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Symbolic compliance with policy-led public procurement: decoupling practices and compliance barriers

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Abstract: Public procurement holds significant potential as a policy tool, yet its implementation by public organisations faces numerous barriers and challenges, resulting in partial implementation. This research investigated the behaviour of public organisations in terms of symbolic compliance with procurement policies and examined the barriers they encounter in achieving compliance and policy goals. The research adopted an abductive qualitative design using semi-structured interviews with stakeholders of specific policy-led public procurement related to purchasing consulting services in Iran. Two types of symbolic compliance behaviours were identified: policy-practice decoupling (i.e., a disconnect between policy processes and implementation) and means-ends decoupling (i.e., a misalignment between policy objectives and outcomes). Moreover, two categories of compliance barriers emerged: internal (efficiency-related) and external (institutional). The findings provide insights into the design of effective procurement policies that align with policy objectives, with a specific focus on developing countries.

Keywords: symbolic compliance; compliance barriers; policy-led public procurement; policy-practice decoupling; means-ends decoupling; developing countries; consulting services.

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1 Introduction

Governments rely on procuring large quantities of goods and services to deliver public services and implement their policies. Public procurement accounts for approximately 12.6% of the GDP in OECD (2021) countries and up to 20% in developing countries (World Bank, 2017). This substantial annual spending is drawing significant attention to public procurement as a policy tool for tackling societal and environmental challenges (Grandia and Meehan, 2017; Harland et al., 2019). This use of public procurement as a policy lever to achieve policy goals is referred to as policy-led public procurement (Harland et al., 2021).

While public procurement has significant potential as a policy tool, its implementation is fraught with barriers and challenges. It is crucial to recognise that public procurement is a complex system with multiple managerial dimensions, such as strategic management, performance management and process management (compliance) (Harland et al., 2021). Moreover, public procurement policies, like other policies, merely offer a general agenda, while it is the public organisations that play a crucial role as implementers (Storsjö and Kachali, 2017; Trammell et al., 2020). Simplistic solutions proposed by governments often overlook the intricate implementation complexities faced by public organisations (Meehan et al., 2017).

Moreover, excessive bureaucracy in the public procurement process has been criticised for impeding public organisations’ ability to effectively pursue strategic policies (Neumann et al., 2019). Consequently, policy-led public procurement practices may only be partially implemented, and a gap remains between the policy goals and implementation in practice (Flynn and Davis, 2016; Storsjö and Kachali, 2017).

The aim of this article is to contribute to the understanding of symbolic compliance to policy-led public procurement and identify the compliance barriers that hinder the achievement of policy goals. This study seeks to address the behaviour of public organisations in compliance with policy-led public procurement. It is critical to raise awareness to how compliance with procurement laws actually translates into achieving procurement objectives (Ibrahim et al., 2017). While previous research has investigated non-compliance behaviour in various global contexts (Basheka and Sabiiti, 2011; Ibrahim et al., 2017; Kauppi and van Raaij, 2015; Pastory, 2019), a research gap remains in understanding symbolic compliance in the utilisation of public procurement as a policy tool.

This research incorporated institutional theory to explore symbolic compliance and compliance barriers. According to Meyer and Rowan (1977), organisations under external institutional pressures, such as public policies, may conform to or engage in

symbolic conformance to appear legitimate. This phenomenon is known as decoupling, in which the internal practices of an organisation are disconnected from its external presentation of compliance (Boxenbaum and Arora-Jonsson, 2008; Bromley and Powell, 2012; Meyer and Rowan, 1977).

Our research examined the responses of Iranian public organisations to specific policy-led public procurement. This policy requires public organisations to allocate 1% of their annual budget to research and consulting projects, referred to in this manuscript as the public procurement of consulting services (PPCS) (IPRC, 2008). Consulting services are known to be one of the most challenging knowledge-intensive services to outsource (Pemer et al., 2018; Teixeira et al., 2023).

The primary objective of this research was to address the following research questions:

- 1 What symbolic compliance practices are employed by Iranian public organisations in the PPCS?
- 2 What compliance barriers trigger these decoupling practices in the PPCS by Iranian public organisations?

Given that the phenomenon and context are not adequately understood, we adopted an explorative approach using a qualitative research design based on semi-structured interviews. The findings highlight different decoupling practices and compliance barriers and provide insights into using public procurement as a policy lever to achieve public organisation goals.

2 Literature review

2.1 Policy-led public procurement: from policies to achievement

When public demand is oriented towards public needs, it has the potential to improve public policies and service delivery (Edler and Georghiou, 2007). Although traditionally seen as having a tactical and administrative role, public procurement's importance is increasing within public organisations as it becomes more strategic (Grandia and Meehan, 2017). Previous research has shown how governments use public procurement to stimulate innovation, promote sustainability and environmental concerns and encourage small and medium-sized enterprise participation (Edler and Georghiou, 2007; Edquist and Zabala-Iturriagoitia, 2021; Patil, 2017).

