

The Influence of Corporate Governance on Strategic Procurement and Competitive Advantage

Ackah David¹ | Dadzie Boafo Eric^{2*} | Isaac Kofi Yornu³

¹ORCID: <https://orcid.org/0000-0002-5709-4787>

- ¹. Knutsford Business School, Knutsford University College, Ghana
². Department of Procurement & Supply, Takoradi Technical University
³. Procurement Directorate, Accra Technical University, Ghana

*Correspondence: Ackah David, email: drackah@ipmp.edu.gh

Abstract

This research explores the influence of Corporate Governance on Strategic Procurement and Competitive Advantage. The study employs Structural Equation Modeling (SEM) to examine the direct and moderating effects of Strategic Procurement and Corporate Governance on Competitive Advantage. Data collected from firms highlights that Strategic Procurement significantly enhances Competitive Advantage (coefficient = 0.37, p-value = 0.00), and Corporate Governance has a strong positive effect on Competitive Advantage (coefficient = 0.62, p-value = 0.00). Additionally, the interaction between Strategic Procurement and Corporate Governance positively moderates this relationship (coefficient = 0.10, p-value = 0.04), indicating that effective Corporate Governance amplifies the impact of Strategic Procurement on Competitive Advantage. Descriptive statistics reveal that firms generally demonstrate high levels of engagement in Strategic Procurement and Corporate Governance, with variability in implementation across different firms. The findings underscore the importance of integrating robust governance practices with strategic procurement to enhance competitive positioning. The research recommends strengthening procurement practices, reinforcing Corporate Governance, and aligning both strategies to leverage their synergistic effects. This approach can address variability in practices and support sustained competitive advantage in a dynamic market environment.

Keywords: Corporate Governance, Strategic Procurement, Competitive Advantage

Citation: Ackah, D., Dadzie. B., E., Yornu, K. I., (2024), "The Influence of Corporate Governance on Strategic Procurement and Competitive Advantage", African Journal of Procurement, Logistics & Supply Chain Management, 2024, 7(8): pp.13-40.

Submitted: 01 June, 2024 | Accepted: 20 August, 2024 | Published: 23 August, 2024

1.0 INTRODUCTION

In today's rapidly evolving business environment, organizations face increasing pressure to optimize their operations, reduce costs, and enhance competitive advantage. Strategic procurement, which involves the systematic and long-term management of procurement activities, has emerged as a crucial function in achieving these goals. By aligning procurement strategies with overall business objectives, companies can not only improve efficiency but also drive innovation and create value throughout the supply chain (Carter & Narasimhan, 1996). However, the effectiveness of strategic procurement is often influenced by various internal and external factors, among which corporate governance plays a critical role.

Corporate governance refers to the system of rules, practices, and processes by which a company is directed and controlled. It encompasses a broad range of mechanisms, including board structure, executive compensation, and shareholder rights, which collectively ensure that the interests of stakeholders are balanced and protected (Shleifer & Vishny, 1997). Good corporate governance practices are essential for ensuring transparency, accountability, and ethical behavior within organizations, and they have been widely recognized as key determinants of corporate performance (Aguilera & Jackson, 2010).

Despite the growing recognition of the importance of both strategic procurement and corporate governance, the relationship between these two areas remains underexplored in the academic literature. Specifically, there is limited research on how corporate governance influences strategic procurement decisions and, in turn, affects a firm's competitive advantage. This study aims to fill this gap by examining the moderating role of corporate governance in the relationship between strategic procurement and competitive advantage. By doing so, it seeks to provide valuable insights for managers and policymakers on how to enhance procurement effectiveness through improved governance practices.

1.1 Background

Strategic procurement has gained significant attention in recent years due to its potential to contribute to a firm's long-term success. Unlike traditional procurement, which focuses on short-term cost savings, strategic procurement emphasizes value creation, risk management, and collaboration with suppliers (Monczka, Handfield, & Giunipero, 2008). Effective strategic procurement requires a holistic approach that integrates procurement activities with the overall business strategy, thereby enabling firms to achieve sustainable competitive advantage (Porter, 1985). However, the implementation of strategic procurement initiatives is often complex and challenging, as it involves managing multiple stakeholders, aligning interests, and ensuring compliance with regulations. This is where corporate governance plays a crucial role. Corporate governance mechanisms, such as board oversight, executive incentives, and risk management frameworks, can significantly influence procurement decisions by ensuring that they are aligned with the organization's broader goals and ethical standards (Mallin, 2016).

Moreover, corporate governance can also mitigate the risks associated with strategic procurement, such as supplier opportunism, conflicts of interest, and reputational damage. For instance, a well-functioning board of directors can provide effective oversight and guidance to procurement executives, ensuring that procurement strategies are not only cost-effective but also socially responsible (Brown & Caylor, 2006). Similarly, strong governance practices can enhance transparency and accountability in supplier relationships, thereby reducing the likelihood of unethical behavior and enhancing trust and collaboration (Barney & Hansen, 1994). Given the critical role of corporate governance in shaping procurement outcomes, it is essential to explore how different governance structures and practices influence the effectiveness of strategic procurement and its impact on competitive advantage. This research will build on existing theories and empirical studies to investigate the interplay between corporate governance, strategic procurement, and competitive advantage, with the aim of providing actionable recommendations for practitioners.

2.0 MATERIALS AND METHODS

The influence of corporate governance on strategic procurement and competitive advantage has gained increasing attention in academic research, though the literature is still developing. This literature review explores the theoretical frameworks and empirical studies that address the relationships between corporate governance, strategic procurement, and competitive advantage.

The review is organized into three main sections: (1) The Role of Corporate Governance in Business Strategy, (2) Strategic Procurement as a Driver of Competitive Advantage, and (3) The Intersection of Corporate Governance and Strategic Procurement.

2.1. The Role of Corporate Governance in Business Strategy

Corporate governance has been extensively studied as a critical factor in shaping organizational strategy and performance. The core elements of corporate governance include board structure, executive compensation, shareholder rights, and transparency. These mechanisms are designed to ensure that management acts in the best interest of shareholders and other stakeholders, thereby improving firm performance and mitigating agency problems (Shleifer & Vishny, 1997). The relationship between corporate governance and business strategy has been explored through various theoretical lenses. Agency theory, for example, suggests that effective governance mechanisms align the interests of managers with those of shareholders, reducing the likelihood of opportunistic behavior and enhancing decision-making (Jensen & Meckling, 1976). Resource dependence theory posits that a well-composed board of directors can provide valuable resources, such as knowledge, networks, and legitimacy, that contribute to strategic decision-making (Pfeffer & Salancik, 1978). Empirical studies have demonstrated the positive impact of strong corporate governance on organizational performance. For instance, Gompers, Ishii, and Metrick (2003) found that firms with robust governance practices tend to outperform those with weaker governance in terms of stock returns and firm value. Similarly, Bhagat and Bolton (2008) reported a positive relationship between corporate governance and firm profitability, underscoring the importance of governance in achieving long-term success.

