the null hypothesis, confirming that awareness, understanding, and culture influence procurement compliance, with important implications for public sector management and training initiatives. Leadership support and reforms that promote ethical norms and clarity in procurement can enhance compliance outcomes. Overall, the study deepens the understanding of procurement's behavioral and cultural dimensions and supports improvements in public sector practices through targeted education and reforms.

Conflict of Interest Statement

The author declares that there is no conflict of interest regarding the publication of this paper.

Funding Statement

This research received no specific grant from funding agencies in the public, commercial, or not-for-profit sectors.

Glossary of Abbreviations

APP - Approved Procurement Plan

BAC - Bids and Awards Committee

CVM - Competing Values Model

DAP - Development Academy of the Philippines

e-procurement - Electronic Procurement

IDP - Individual Development Plan

IDPs - Individual Development Plans

NGAs - National Government Agencies

PhilGEPS - Philippine Government Electronic Procurement System

RA 9184 - Republic Act No. 9184 (Government Procurement Reform Act)

r - Pearson Correlation Coefficient

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