Public procurement has been criticised for its predominant focus on regulatory compliance and cost reduction rather than considering the broader goal of value creation (Malacina et al., 2022). This issue becomes even more challenging in the context of procuring complex services like consulting within the public sector (Schiele and McCue, 2006). To overcome this challenge, strategic public procurement policies have been proposed to facilitate the procurement process for consulting services, enabling public organisations to effectively capture, diffuse, store and reuse knowledge-based output (Hawkins et al., 2014). Governments have sought to encourage the acquisition of managerial advice and innovative solutions to enhance the quality of public service provision (Roodhooft and Van den Abbeele, 2006). However, concerns persist that

existing public procurement policies may impede the fostering of innovative solutions in the public sector (Melander and Arvidsson, 2020; Uyarra et al., 2020).

It is also important to understand that public policies merely provide general recommendations and frameworks; therefore, procurement professionals in public organisations are responsible for deciding how to follow them in their specific procurement cases (Storsjö and Kachali, 2017). Public organisations may feel conflicts between addressing the strategic goals of the policy or efficient use of the public organisation's budget in these policy-led public procurement practices (Harland et al., 2019). We argue that public organisations may symbolically comply with these policies to look legitimate without dealing with these complexities, which creates a gap between the policy premise and what is implemented (Meyer and Rowan, 1977).

Previous research on public procurement has predominantly focused on issues such as non-compliance behaviours (Kauppi and van Raaij, 2015; Pastory, 2019) and misconduct behaviours like corruption (Basheka, 2009; Detkova et al., 2018) to explain why public procurement policies may fail to achieve their intended goals. However, there have been indications in previous studies of behaviours that are not technically in violation of laws or characterised by corruption, but which still deviate from the core policy in an effort to achieve the ultimate goal (Rodionova et al., 2022; Waluszewski and Wagrell, 2013). Understanding symbolic compliance, which is the central focus of this research, contributes to the design of more effective policy-led public procurement, ensuring that policies are implemented and policy goals are realised.

2.2 Research context: describing the policy of PPCS in the context

The aim of this section is to provide a description of the research context for the study and the policy of PPCS in Iran. The policy, which has been in effect since 2008, requires all public organisations in Iran to allocate at least 1% of their annual budgets to research and consulting projects (IPRC, 2008). This policy was designed to encourage innovation and efficiency within public organisations and their services. Additionally, it aimed to promote the growth of Iranian private consultancy firms, policy research centres and universities as potential suppliers. In this study, we observed the behaviour of Iranian public organisations in response to this policy.

The Introduction of the PPCS policy in Iran followed the trend of using public procurement strategically in more developed countries. However, developing countries face various challenges, such as ineffective bureaucratic institutions, political and economic instability and weak governance quality, which can make it difficult for their public procurement structures to adapt and consider innovative solutions (Asuquo et al., 2021). As a result, the practices and strategies that have been successful in more developed countries may not be suitable for the unique contexts of developing countries (Akenroye et al., 2013; Kattel and Lember, 2010).

The public organisations in this research implemented two distinct categories of research and consulting projects. The first category involved procuring external engineering and R&D activities for technological products or technical services. The second category focused on consulting projects aimed at solving managerial issues or improving service delivery quality. Compliance with the policy requires utilising the allocated budget for consulting services, as failure to do so could result in a lower budget allocation in the future (Farhikhtegan News, 2020). However, there have been reports of failure to achieve the intended impact while still showcasing the implementation (Sina

Press, 2015). This research investigated the behaviour of public organisations that seemingly implemented the policy but may have symbolically followed its requirements or prioritised other outcomes using the concept of decoupling from institutional theory.

2.3 Theoretical background: institutional theory and organisational decoupling

Organisations strive for power and legitimacy in society, in addition to efficiency, with limited resources and customers (Deephouse, 1996; DiMaggio and Powell, 1983). Institutional theory explains how organisations respond to external and internal pressures and adopt certain forms and practices to appear legitimate to their constituents (Bhakoo and Choi, 2013; Meyer and Rowan, 1977). Institutional pressures cause organisations to adopt similar forms and practices, known as isomorphism, to acquire resources for survival (DiMaggio and Powell, 1983). However, organisations sometimes have strategic leeway in their responses to institutional pressures, such as public mandates (Oliver, 1991).

Organisations may adopt formal prescriptive structures to meet institutional demands, but decouple these structures from actual practices (Bromley and Powell, 2012; Meyer and Rowan, 1977). Decoupling occurs when organisations strive for legitimacy in their institutional fields but are constrained by resources and local circumstances (Boxenbaum and Arora-Jonsson, 2008). Two types of decoupling have been identified in the institutional theory literature: policy-practice decoupling and means-ends decoupling. Policy-practice decoupling occurs when an organisation symbolically complies with policies but does not implement them internally. Means-end decoupling occurs when an organisation adopts and implements a policy but fails to achieve the policy's ends (Bromley and Powell, 2012).