2.2. Strategic Procurement as a Driver of Competitive Advantage

Strategic procurement has evolved from a cost-saving function to a critical element of competitive strategy. Defined as the long-term management of procurement activities aligned with the organization's strategic goals, strategic procurement focuses on value creation, supplier collaboration, and risk management (Monczka, Handfield, & Giunipero, 2008). Porter's (1985) value chain framework highlights the importance of procurement in adding value to the final product, thereby contributing to competitive advantage. Recent studies have emphasized the role of strategic procurement in enhancing operational efficiency and innovation. For instance, Carr and Smeltzer (1999) argued that procurement should be integrated into the strategic planning process to maximize its impact on firm performance. Similarly, Dyer and Singh (1998) suggested that strong relationships with suppliers can lead to the creation of relational rents, which provide a source of sustainable competitive advantage. Moreover, strategic procurement has been linked to improved financial performance. Ellram and Liu (2002) found that firms that emphasize strategic procurement achieve better financial outcomes, including higher profitability and return on assets. This evidence supports the notion that procurement is not merely a transactional activity but a strategic function that can significantly influence a firm's competitive position.

2.3. The Intersection of Corporate Governance and Strategic Procurement

The intersection of corporate governance and strategic procurement is a relatively underexplored area in the literature. However, emerging research suggests that corporate governance can significantly influence the effectiveness of strategic procurement and its contribution to competitive advantage. Corporate governance mechanisms, such as board oversight and executive incentives, play a crucial role in ensuring that procurement strategies align with the organization's overall objectives (Mallin, 2016). One of the primary ways corporate governance

influences strategic procurement is through the board of directors. A well-functioning board can provide oversight and strategic guidance to procurement executives, ensuring that procurement decisions are made in the best interest of the company and its stakeholders (Brown & Caylor, 2006). Furthermore, governance structures that promote transparency and accountability can enhance trust and collaboration with suppliers, thereby improving procurement outcomes (Barney & Hansen, 1994).

Empirical evidence supports the moderating role of corporate governance in procurement. For example, Jiang, Kim, and Zhang (2016) found that firms with strong governance practices are more likely to adopt strategic procurement initiatives, leading to improved firm performance. Additionally, Mizruchi and Stearns (2001) demonstrated that corporate governance influences procurement decisions by shaping risk-taking behavior and resource allocation. The role of executive compensation in strategic procurement is another area of interest. Properly structured compensation packages can incentivize executives to prioritize long-term procurement strategies that contribute to competitive advantage (Fama & Jensen, 1983). However, misaligned incentives may lead to short-term decision-making that undermines the effectiveness of procurement activities (Wiseman & Gomez-Mejia, 1998).

2.4 Research Gap Analysis

"The Influence of Corporate Governance on Strategic Procurement and Competitive Advantage," encompasses the intersection of three critical domains: corporate governance, strategic procurement, and competitive advantage. While these areas have been extensively studied individually, the specific linkages between them remain underexplored. This research gap analysis identifies the existing gaps in the literature and highlights areas where further investigation is needed to advance understanding of this topic.

2.4.1. Limited Exploration of the Interaction between Corporate Governance and Strategic Procurement

While corporate governance has been extensively studied in the context of firm performance, its specific impact on strategic procurement practices has received less attention. Most existing studies on corporate governance focus on its role in shaping financial performance, risk management, and overall strategic direction (Shleifer & Vishny, 1997; Gompers, Ishii, & Metrick, 2003). However, there is a paucity of research on how governance mechanisms, such as board structure, executive compensation, and shareholder rights, directly influence procurement strategies and decisions. This gap is significant because procurement, when aligned with corporate governance, can serve as a strategic tool for achieving long-term competitive advantage. A deeper understanding of how corporate governance frameworks affect procurement practices could help organizations optimize their supply chain management, enhance value creation, and mitigate risks associated with supplier relationships. Current literature has yet to provide comprehensive insights into the governance-procurement nexus, suggesting a need for empirical studies that explore these dynamics.

2.4.2. Insufficient Examination of the Role of Corporate Governance in Enhancing Procurement-Driven Competitive Advantage

Strategic procurement is widely recognized as a key driver of competitive advantage (Porter, 1985; Dyer & Singh, 1998). However, the role of corporate governance in enhancing or constraining this advantage remains underexplored. While studies have examined the general impact of strategic procurement on firm performance (Carr & Smeltzer, 1999; Ellram & Liu, 2002), there

is limited empirical evidence on how governance structures moderate the relationship between procurement practices and competitive outcomes. For example, while it is understood that a strong board of directors can provide strategic oversight and ensure alignment between procurement activities and corporate goals, the specific mechanisms through which governance influences procurement-driven competitive advantage remain unclear. Are certain governance practices more effective than others in fostering strategic procurement? How do different governance structures impact the ability of firms to leverage procurement as a source of competitive advantage? These questions have yet to be fully addressed in the literature, indicating a significant research gap.

2.4.3. Lack of Integration of Governance, Procurement, and Sustainability Considerations

Sustainability has become a critical concern in modern supply chain management, and strategic procurement plays a vital role in promoting sustainable practices. However, the intersection of corporate governance, strategic procurement, and sustainability is an area that remains largely unexplored. While some studies have addressed sustainable procurement practices (Carter & Rogers, 2008) and the role of corporate governance in sustainability (Eccles, Ioannou, & Serafeim, 2014), there is little research on how governance frameworks can promote sustainable procurement practices that also contribute to competitive advantage. This gap is important because sustainability is increasingly seen as a source of competitive advantage in itself. Firms that can integrate sustainability into their procurement strategies, supported by strong governance practices, are better positioned to enhance their reputation, reduce risks, and achieve long-term success. Research is needed to explore how corporate governance can be leveraged to promote sustainable procurement practices that align with competitive strategy, thereby filling a crucial gap in the literature.

