ABSTRACT

Non-compliance in procurement of public goods/services is relatively high in Indonesia. In fact, the Government of Indonesia had issued a mandatory public procurement regulation.

The main objective of the study is to analyze the factors affecting non-compliance behaviour of officers in procurement activities at Semarang Municipality. There were 107 procurement officers have been selected as the sample. They had been certified to handle procurement activities.

The non-compliance model employed several factors as independent variables, such as: social environment, probability of detection, the severity of punishment, economic benefit, and demography factors such as sex, education and working experience. Probit model then was invoked to analyze the model.

The findings showed that all of independent variables were affected the non-compliance behaviour stimultaneously with α = 5 %. Social environment, probability of detection and the severity of punishment variables were found significant with negative in signs. While, economic benefit and working experience were behaved positively and significant. Sex and education were not significantly influenced toward the non-compliance behaviour of respondents.

In short, the salient recommendations of the study among others are: to prevent the non-compliance behaviour, thus maintaining ethical conduct and manners, capacity building of supervision and law enforcement, and highly detterence as a punishment are necessary to improve the compliance level in procurement activities, especially in public sector's work.

Key words : *Non-compliance, public sector, procurement, government, Probit, Semarang*