The concept of means-ends decoupling, along with classic policy-practice decoupling, has been gaining attention in various contexts to shift the focus from mere compliance to policy goals. For instance, Bertello et al. (2022) applied this concept in the context of policies promoting open innovation in a publicly funded R&D consortium in Italy. Similarly, Jabbouri et al. (2019) explored the use of means-ends decoupling in the implementation of industrial R&D projects, shedding light on how the goals are managed within that setting.

Our study examined the symbolic compliance behaviour of Iranian public organisations and explored the concept of decoupling in relation to policy implementation. Additionally, the research investigated the barriers that hinder public organisations from complying with the policy process and achieving the desired policy goals. By doing so, this study contributes to the existing literature on institutional theory in public procurement research, emphasising the potential for further application of this theory in the public procurement context (Flynn and Davis, 2014; Selviaridis et al., 2023).

3 Methodology

To better understand the phenomenon, this research utilised a qualitative research design based on semi-structured interviews (Corbin and Strauss, 2015). The initial approach was inductive, with a focus on the effectiveness and challenges of public procurement of

consultancy policy. However, in the second phase, the research transitioned to an abductive approach (Dubois and Gadde, 2002) to better link the data with the selected theoretical approach and achieve theoretical insights. By transitioning to an abductive approach in the second phase, we aimed to shift our focus to a certain type of response by public organisations towards purchasing policy, which is symbolic compliance. Table 1 presents an overview of the research process. It delineates the objectives of each phase and the process of aligning empirical findings with conceptual backgrounds to derive the final conceptual framework.

Table 1 Data gathering and analysis processes in the two research phases

	<i>Goal</i>	<i>Empirical data</i>	<i>Findings and conceptualisations (making sense of the data)</i>
Phase 1	<ul style="list-style-type: none"> Understanding the challenges of the public procurement of consulting services policy Understanding context 	<ul style="list-style-type: none"> Policy documents Preliminary interviews 	<ul style="list-style-type: none"> Significance of symbolic compliance as a relevant challenge in policy implementation is realised Inadequate prior research on symbolic compliance compared to non-compliance highlights the need for further investigation Symbolic compliance can be examined in relation to the policy process and outcomes Understanding practices and compliance barriers is essential for comprehending symbolic compliance
Outputs	<ul style="list-style-type: none"> Framing the concept of symbolic compliance, drawing on the concept of decoupling Designing the next data-gathering process: <ol style="list-style-type: none"> Selecting sources of information for the next phase Interview structure of phase 2 		
Phase 2	<ul style="list-style-type: none"> Exploring symbolic compliance practices Exploring compliance barriers 	<ul style="list-style-type: none"> Semi-structured interviews 	<ul style="list-style-type: none"> Symbolic compliance could be understood related to procedures (policy-practice decoupling) and achievement (means-ends decoupling) Compliance barriers can be understood as external (institutional) and internal (efficiency-related) barriers
Outputs	Conceptual model for understanding symbolic compliance activities and compliance barriers in the context of policy-led public procurement		

3.1 Phase 1 of data gathering

The first phase of the research aimed to obtain a general understanding of the responses of public organisations in Iran towards the consulting purchasing policy. This stage was deemed necessary due to the lack of research on public procurement in the Iranian context (Sepehri and Qadiri, 2018). To achieve this goal, we conducted six open interviews with several informants from the buying side (public organisations), the supply side (consultants) and policy analysts. We also performed a document analysis to

fully understand the policy-related documents, including the different versions of the policy draft and related websites and academic and non-academic articles.

The interviews were conducted between April and December 2021 with the theme of exploring the informants' thoughts and previous experiences regarding the challenges in various PPCS projects based on their experiences. The data resources in phase 1 are described in Table 2.

Table 2 Data gathering in phase 1

<i>Open-structured interviews</i>					
<i>ID</i>	<i>Side</i>	<i>Organisational role</i>	<i>Area of expertise</i>	<i>Experience (years)</i>	<i>Interview duration (minutes)</i>
0P1	Policy analyst	Policy advisor	Innovation policy	6	60
0P2	Policy analyst	Deputy manager at a governmental innovation initiative	Innovation policy	4	60
0B1*	Buyer	Deputy manager	Media regulation	7	90
0S1	Supplier	Service design expert in a private design agency	Service design	7	60
0S2*	Supplier	Manager of a consulting team	Competition studies	5	60
0S3*	Supplier	Deputy manager at a Policy Research Institute	Innovation studies	6	180 (two sessions)
<i>Documents</i>					
Policy-related documents	<ul style="list-style-type: none"> • 1% policy law (IPRC, 2008): <ul style="list-style-type: none"> a Updated version in 2015 in becoming a permanent law b Related webpages like sate.atf.gov.ir c Policy analysis documents related to Iranian public procurement (e.g., Nikbakht, 2021) 				
News articles	<ul style="list-style-type: none"> • News articles focused on this particular policy (Farhikhtegan News, 2020; Sina Press, 2015) 				
Scientific articles	<ul style="list-style-type: none"> • Articles (e.g., Sepehri and Ghadiri, 2018; Sepehri and Qadiri, 2018; Yazdi et al., 2019) 				

Note: *this informant was also interviewed in the next phase.