2.4.4. Regional and Industry-Specific Differences in Governance and Procurement Practices

Most of the existing literature on corporate governance and procurement is based on studies conducted in Western contexts, particularly in the United States and Europe. However, corporate governance practices and procurement strategies can vary significantly across regions and industries (Aguilera & Jackson, 2010). There is a lack of research that examines how regional and industry-specific differences in governance structures influence procurement practices and their impact on competitive advantage. For example, emerging markets may have different governance challenges and opportunities that affect procurement strategies. Similarly, industries with complex supply chains, such as manufacturing or technology, may require different governance approaches to optimize procurement practices compared to industries with simpler supply chains. Addressing these regional and industry-specific variations is essential for developing a more comprehensive understanding of the governance-procurement-competitive advantage relationship.

2.4.5. Insufficient Empirical Studies and Longitudinal Research

While theoretical frameworks provide valuable insights into the potential linkages between corporate governance, strategic procurement, and competitive advantage, there is a scarcity of empirical studies that test these relationships in practice. Most existing research is either conceptual or cross-sectional, limiting our understanding of how these dynamics evolve over time. Longitudinal studies that track the impact of governance changes on procurement practices and competitive outcomes would provide a richer understanding of causality and the long-term effects of governance on procurement-driven competitive advantage. Furthermore, empirical research that incorporates multiple variables, such as different governance mechanisms,

procurement strategies, and measures of competitive advantage, is needed to provide a more nuanced understanding of these relationships. Such studies would help bridge the gap between theory and practice, offering actionable insights for managers and policymakers.

2.4.6 Conclusion

The existing literature on corporate governance, strategic procurement, and competitive advantage reveals several research gaps that warrant further investigation. There is a need for more empirical studies that explore the direct impact of corporate governance on procurement practices and their contribution to competitive advantage. Additionally, research should examine how governance frameworks can promote sustainable procurement practices, and how regional and industry-specific factors influence the governance-procurement relationship. Addressing these gaps will enhance our understanding of the complex interplay between governance, procurement, and competitive advantage, providing valuable insights for both academics and practitioners.

3.0 METHODOLOGY

The methodology section outlines the research design, data collection, and analysis methods that will be used to investigate the influence of corporate governance on strategic procurement and competitive advantage. This study employs a mixed-methods approach, integrating both qualitative and quantitative research techniques to provide a comprehensive understanding of the research problem. The methodology is divided into five key sections: research design, sampling strategy, data collection methods, data analysis techniques, and ethical considerations.

3.1. Research Design

The study adopts an explanatory sequential mixed-methods design, which involves two phases: a quantitative phase followed by a qualitative phase. This design is appropriate for this research because it allows the exploration of relationships between corporate governance, strategic procurement, and competitive advantage through statistical analysis, while also providing in-depth insights through qualitative interviews (Creswell & Plano Clark, 2017).

- *Quantitative Phase:* The first phase involves a survey-based study to collect data on corporate governance practices, strategic procurement activities, and competitive advantage from a large sample of firms. The goal of this phase is to establish statistical relationships between the variables and identify potential moderating effects of corporate governance on procurement and competitive advantage.
- *Qualitative Phase:* The second phase involves conducting semi-structured interviews with key informants, such as procurement managers, board members, and governance experts, to gain deeper insights into the mechanisms through which corporate governance influences strategic procurement. This phase will help contextualize the quantitative findings and explore nuances that may not be captured through surveys alone (Yin, 2014).

3.2. Sampling Strategy

The target population for this study includes firms across various industries, with a focus on those that have well-established corporate governance practices and strategic procurement functions. The sample will be drawn from publicly listed companies in developed and emerging

markets, as these firms are likely to have formal governance structures and documented procurement strategies.

- *Quantitative Sampling:* A stratified random sampling technique will be used to ensure representation across different industries and regions. The sample size will be determined based on power analysis, aiming for a minimum of 300 respondents to ensure statistical validity (Cohen, 1992).
- *Qualitative Sampling:* For the qualitative phase, a purposive sampling approach will be employed to select 15-20 participants who have in-depth knowledge of corporate governance and procurement processes within their organizations. These participants will be chosen based on their roles and experience in governance and procurement functions.

3.3. Data Collection Methods

Data collection will involve both primary and secondary sources to ensure a comprehensive analysis of the research problem.

- *Quantitative Data Collection:* A structured survey questionnaire will be administered to collect data on corporate governance practices, strategic procurement activities, and measures of competitive advantage. The questionnaire will include both closed-ended and Likert-scale questions to capture respondents' perceptions and experiences. The survey will be distributed online using a secure survey platform, and responses will be anonymized to ensure confidentiality.
- *Qualitative Data Collection:* Semi-structured interviews will be conducted either in person or via video conferencing, depending on the availability and preference of the participants. An interview guide will be developed based on the key themes identified in the literature review and the findings from the quantitative phase. Interviews will be recorded and transcribed with the consent of the participants for subsequent analysis.
- *Secondary Data Collection:* In addition to primary data, secondary data will be collected from publicly available sources such as annual reports, corporate governance disclosures, and financial databases. This data will be used to supplement the survey and interview findings, particularly in assessing firm performance and governance practices.

3.4. Data Analysis Techniques

The data analysis will be conducted in two phases, corresponding to the quantitative and qualitative data collection.

- *Quantitative Data Analysis:* The survey data will be analyzed using statistical techniques, including descriptive statistics, correlation analysis, and multiple regression analysis, to examine the relationships between corporate governance, strategic procurement, and competitive advantage. Hierarchical regression analysis will be used to test the moderating effect of corporate governance on the relationship between strategic procurement and competitive advantage (Aiken & West, 1991). Statistical software such as SPSS or Stata will be used for data analysis.

- *Qualitative Data Analysis:* The interview transcripts will be analyzed using thematic analysis to identify recurring themes and patterns related to the influence of corporate governance on strategic procurement. NVivo software will be used to code and organize the qualitative data. The analysis will focus on understanding the contextual factors that shape governance-procurement relationships and uncovering any mechanisms not captured in the quantitative analysis (Braun & Clarke, 2006).
- *Triangulation:* To enhance the validity and reliability of the findings, data triangulation will be employed by comparing and integrating the results from the quantitative and qualitative phases. This approach will help to cross-verify the findings and provide a more comprehensive understanding of the research problem (Patton, 1999).

3.5. Ethical Considerations

Ethical considerations are paramount in this research, particularly given the involvement of human participants and the collection of potentially sensitive corporate data.

- *Informed Consent:* All participants in the survey and interviews will be provided with an informed consent form that explains the purpose of the study, the nature of their participation, and their rights to withdraw at any time without penalty. Participants will be assured that their responses will be kept confidential and used solely for academic purposes.
- *Confidentiality:* To protect the privacy of the participants and the integrity of the data, all survey responses and interview transcripts will be anonymized. Identifying information will be removed from the data, and secure storage methods will be employed to safeguard the data.
- *Approval:* The research will be conducted in accordance with ethical guidelines and will be submitted for approval to the relevant institutional review board (IRB) or ethics committee before data collection begins.

3.6 Conclusion

This mixed-methods approach provides a robust framework for investigating the influence of corporate governance on strategic procurement and competitive advantage. By integrating quantitative and qualitative data, the study aims to uncover both the statistical relationships and the underlying mechanisms that drive these dynamics. The methodology ensures that the research is grounded in rigorous data collection and analysis techniques while adhering to the highest

4.0 RESULTS AND DISCUSSIONS

Data was primarily gathered from the field to address the research questions and support the study's conclusions. This chapter presents the analysis and findings. The presentation is organized into six sections. The first section examines the demographics of the respondents. The second section covers the validity and reliability tests, while the third provides descriptive statistics for the study constructs. The fourth section explores partial least square (PLS) structural equation modeling. The fifth section evaluates the confirmation or rejection of hypotheses, and the final section discusses the overall study findings. A questionnaire was distributed to employees and management of manufacturing firms in Greater Accra. Out of 150 questionnaires distributed, 136 were returned, resulting in a 90.7% response rate. These 136

responses were entered into SPSS and then transferred to SMART PLS for analysis. The subsequent sections present the analysis results.

4.1 Analysis of Respondent Demographics

Table 4.1 provides a breakdown of the demographics of respondents based on gender, age, length of employment, and educational level. This analysis will summarize the key findings and interpret the distribution of respondents across these demographic variables.

4.1.1. Gender Distribution

The data shows that out of 136 respondents, 85 (62.5%) are male. This indicates a majority of the respondents are male. There are 51 female respondents, accounting for 37.5% of the sample. The gender distribution reflects a moderate gender imbalance in the sample, with males comprising a larger proportion of respondents. This may suggest a male-dominated environment or industry, which could influence perspectives and experiences related to the study's focus.

4.1.2. Age Distribution

Only 11 respondents (8.1%) fall into this age category, indicating a small proportion of younger employees. The largest age group is 30 to 39 years, with 61 respondents (44.9%). This suggests that mid-career professionals are the most represented in the sample. The next largest group is 40 to 49 years, with 51 respondents (37.5%). This group represents experienced professionals nearing the peak of their careers. There are 13 respondents (9.6%) in the above 50 years category. The age distribution shows that the majority of respondents are in the 30 to 49 age range, indicating that the sample is predominantly composed of mid- to late-career professionals. This age group is likely to have substantial experience in their respective fields, which could influence their responses and perspectives on strategic procurement and corporate governance.

4.1.3. Length of Employment

There are 33 respondents (24.3%) with 0 to 5 years of employment experience. The majority of respondents, 82 (60.3%), have 6 to 10 years of employment experience, suggesting a strong representation of individuals with moderate work experience. A smaller group of 21 respondents (15.4%) has more than 10 years of experience. The length of employment data indicates that most respondents have been employed for 6 to 10 years. This suggests that the sample primarily consists of moderately experienced professionals, which aligns with the age distribution. The mix of experience levels may provide a balanced perspective on the study topics, though newer employees may have different viewpoints compared to more experienced ones.

4.1.4. Educational Level

Only 1 respondent (0.7%) holds an HND/Degree. A total of 33 respondents (24.3%) have a master's degree. The largest group, with 53 respondents (39%), holds professional qualifications. There are 31 respondents (22.8%) with a PhD. A smaller group of 18 respondents (13.2%) falls into the "Others" category. The educational level of respondents indicates that a significant proportion of the sample is highly educated, with many holding professional qualifications (39%) and advanced degrees (PhD and Masters, 47.1% combined). This suggests that the respondents are likely to possess the knowledge and expertise necessary to provide informed insights into the study's focus areas. The low representation of HND/Degree holders may reflect the nature of the industry or profession being studied, where higher education levels are common or required.

4.1.5 Overall Analysis

The demographic data in Table 4.1 provides valuable insights into the composition of the respondent pool. The sample is predominantly male, mid-career professionals with moderate to high levels of experience and education. These characteristics suggest that the respondents are likely to offer informed and experienced perspectives on the research topics. However, the gender imbalance and relatively low representation of younger and less experienced professionals may limit the generalizability of the findings to some extent. Future research could benefit from a more balanced sample to ensure a broader range of perspectives.

Table 4.1 Demographics of Respondents

Variable	Items	Frequency	Percent (%)
Gender	Male	85	62.5
	Female	51	37.5
Age of respondents	20 to 29 years	11	8.1
	30 to 39 years	61	44.9
	40 to 49 years	51	37.5
	Above 50 years	13	9.6
Length of Employment	0 – 5 years	33	24.3
	6 – 10 years	82	60.3
	Above 10 years	21	15.4
Educational Level	HND/Degree	1	0.7
	Masters	33	24.3
	Professional	53	39
	PhD	31	22.8
	Others	18	13.2

Source: Field Study (2022)

4.2 Cronbach Alpha, Composite Reliability, and Average Variance Extracted

Table 4.2 presents key reliability and validity metrics for three constructs: Strategic Procurement, Corporate Governance, and Competitive Advantage. The analysis focuses on interpreting Cronbach Alpha (CA), Composite Reliability (CR), and Average Variance Extracted (AVE) to assess the reliability and validity of the constructs.

4.2.1. Cronbach Alpha (CA)

Cronbach Alpha is a measure of internal consistency, indicating how well the items within a construct correlate with one another. A Cronbach Alpha value above 0.7 is generally considered acceptable for reliability.

- *Strategic Procurement (CA = 0.86)*: The Cronbach Alpha for Strategic Procurement is 0.86, indicating a high level of internal consistency among the 14 items. This suggests that the items reliably measure the same underlying construct.

- *Corporate Governance (CA = 0.86)*: Similarly, Corporate Governance also has a Cronbach Alpha of 0.86, indicating strong internal consistency among the 7 items. This means that the items are well-correlated and measure the intended construct reliably.
- *Competitive Advantage (CA = 0.89)*: The Competitive Advantage construct has a Cronbach Alpha of 0.89, which is slightly higher than the other constructs. This further indicates excellent internal consistency among the 10 items, making it a reliable measure of Competitive Advantage.

All three constructs exhibit high internal consistency, with Cronbach Alpha values well above the acceptable threshold of 0.7. This suggests that the items within each construct are reliably measuring their respective concepts.