3.2 Phase 2 of data gathering

The data gathered in the initial phase revealed several findings. First, the significance of symbolic compliance as a challenge in policy implementation was selected as the focus of the research. The concept of decoupling, based on institutional theory, was used to frame the notion of symbolic compliance. Additionally, the preliminary interviewing

phase helped select the decoupling concept as an analytical tool and facilitated the selection of diverse informants.

Table 3 Characteristics of the interviews in phase 2

<i>Semi-structured interviews</i>						
<i>Field</i>	<i>ID</i>	<i>Side</i>	<i>Organisational role</i>	<i>Experience with project with these themes</i>	<i>Experience (years)</i>	<i>Interview duration (minutes)</i>
Media	P1B1	Buyer	R&D manager	Media RegTech regulation of competition	5	180 (two sessions)
	P1B2	Buyer	Manager	Media RegTech	7	60
	P1B3	Buyer	R&D specialist	Media event management	3	60
	P1B4*	Buyer	Deputy manager	Media	7	60
	C1S1*	Supplier	Manager of team	Regulation of competition	5	120 (two sessions)
	C2S1	Supplier	Manager of team	Media RegTech	4	60
	C2S2	Supplier	Consultant	RegTech	4	60
IT systems	P2B1	Buyer	Deputy manager	IT systems and governance IT education	6	
	C2S1	Supplier	Manager of team	IT systems and governance	4	60
	C3S1	Supplier	Manager of team	IT education	4	180 (two sessions)
	C3S2	Supplier	Senior consultant	IT education	7	60
Energy	C4S1	Supplier	Senior consultant	Energy finance – economic perspective	4	60
	C4S2	Supplier	Senior consultant	Energy finance – policy perspective	5	60
Advanced technology	P3B1	Buyer	Research and development manager	Nanotechnology policy projects	4	60
	P3B2	Buyer	Research and development manager	Nanotechnology policy projects	6	120
	C5S1	Supplier	Consultant	Biotechnology policies	4	90
	C6S1*	Supplier	Consultant	Innovation policy in advanced technologies	6	90
	C7S1	Supplier	Consultant	IoT policies	4	90

Notes: *this informant was also interviewed in the previous phase. P = public organisation, B = buyer, C = consultancy firm, and S = supplier.

In order to obtain a comprehensive understanding of symbolic compliance, we conducted 20 semi-structured interviews with 18 informants from both the buyer and supplier sides with experience of PPCS projects. The challenge of gaining access to informants was addressed with the assistance of the Sharif Policy Research Institute (SPRI) in Iran. The interviews focused on the participants' previous experiences related to symbolic compliance and the barriers they encountered. The fields of the interviewees included media, IT systems, energy and advanced technologies. Most of the interviews were conducted between January 2022 and July 2022, with three occurring after that and before the end of 2022.

The interviewees received an interview guide beforehand outlining the topics for discussion. The main themes in the second phase of interviews included requesting examples of projects that exhibited symbolic compliance, exploring symbolic compliance practices and identifying barriers to compliance with policy procedures or achievement targets. We also asked about the challenges faced during different phases of the procurement process, such as pre-purchasing, purchasing, delivery and follow-up. The interviewees were encouraged to freely express their thoughts, and the interviews were conducted both in person and virtually. Recordings were made after participants provided their informed consent, and notes were taken for the some respondents to review and provide feedback. Follow-up interviews were scheduled after two interviews to obtain more insights. A detailed description of the interviewees in phase 2 can be found in Table 3.

3.3 Data analysis

The data analysis process involved multiple cycles of open and axial coding, as described by Ellram (1996). Descriptive analysis was used to extract meaning from the data, with the aim of identifying decoupling between policy and practice and between means and ends. To ensure a better fit between the empirical data, theory insights and the proposed framework, the data analysis and gathering were conducted in parallel, following a structured and rigorous approach, as outlined by Gioia et al. (2013).

First-order codes were produced based on the descriptive interpretation of the data, with attention paid to the recurrence of observations in the interview analysis. These first-order themes were then connected to second-order themes through an iterative process of analysis between the literature on public procurement practices, institutional theory and the decoupling concept and our data. Axial coding was used to connect the results of the analysis to the research framework, and some of the original codes were merged and relabelled to create a link to the final framework. Finally, the aggregate dimensions based on the second-order themes were added to the framework. The coding criteria are presented in Table 4, and the data structure based on Gioia's process is depicted in Figure 1.