4.2.2. Composite Reliability (CR)

Composite Reliability (CR) is another measure of construct reliability, similar to Cronbach Alpha, but it accounts for the contribution of each item to the construct. A CR value above 0.7 is considered satisfactory.

- *Strategic Procurement (CR = 0.89)*: The Composite Reliability for Strategic Procurement is 0.89, indicating that the construct is consistently measured by its items and that the construct's reliability is high.
- *Corporate Governance (CR = 0.89)*: Corporate Governance also has a CR value of 0.89, reflecting a high level of reliability, similar to that of Strategic Procurement.
- *Competitive Advantage (CR = 0.90)*: Competitive Advantage has a CR of 0.90, which is slightly higher than the other two constructs. This indicates that the construct is reliably measured by its items with a strong level of consistency.

The CR values for all three constructs are above 0.7, demonstrating strong composite reliability. This confirms that the constructs are well-measured by their respective items, further supporting the internal consistency of the constructs.

4.2.3. Average Variance Extracted (AVE)

Average Variance Extracted (AVE) assesses the amount of variance captured by the construct in relation to the variance due to measurement error. An AVE value above 0.5 indicates that more than 50% of the variance is explained by the construct, signifying good convergent validity.

- *Strategic Procurement (AVE = 0.54)*: The AVE for Strategic Procurement is 0.54, indicating that 54% of the variance in the construct is captured by its items. This meets the threshold for acceptable convergent validity.
- *Corporate Governance (AVE = 0.54)*: Corporate Governance also has an AVE of 0.54, suggesting that the construct captures a similar proportion of variance, indicating good convergent validity.
- *Competitive Advantage (AVE = 0.51)*: The AVE for Competitive Advantage is 0.51, which is slightly lower than the other two constructs but still above the 0.5 threshold. This

indicates that the construct has acceptable convergent validity, with 51% of the variance explained by its items.

The AVE values for all three constructs are above the minimum threshold of 0.5, indicating that the constructs demonstrate good convergent validity. This suggests that the items within each construct adequately capture the underlying concept.

4.2.4 Overall Analysis

The reliability and validity metrics presented in Table 4.2 indicate that the constructs of Strategic Procurement, Corporate Governance, and Competitive Advantage are well-measured and reliable. *High Cronbach Alpha values* across all constructs suggest strong internal consistency. *Composite Reliability* further supports the robustness of the measurements, confirming that the constructs are consistently measured. *Average Variance Extracted* indicates good convergent validity, meaning that the constructs explain a sufficient amount of variance in the items. Together, these metrics provide strong evidence that the constructs are both reliable and valid, supporting the use of these measures in further analysis and interpretation of the research findings.

Table 4.2 Cronbach Alpha, Composite Reliability, and Average Variance Extracted

Construct	Number of items	Cronbach Alpha (CA)	Composite Reliability (CR)	AVE
Strategic Procurement	14	0.86	0.89	0.54
Corporate Governance	7	0.86	0.89	0.54
Competitive Advantage	10	0.89	0.90	0.51
Total	31			

Source: Field Study (2022)

4.2.5 Fornell-Larcker Criterion

The Fornell-Larcker Criterion is a method used to assess the discriminant validity of constructs in a model. Discriminant validity ensures that a construct is distinct from other constructs, capturing what it is intended to measure. According to this criterion, a construct should have a higher square root of the Average Variance Extracted (AVE) compared to its correlations with other constructs. In Table 4.3, the diagonal values represent the square roots of the AVE for each construct, while the off-diagonal values represent the correlations between constructs. The square root of the AVE for Strategic Procurement (0.73) is greater than its correlations with both Corporate Governance (0.65) and Competitive Advantage (0.66). This indicates that Strategic Procurement has good discriminant validity, as it is more strongly related to its own items than to the other constructs. The square root of the AVE for Corporate Governance (0.73) is also higher than its correlations with Strategic Procurement (0.65) and Competitive Advantage (0.67). This suggests that Corporate Governance has good discriminant validity and is distinct from the other constructs. The square root of the AVE for Competitive Advantage (0.71) is slightly higher than its correlations with Strategic Procurement (0.66) and Corporate Governance (0.67). This indicates that Competitive Advantage also exhibits discriminant validity, though the difference between the AVE and correlations is narrower compared to the other constructs. The Fornell-Larcker Criterion analysis in Table 4.3 demonstrates that all three constructs—Strategic

Procurement, Corporate Governance, and Competitive Advantage—have good discriminant validity. Each construct's square root of AVE is greater than its correlations with other constructs, confirming that the constructs are distinct from one another. This is crucial for ensuring that the model measures different aspects of the underlying concepts, contributing to the overall validity of the research. These findings support the use of these constructs in further analysis, as they are well-differentiated and capture unique aspects of the study's focus areas.

Table 4.3 Fornell – Larcker Criterion

Construct	SP	CG	CA
Strategic Procurement (SP)	0.73		
Corporate Governance (CG)	0.65	0.73	
Competitive Advantage (CA)	0.66	0.67	0.71

Source: Field Study (2022)

4.3 Descriptive Statistics on Strategic Procurement

Table 4.4 provides descriptive statistics for various latent variables related to strategic procurement. The statistics include the mean, minimum, maximum, and standard deviation for each variable. These metrics provide insights into the central tendency, variability, and range of responses regarding strategic procurement activities.

4.3.1 Mean Values

The mean values reflect the average responses for each latent variable on a scale of 1 to 7, where higher values indicate a stronger agreement or higher frequency of the procurement activity.

- *Reviewing/modifying contracts to meet changing needs (Mean = 5.95)*: This variable has the highest mean, indicating that respondents frequently engage in reviewing and modifying contracts. It suggests a strong focus on adapting contracts to changing needs in the procurement process.
- *Identifying relevant procurement needs (Mean = 5.51)*: This variable has the lowest mean value among the latent variables, suggesting that identifying relevant procurement needs is less emphasized compared to other procurement activities.
- *Overall Mean (Mean = 5.77)*: The overall mean for all variables is 5.77, indicating that, on average, respondents engage in strategic procurement activities at a relatively high level.

The mean values suggest that while all the procurement activities are relatively well-practiced, there is a slightly stronger emphasis on contract-related activities such as reviewing and modifying contracts, as well as developing comprehensive contract documents.

4.3.2. Minimum and Maximum Values

The minimum values for most variables range from 1 to 3, indicating that there are some respondents who reported low levels of engagement in these procurement activities. This variation suggests that while some organizations or individuals may excel in procurement, others may struggle or have less involvement in specific tasks. The maximum value for all variables is consistently 7, showing that some respondents perceive themselves as highly effective or engaged in these procurement activities. The range of responses (min to max) across all variables highlights the diversity in how strategic procurement is practiced. While some respondents are highly engaged in procurement tasks, others may need further development in these areas.

4.3.3. Standard Deviation (Std. Dev)

Standard deviation measures the spread or variability of the responses around the mean.

- *Expediting/Monitoring suppliers' delivery schedules and obligations (Std. Dev = 1.20)*: This variable has the highest standard deviation, indicating greater variability in responses. This suggests that there may be inconsistencies in how different respondents approach monitoring suppliers' delivery schedules.
- *Developing comprehensive contract documents (Std. Dev = 0.94)*: This variable has the lowest standard deviation, indicating that responses are more closely clustered around the mean. This suggests that most respondents have similar practices when it comes to developing comprehensive contract documents.
- *Overall Std. Dev = 0.7*: The overall standard deviation for all variables is 0.7, indicating a moderate level of variability in responses across the different procurement activities.

The standard deviation values suggest that while there is general consistency in certain procurement activities, there is significant variability in others, particularly in areas like expediting and monitoring supplier deliveries.

The descriptive statistics in Table 4.4 provide a detailed overview of the strategic procurement practices among respondents. The mean values indicate a generally high level of engagement in procurement activities, with particular emphasis on contract management and monitoring. However, the variability in responses, as reflected in the standard deviation, suggests that there is room for improvement in certain areas, especially in standardizing practices across different organizations. Overall, this analysis highlights the strengths and potential areas of focus for enhancing strategic procurement processes within the sample.

Table 4.4 Descriptive Statistics on Strategic Procurement

Latent variables	Mean	Min	Max	Std. Dev
Identifying relevant procurement needs	5.51	1	7	1.11
Translating procurement into contract specifications	5.55	2	7	1.19
Developing procurement plan for specific procurement items	5.82	1	7	1.04
Developing budgets for various procurement needs	5.81	3	7	1.03
Approval of procurement plan by the appropriate approving authorities	5.72	1	7	1.1
Identifying important sources of supply	5.68	1	7	1.16
Developing comprehensive tender documents	5.77	1	7	1.19
Developing comprehensive contract documents	5.91	3	7	0.94
Negotiating contract term for value	5.83	1	7	1.15
Inviting potentially relevant suppliers.	5.74	1	7	1.18
Managing relationships with key suppliers to ensure compliance	5.78	3	7	0.98

Expediting/Monitoring suppliers' delivery schedules and obligations.	5.85	2	7	1.2
Reviewing/modifying contracts to meet changing needs	5.95	1	7	1.11
Processing payment to suppliers in a timely manner	5.84	2	7	0.99
Overall	5.77	2.86	6.71	0.7

Source: Field Study (2022)

4.4 Descriptive Statistics on Corporate Governance

Table 4.5 presents descriptive statistics for various latent variables related to corporate governance. The statistics include the mean, minimum, maximum, and standard deviation for each variable, providing insights into how corporate governance practices are perceived and implemented among respondents.

4.4.1. Mean Analysis

The mean values reflect the average level of agreement or implementation of each corporate governance practice on a scale of 1 to 7, where higher values indicate stronger agreement or more rigorous implementation.

- *Auditing the procurement function at regular intervals (Mean = 6.01)*: This variable has the highest mean, indicating that respondents generally perceive their firms as highly engaged in regular auditing of procurement functions. This reflects a strong emphasis on oversight and accountability in procurement practices.
- *Conflict-of-interest policy (Mean = 5.72)*: This variable has the lowest mean among the corporate governance practices, suggesting that while conflict-of-interest policies are present, they may not be as rigorously implemented or emphasized compared to other governance practices.
- *Overall Mean (Mean = 5.85)*: The overall mean for all corporate governance variables is 5.85, indicating a generally high level of adherence to corporate governance practices among the respondents.

The mean values suggest that respondents view their firms as having strong corporate governance practices, particularly in areas related to auditing and reporting. However, there is slightly less emphasis on conflict-of-interest policies compared to other governance aspects.

4.4.2. Minimum and Maximum Values

The minimum values for the corporate governance variables range from 1 to 2, indicating that there are some respondents who report very low levels of adherence or implementation of these governance practices. This variation suggests that the extent of corporate governance practices may differ significantly across organizations. The maximum values for all variables are consistently 7, showing that some respondents perceive their firms as having highly effective governance practices. The range of responses highlights the variability in corporate governance practices among firms. While some organizations have strong governance structures, others may have less developed or inconsistent practices.

4.4.3. Standard Deviation (Std. Dev)

Standard deviation measures the dispersion of responses around the mean.

- *Sourcing strategies subjected to independent reviews (Std. Dev = 1.09)*: This variable has the highest standard deviation, indicating greater variability in responses. This suggests that there is a wide range of practices or perceptions regarding the review of sourcing strategies.
- *Overall (Std. Dev = 0.78)*: The overall standard deviation is 0.78, reflecting a moderate level of variability across the different corporate governance practices.

The variability in responses, particularly in areas like independent reviews of sourcing strategies, indicates that corporate governance practices may not be uniformly applied across all firms. The lower standard deviation for the overall measure suggests a generally consistent perception of corporate governance practices among respondents, though individual practices vary.

Table 4.5 provides a comprehensive view of corporate governance practices as reported by respondents. The data indicates a high level of adherence to governance practices, particularly in areas such as auditing and reporting. However, there is some variability in the implementation of specific practices, such as conflict-of-interest policies and independent reviews of sourcing strategies. The overall high mean values suggest that firms generally maintain strong corporate governance, though the variability in responses points to differences in how these practices are applied or perceived across different organizations. This information is valuable for understanding the extent and consistency of corporate governance practices and identifying areas where improvements might be needed.

Table 4.5 Descriptive Statistics on Corporate Governance

Latent variables	Mean	Min	Max	Std. Dev
My firm has strict codes of conduct ensure purchasing procedures are followed	5.85	2	7	1.06
My firm has a gift policy which states whether employees are allowed to accept gifts both within and outside of the work premises	5.76	1	7	1.05
My firm has a conflict-of-interest policy to ensure members of staff disclose, distant, dissociate or delegate in a conflict-of-interest situation.	5.72	1	7	1.05
My firm has a structured procurement process for procuring goods, works and services	5.82	1	7	1.1
My firm has a reporting and approval structure for procurement	5.99	2	7	1.04
My firm audits the procurement function to at regular intervals	6.01	1	7	1.04
My firm ensures sourcing strategies are subjected to independent reviews.	5.8	1	7	1.09
Overall	5.85	1.43	7	0.78

Source: Field Study (2022)

4.5 Descriptive Statistics on Competitive Advantage

Table 4.6 presents descriptive statistics for various latent variables related to competitive advantage. The statistics include the mean, minimum, maximum, and standard deviation for each variable, providing insights into the perceived competitive advantages of firms.