4 Findings and discussion

The study identified two distinct types of decoupling in the PPCS policy in the research context: one related to the process and the other related to the final output. Additionally,

it identified two categories of compliance barriers. In the following section, we describe the identified decoupling practices and their underlying reasons.

Table 4 Coding criteria in the data analysis phase

<i>Coding category</i>		<i>Coding criteria (comments and document text about ...)</i>
Symbolic compliance practices	Policy-practice decoupling	Practices employed by public organisations to demonstrate compliance with the policy were often disconnected from the actual processes and actions taking place within the organisation's core.
	Means-ends decoupling	Practices that public organisations followed emphasised formal procurement procedures, but their implementation did not fully align with the intended outcomes. Practices in which public organisations exhibited a tendency to prioritise procedural compliance over the achievement of final objectives, thus placing less importance on the desired outcomes.
Compliance barriers	Policy-practice compliance barriers	Factors and challenges that hindered public organisations' compliance with the PPCS procurement process.
	Means-ends compliance barriers	Factors and challenges that hindered public organisations' compliance with the PPCS procurement goals.

4.1 Policy-practice decoupling

The first category of symbolic compliance identified was the decoupling practices between the PPCS policy and public organisations' actual behaviour. This refers to situations where public organisations claim to comply with the formal PPCS policy and its regulations, but their actual actions are different, which can be framed with the policy-practice decoupling concept. Ineffective scrutiny of policy implementation in developing countries, like the context of this research, has made it easier for public organisations to sometimes aim to decouple the policy, avoid scrutiny and justify their decisions (Sepehri and Qadiri, 2018).

The analysis uncovered two categories of policy-practice decoupling, informal supplier selection and informal contract management. These categories will be explained in more detail below, along with the identified barriers to compliance with the policy process.

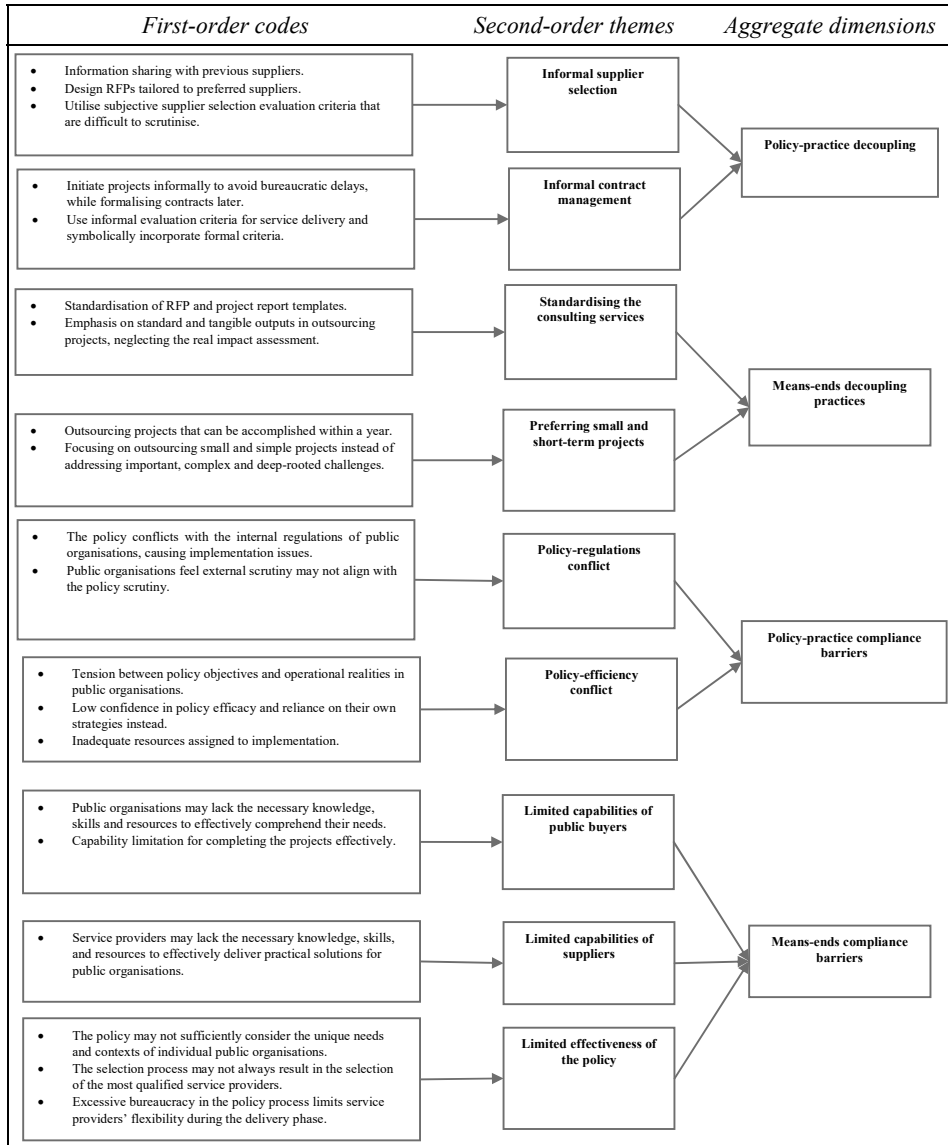
4.1.1 Informal supplier selection

The PPCS policy emphasises the importance of an open tendering process and careful supplier selection in public procurement. However, in public consulting projects in this context, informal supplier selection is said to be a common occurrence. Public organisations often rely on referrals from trusted sources, such as their own employees or individuals with previous relationships with the organisation's members, to select suppliers, even though they may appear to be following formal procedures like sending out requests for proposals (RFPs).

The analysis found that such practices, including sharing information with previous suppliers, tailoring RFPs for preferred suppliers and using subjective evaluation criteria

that are hard to scrutinise, are prevalent in this context. These practices deviate from the formal PPCS policy, which necessitates an open supplier selection process, but they are not technically illegal.

Figure 1 The data coding structure following Gioia et al.'s (2013) process of data analysis



Public organisation representatives stated in the interviews that they rely on referrals from trusted sources to ensure supplier capabilities and to effectively address sourcing problems for these projects.

The consultants who participated in the study confirmed that informal supplier selection is typical in this context and that they needed to find a person who could

influence the public organisation's manager or research manager to participate in a public consulting project. Here is a quote from the C2S1 supplier regarding informal supplier selection:

“If you lack a direct recommendation, there is no point in applying for a PPCS call, as the results are already predetermined! The announcements they send out are tailored, and the formal selection process is merely symbolic.”

4.1.2 Informal contract management

Another observed policy-practice decoupling occurred in the delivery phase of consulting services, where some public organisations were observed using informal contract management practices alongside formal processes for service delivery, evaluation and reporting to maintain legitimacy.

Based on the interviews, it was observed that public organisations sometimes rely on informal agreements to expedite project delivery while still complying with regulatory requirements through formal contracts. This phenomenon has been witnessed in other more developed countries as well and shows the importance of the social aspects of agreements (Uenk and Telgen, 2019). The formal bureaucratic process of public contracts was reported to be often time-consuming and cumbersome for both public buyers and suppliers, prompting some organisations to seek informal arrangements. Moreover, public organisations may encounter conflicts between the bureaucratic processes of the PPCS policy and their internal regulations, particularly in reporting and evaluation.

In the interviews, two informants (P1B1 and P2B1) clearly stated that they had used informal agreements based on mutual trust, along with formal contracts that included general deliverables. They stated that this practice enabled them to attain the flexibility necessary to achieve their desired project outcomes.

4.2 Means-ends decoupling

The second category of decoupling practices is referred to as means-ends decoupling. In these projects, public organisations followed formal processes and regulations as per the PPCS policy, but failed to achieve the intended policy goals or did not put in enough effort to attain them. This decoupling is observed when organisations follow the policy but leave the final goal untouched by disconnecting the means and ends of the action (Bromley and Powell, 2012). The researchers found that public organisations were under multiple institutional pressures, some of which pushed them to actively seek research and consulting projects, while others limited their actions by requiring them to follow specific purchasing procedures. As a result, these organisations either tried to fit consulting projects into their existing procedures through standardisation of consulting services or broke them down into smaller, short-term projects.

4.2.1 Standardisation of consulting services

This means-ends decoupling practice occurs when public organisations attempt to purchase professional services by following the exact process of buying a commodity to simplify the complexity. In such practices, procedures and templates are given more importance than the actual output. Related to this matter, here is a quote from one of the suppliers (C6S1):

“It does not matter if public organisations want to purchase fundamental research, a policy report or a simple management consultancy brief. They have created a standard template and want to fit everything inside it.”

This approach was also observed frequently in other informants’ experiences, where public organisations attempted to frame professional services as tangible products that could be precisely specified *ex ante*. Public organisations sometimes want projects to be easily quantifiable using different objective metrics during project delivery. However, there may be consequences to fitting consulting service purchasing into goods purchasing processes, as previous research has shown that the commodification of consulting projects limits the exchange value of that knowledge (O’Mahoney et al., 2013).

4.2.2 Defining small, short-term and less important projects

This practice occurs when public organisations comply with the PPCS policy by defining small and simple consulting projects to exhaust their allocated budgets. This is because public organisations face conflicting pressures. On the one hand, they are under pressure to spend at least 1% of their budget on research and consulting projects. On the other hand, they face pressures from the bureaucracy of the organisation, conflicting research needs of different functions and high management turnover due to political changes. Defining complex, high-budget, and lengthy but necessary consulting projects invites scrutiny and pressure, making it easier to justify small, short-term projects that appear legitimate based on the ‘number of completed projects’. According to C4S1,

“In the old bureaucratic context of the energy sector, public organisations receive more recognition based on the quantity of their completed consultancy projects rather than the actual impact.”