4.5.1. Mean Analysis

The mean values reflect the average level of agreement or performance related to competitive advantage on a scale of 1 to 7, where higher values indicate stronger competitive advantage or better performance.

- *Guaranteeing on-time delivery (Mean = 6.01)*: This variable has the highest mean, indicating that respondents perceive their firms as having a strong capability in ensuring timely delivery. This suggests that on-time delivery is a significant competitive advantage for these firms.
- *Providing dependable goods (Mean = 5.68)*: This variable has the lowest mean among the competitive advantage variables, indicating that while firms do provide dependable goods, it may not be as strong a competitive advantage as other factors.
- *Overall Mean (Mean = 5.77)*: The overall mean for all competitive advantage variables is 5.77, suggesting that respondents generally perceive their firms as having a moderate to high level of competitive advantage.

The mean values indicate that respondents see their firms as having significant competitive advantages in areas such as on-time delivery and specialization in customized goods. However, there is slightly less emphasis on providing dependable goods compared to other competitive factors.

4.5.2. Minimum and Maximum Values

The minimum values for the competitive advantage variables range from 1 to 3, indicating that some respondents report lower levels of competitive advantage in certain areas. This variability suggests differences in competitive performance across firms. The maximum values for all variables are consistently 7, showing that some respondents perceive their firms as highly competitive in all aspects. The range of responses highlights the diversity in competitive advantage across firms. While some organizations excel in all aspects of competitive advantage, others may struggle in certain areas.

4.5.3. Standard Deviation (Std. Dev)

Standard deviation measures the dispersion of responses around the mean.

- *Specializing in customized goods (Std. Dev = 1.26)*: This variable has the highest standard deviation, indicating greater variability in responses. This suggests that there is a wide range of practices or perceptions regarding the specialization in customized goods.
- *Overall (Std. Dev = 0.74)*: The overall standard deviation is 0.74, reflecting a moderate level of variability across the different competitive advantage variables.

The variability in responses, particularly in areas like specialization in customized goods, indicates that competitive advantage can differ significantly across firms. The lower standard deviation for the overall measure suggests a generally consistent perception of competitive advantage among respondents, though individual factors show more variability.

Table 4.6 provides a detailed view of competitive advantage as perceived by respondents. The data indicates a high level of competitive advantage in areas such as on-time delivery and specialization in customized goods. However, there is some variability in how firms perform in different aspects of competitive advantage, with notable differences in areas like providing dependable goods and specializing in customized products. The overall high mean values suggest that firms generally perceive themselves as having significant competitive advantages. The variability in responses highlights the differences in competitive performance and indicates areas where some firms may need to enhance their capabilities to remain competitive.

Table 4.6 Descriptive Statistics on Competitive Advantage

Latent variables	Mean	Min	Max	Std. Dev
My company provides fair price.	5.82	2	7	1.11
My firm is able to provide pricing that are comparable to or lower than those of our rivals.	5.75	1	7	1.11
My firm provides very dependable goods.	5.68	1	7	1.12
My firm provides very durable products.	5.82	1	7	1.11
My company brings products to market fast.	5.69	3	7	1.14
My business guarantees on-time delivery.	6.01	4	7	0.87
My business is responsive to consumer requests for "new" features.	5.71	2	7	1.13
My business specializes in customized goods.	5.83	1	7	1.26
My company evaluates vendors before issuing them a contract.	5.69	1	7	1.15
My company keeps an eye on the actions of all supply chain participants.	5.66	2	7	1.15
Overall	5.77	3.5	6.9	0.74

Source: Field Study (2022)

4.6 Structural Equation Model (SEM) Results

Table 4.8 presents the results of the Structural Equation Model (SEM) analysis, showing the coefficients, T-values, and P-values for both direct and moderation effects in the model. The variables examined are Strategic Procurement (SP), Corporate Governance (CG), and Competitive Advantage (CA).

The positive coefficient of 0.37 suggests that Strategic Procurement has a positive effect on Competitive Advantage. The T-value of 4.15 indicates that this effect is statistically significant, as it is well above the common threshold of 1.96 for significance at the 0.05 level. The P-value of 0.00 confirms that the relationship is statistically significant. This indicates that improvements in strategic procurement practices are associated with an increase in competitive advantage.

The coefficient of 0.62 shows a strong positive effect of Corporate Governance on Competitive Advantage. The high T-value of 5.99 and a P-value of 0.00 indicate that this relationship is

statistically significant. This suggests that effective corporate governance practices have a substantial impact on enhancing competitive advantage.

The coefficient of 0.10 indicates a positive moderation effect, meaning that the interaction between Strategic Procurement and Corporate Governance also positively influences Competitive Advantage. The T-value of 2.07 suggests that this moderation effect is statistically significant, as it exceeds the common threshold of 1.96 for significance at the 0.05 level. The P-value of 0.04 supports the significance of this effect.

The SEM results show that both Strategic Procurement and Corporate Governance have significant positive effects on Competitive Advantage. Additionally, the interaction between Strategic Procurement and Corporate Governance has a significant positive moderation effect on Competitive Advantage. This suggests that the relationship between Strategic Procurement and Competitive Advantage is enhanced when Corporate Governance practices are also strong. Overall, the findings highlight the importance of both Strategic Procurement and Corporate Governance in improving Competitive Advantage, and underscore the synergistic effect of combining effective procurement practices with robust governance.

Table 4.8 Structural Equation Model (SEM) Result

Path	Coefficients	T-value	P-value
<i>Direct Effects</i>			
SP → CA	0.37	4.15	0.00
CG → CA	0.62	5.99	0.00
<i>Moderation Effect</i>			
SP × CG → CA	0.10	2.07	0.04

Source: Field Study (2022) Notes: SP (Strategic Procurement); CG (Corporate Governance); CA (Competitive Advantage)

5.0 CONCLUSIONS

5.1 Key Findings

Strategic Procurement has a significant positive effect on Competitive Advantage, with a coefficient of 0.37 (p-value = 0.00). This indicates that effective procurement practices enhance a firm's competitive edge. The most impactful aspects of Strategic Procurement include developing comprehensive contract documents and managing supplier relationships.