4.3 Policy process compliance barriers

To answer the second research question, we explored the barriers that hinder public organisations’ compliance with the PPCS process. Through our interviews, we identified two main conflicts that cause this type of compliance barriers: policy-regulations conflict and policy-efficiency conflict. First, the policy may conflict with other regulations exerted on public organisations, causing difficulties in implementation and compliance. Public organisations may also worry about external scrutiny that does not align with the policy, further complicating compliance.

Second, there may be tension between policy objectives and operational realities in public organisations, leading to low confidence in policy efficacy and reliance on their own strategies and goals. Inadequate information or resources to implement the policy also contribute to this barrier. In addition, we found that the ease of avoiding scrutiny of the policy is another parameter that triggers policy-practice decoupling. This was particularly evident in small short-term consulting projects in which public organisations did not even try to exhibit superficial compliance with the policy.

4.4 Means-ends compliance barriers

The study also aimed to identify the barriers that hinder the compliance of public organisations with achieving the PPCS policy goals, which are enhancing innovation and

efficiency within public organisations and their services. Based on the analysis of the interview data, three main categories of barriers to achieving the policy goals were identified: limited capabilities of buyers, limited capabilities of suppliers and limited effectiveness of the policy.

Under the first category, public organisations may lack the necessary knowledge, skills and resources to effectively define complex consulting projects that address their needs. Limited resources, on the other hand, including budgets and staff, can hinder public organisations' ability to effectively reach the final goals of the policy, even while complying with it. The study identified two types of public buyer capabilities: operational and procedural, as well as capabilities for effectively engaging and interacting with suppliers throughout the consulting project. These findings align with the research of Holma et al. (2022).

Under the second category, suppliers may face challenges in understanding the procurement process or lack the necessary resources to participate in the procurement process. For example, small and medium-sized consulting enterprises, like newly established think tanks, may lack the technical capabilities to comply with the demands of complicated consulting procurement projects. In developing countries, the limited number of competent consulting units available to public organisations can further exacerbate these challenges (Yazdi et al., 2019).

Under the third category, the policy may not sufficiently consider the unique needs and contexts of individual public organisations. In this research, we observed that the selection process may not always result in the selection of the most qualified service providers, and excessive bureaucracy in the policy process limits service providers' flexibility during the delivery phase. As a result, public organisations may not always obtain the highest value for the money they invest in professional services.

5 Discussion and contributions

5.1 Symbolic compliance: policy-practice decoupling and means-ends decoupling

The aim of this research was to explore symbolic compliance behaviour in response to the policy process or compliance with achieving policy goals. The findings revealed two types of symbolic compliance in this research context, policy-practice decoupling and means-ends decoupling, and identified possible compliance barriers based on the interview analysis.

Knowing the barriers to both following the policy process and achieving the final policy goals can help with more realistic policy design to achieve better results. This research explored the compliance behaviour of public organisations towards a policy requiring them to outsource consulting services. As Wijen (2014) states, "coupling, not decoupling, should be institutional theory's mantra", and this research aligns with the argument that the dynamic of non-compliance behaviours is more complicated than merely calling public organisations to have opportunistic behaviours (Kauppi and van Raaij, 2015).

5.2 *Compliance barriers: external barriers and internal barriers*

One contribution of this research is the categorisation of internal (efficiency-related) and external (institutional) barriers. Bhakoo and Choi (2013) emphasised the importance of considering both efficiency-driven and institutional pressures to understand the dynamics of organisational responses. Thus, we classified compliance barriers into two categories: external and internal, both manifested in symbolic behaviours.

The first category encompasses external (institutional) barriers that impede or discourage public organisations from adhering to the policy or achieving the desired outcomes. External compliance barriers to the policy process involve decoupling under conflicting institutional pressures, as suggested by Meyer and Rowan (1977). In this research, conflicting pressures arose from contradictions between the policy and other regulations. Means-ends external compliance barriers were revealed to be limited policy effectiveness and supplier capabilities, acting as external institutional barriers that hindered policy achievement, even for compliant organisations. These barriers increase institutional field opacity, aligning with prior research on opaque fields and means-ends decoupling (Bromley and Powell, 2012; Wijen, 2014).

The second category involves internal (efficiency-related) barriers that are specifically related to resource capabilities and limitations. These barriers encompass policy-practice compliance and means-ends decoupling. Conflict between policy requirements and perceived organisational efficiency serves as a significant compliance barrier within the policy process. Public organisations may decouple to align with their own judgements of organisational benefits while maintaining legitimacy, which is consistent with Meyer and Rowan's (1977) suggestion. Means-ends decoupling barriers result from the limited capabilities of buyers and suppliers, as indicated by Wijen (2014). These internal barriers hinder achievement and foster means-ends decoupling practices.