Corporate Governance also significantly impacts Competitive Advantage, with a coefficient of 0.62 (p-value = 0.00). Strong governance practices contribute substantially to a firm's competitive position. Key governance practices include regular auditing of procurement functions and having structured reporting and approval processes.

The interaction between Strategic Procurement and Corporate Governance positively moderates the relationship between Strategic Procurement and Competitive Advantage, with a coefficient of 0.10 (p-value = 0.04). This suggests that the effectiveness of Strategic Procurement in enhancing Competitive Advantage is amplified when strong Corporate Governance is in place.

Descriptive statistics indicate that firms generally perform well in areas related to Strategic Procurement, Corporate Governance, and Competitive Advantage, with mean values reflecting a high level of engagement and perceived effectiveness. Variability exists in the implementation and perception of these practices, highlighting differences across firms.

5.2 Conclusions

The literature on corporate governance, strategic procurement, and competitive advantage reveals important interconnections between these domains. While substantial research has examined the individual impacts of corporate governance and strategic procurement on firm performance, there is a growing recognition of the need to explore how governance influences procurement strategies. This literature review underscores the importance of corporate governance as a moderating factor that can enhance or constrain the effectiveness of strategic procurement in achieving competitive advantage. Future research should focus on examining the specific mechanisms through which governance affects procurement decisions and outcomes, providing a more comprehensive understanding of this critical relationship.

This mixed-methods approach provides a robust framework for investigating the influence of corporate governance on strategic procurement and competitive advantage. By integrating quantitative and qualitative data, the study aims to uncover both the statistical relationships and the underlying mechanisms that drive these dynamics. The methodology ensures that the research is grounded in rigorous data collection and analysis techniques while adhering to the highest

Both Strategic Procurement and Corporate Governance are crucial in driving Competitive Advantage. Firms with strong procurement practices and robust governance structures are better positioned to achieve competitive benefits. The significant moderating effect of Corporate Governance on the relationship between Strategic Procurement and Competitive Advantage underscores the importance of integrating governance practices with procurement strategies. Effective governance enhances the positive impact of procurement on competitive advantage. While firms generally exhibit high levels of engagement in procurement and governance practices, there is notable variability in their implementation and effectiveness. This variability suggests that while some firms excel, others may have opportunities for improvement.

5.3 Recommendations

Firms should focus on improving specific aspects of Strategic Procurement that have shown strong impact, such as developing comprehensive contract documents and managing supplier relationships. Implementing best practices in these areas can further enhance competitive advantage. To maximize competitive advantage, firms should reinforce their Corporate Governance practices. This includes regular audits of procurement functions, structured reporting and approval processes, and maintaining robust conflict-of-interest policies. Organizations should align their procurement strategies with corporate governance practices to leverage the synergistic benefits identified in the research. Integrating strong governance frameworks with procurement processes can amplify the positive effects on competitive advantage. Firms experiencing variability in procurement and governance practices should undertake a thorough review to identify gaps and inconsistencies. Standardizing practices and ensuring consistent implementation can help improve overall effectiveness and competitiveness. Regularly review and update procurement and governance practices to adapt to changing market conditions and emerging best practices. Continuous improvement in these areas will help sustain

and enhance competitive advantage over time. By focusing on these recommendations, firms can effectively harness the benefits of Strategic Procurement and Corporate Governance to strengthen their competitive position and achieve long-term success.

REFERENCES

- 1) Aguilera, R. V., & Jackson, G. (2010). Comparative and international corporate governance. *The Academy of Management Annals*, 4(1), 485-556.
- 2) Barney, J. B., & Hansen, M. H. (1994). Trustworthiness as a source of competitive advantage. *Strategic Management Journal*, 15(S1), 175-190.
- 3) Brown, L. D., & Caylor, M. L. (2006). Corporate governance and firm valuation. *Journal of Accounting and Public Policy*, 25(4), 409-434.
- 4) Bhagat, S., & Bolton, B. (2008). Corporate governance and firm performance. *Journal of Corporate Finance*, 14(3), 257-273.
- 5) Brown, L. D., & Caylor, M. L. (2006). Corporate governance and firm valuation. *Journal of Accounting and Public Policy*, 25(4), 409-434.
- 6) Carr, A. S., & Smeltzer, L. R. (1999). The relationship of strategic purchasing to supply chain management. *European Journal of Purchasing & Supply Management*, 5(1), 43-51.
- 7) Carter, J. R., & Narasimhan, R. (1996). Is purchasing really strategic? *International Journal of Purchasing and Materials Management*, 32(1), 20-28.
- 8) Dyer, J. H., & Singh, H. (1998). The relational view: Cooperative strategy and sources of interorganizational competitive advantage. *Academy of Management Review*, 23(4), 660-679.
- 9) Ellram, L. M., & Liu, B. (2002). The financial impact of supply management. *Supply Chain Management Review*, 6(6), 30-37.
- 10) Fama, E. F., & Jensen, M. C. (1983). Separation of ownership and control. *The Journal of Law and Economics*, 26(2), 301-325.
- 11) Gompers, P., Ishii, J., & Metrick, A. (2003). Corporate governance and equity prices. *The Quarterly Journal of Economics*, 118(1), 107-156.
- 12) Jensen, M. C., & Meckling, W. H. (1976). Theory of the firm: Managerial behavior, agency costs and ownership structure. *Journal of Financial Economics*, 3(4), 305-360.
- 13) Jiang, W., Kim, J., & Zhang, M. (2016). Corporate governance and strategic procurement. *Journal of Business Research*, 69(9), 3534-3544.
- 14) Mallin, C. A. (2016). *Corporate Governance* (5th ed.). Oxford University Press.
- 15) Monczka, R. M., Handfield, R. B., & Giunipero, L. C. (2008). *Purchasing and Supply Chain Management* (4th ed.). Cengage Learning.
- 16) Mizruchi, M. S., & Stearns, L. B. (2001). Getting deals done: The use of social networks in bank decision-making. *American Sociological Review*, 66(5), 647-671.

- 17) Porter, M. E. (1985). *Competitive Advantage: Creating and Sustaining Superior Performance*. Free Press.
- 18) Shleifer, A., & Vishny, R. W. (1997). A survey of corporate governance. *The Journal of Finance*, 52(2), 737-783.
- 19) Wiseman, R. M., & Gomez-Mejia, L. R. (1998). A behavioral agency model of managerial risk taking. *The Academy of Management Review*, 23(1), 133-153.