6 **Conceptual framework**

Figure 2 presents a conceptual framework summarising the research findings. It illustrates the behaviour of public organisations when responding to the PPCS policy by outsourcing a consulting project based on the policy agenda. The framework highlights two important points of separation between compliance and symbolic compliance practices.

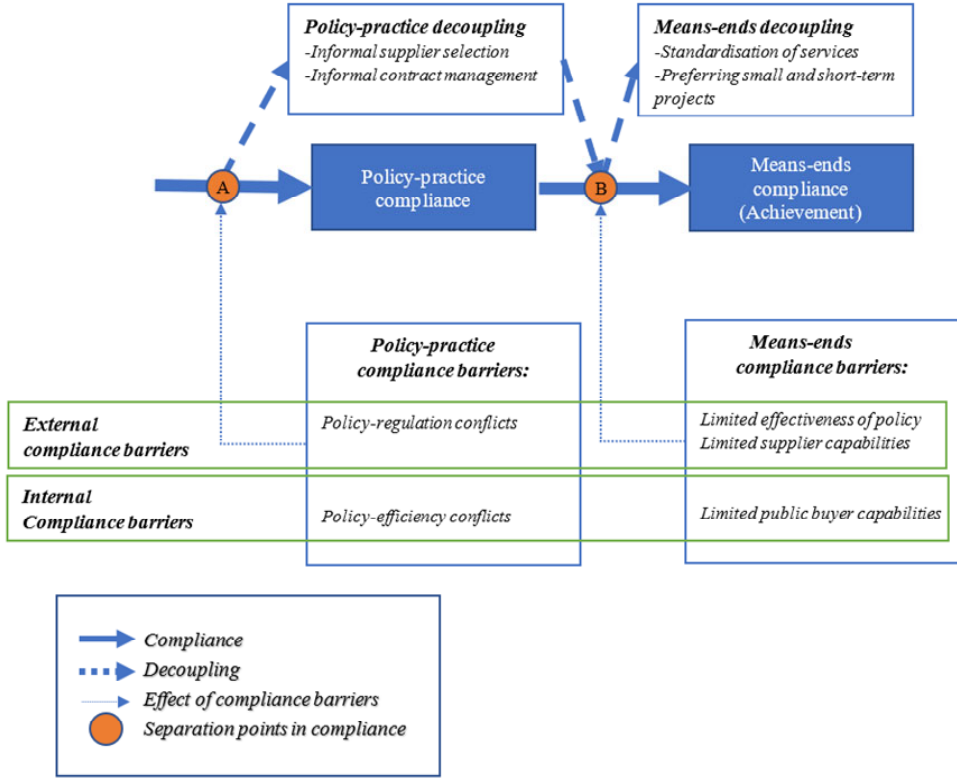
The first separation point shows the stage where public organisations encounter barriers to policy-practice compliance. At this point, the organisation may either fully comply with the policy despite the barriers or choose to decouple from the policy and demonstrate symbolic compliance.

Moving towards the second separation point, the framework shows whether the public organisation achieved full compliance or symbolic compliance with the policy's objectives. Prior to this point, the organisation either complied with or decoupled from the policy process in pursuit of reaching the desired outcomes. At this stage, the public organisation either successfully reaches the final ends stipulated by the policy or symbolically portrays achievement.

The framework further emphasises that compliance barriers can emerge from two sources: external factors within the institutional field and internal barriers stemming from conflicts between compliance requirements and internal efficiency pressures. This

distinction highlights the complexities faced by public organisations in navigating and balancing the compliance expectations imposed upon them.

Figure 2 Conceptual framework of the research (see online version for colours)



7 Implications, limitations and future research

This research highlights the importance for policymakers of recognising and understanding symbolic compliance behaviours, as well as comprehending the needs, capabilities and limitations of public organisations when designing policy-led public procurement. Policymakers must gain a better understanding of effective implementation strategies for new policies, as oversimplified designs without considering implementation complexities can lead to policy failure (Grandia and Meehan, 2017).

Furthermore, policymakers should take into account the capability limitations of public organisations and consulting firms, which could result in compliance barriers. Since consulting projects are knowledge-intensive, their procurement is complex (Pemer et al., 2014). Public organisations require various skills, such as contract management, stakeholder management and knowledge management (Santos and Cabral, 2022). These are particularly crucial in developing countries where suppliers’ capabilities pose significant obstacles (Yazdi et al., 2019).

In our research, access to public organisations openly discussing their experiences was limited. The aim of this study was to contribute to the theoretical understanding of decoupling practices in public organisations rather than generalising them to other public procurement systems elsewhere. The findings primarily rely on interpretations of data within the context of Iran during the data-gathering period. Therefore, while the insights may provide valuable insights into other contexts, generalisation should be approached cautiously.

Future research could leverage the findings of this study, particularly in the context of developing countries. Collecting more data would be valuable to test the exploratory results obtained in this study, enhancing our understanding of symbolic compliance and compliance barriers in public procurement, especially in developing countries.

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