



# Impact of demographic characteristics of procurement professionals on sustainable procurement practices: Evidence from Australia



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## ABSTRACT

The purpose of this study is to explore the impact of the demographic characteristics of procurement professionals on sustainable procurement (SP) practices inside Australian universities. The study addresses the “who” question—that is, who inside an organisation might be the most likely to engage in SP practices. Using a valuable sample of 224 procurement professionals, the findings of this study provide evidence that demographic characteristics such as working tenure, qualification and position predict SP practices, particularly in the areas of environment, philanthropy and safety. The study implies that if there are more qualified female procurement professionals, it is likely that an organisation will pursue environmentally friendly procurement activities. This is the first study to confirm the effect of the demographic characteristics of procurement professionals on SP dimensions, which to date has been completely undisclosed in the literature. It adds another dimension to understanding SP in the workplace.

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## 1. Introduction

The [United Nations Environment Programme \(UNEP\) \(2015\)](#) defines sustainable procurement (SP) as “a process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis in terms of generating benefits not only to the organisation, but also to society and the economy, whilst minimising damage to the environment”. In 1992, the United Nations (UN) Earth Summit meeting in Rio de Janeiro recognised the need for sustainable procurement features, as reflected in the following excerpt from the Earth Summit publication.

The major cause of the continued deterioration of the global environment is the unsustainable pattern of consumption and production, particularly in industrialised countries, which is a matter of grave concern, aggravating poverty and imbalances ([United Nations Sustainable Development, 1992](#)).

[Walker et al. \(2012, p. 203\)](#) state that research potential exists in further understanding SP, such as “understanding how individual values influence sustainability” and “the factors affecting the extent to which organisations engage in sustainable

procurement”. In response, the current study investigates whether the demographic characteristics of procurement professionals have any impact on SP practices and how procurement professionals differ in their SP decision making.

Understanding the demographic characteristics of procurement professionals and their impact on SP practices is primarily important for two reasons. First, the demographic characteristics of procurement professionals may potentially leverage an important insight into understanding just who inside an organisation is inclined towards SP practices and which demographic characteristics are key in this regard. Second, there is thus far no reliable evidence showing that internal drivers, such as the behavioural attributes, personality traits and socio-demographic characteristics of purchasing and supply professionals, influence the accomplishment of sound SP practices.

This study acknowledges that several other factors (both internal and external), such as organisational procurement policy and budget and sustainability guidelines, play an important role in SP implementation. This study does not intend to distinguish various SP practices undertaken by procurement professionals, but rather focuses on the demographic characteristics of procurement professionals and their impact on SP practices. [Zsidisin and Siferd \(2001\)](#) emphasise that purchasing personnel have a strong capacity to influence price, material purchased, quality and delivery, equipment selection, use of energy, emissions, investment recovery and other facets of production and delivery. Since they are responsible for strategic buying and purchasing, negotiating and

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contracting, cost reduction and building strategic relationships, it is worthwhile investigating whether the demographic characteristics of procurement professionals have any impact on their SP practices.

Australian universities make a rich study context because the majority of the universities there are publicly owned, and received \$14 billion funding from the government in 2014 for improving infrastructure support and the quality of education (Department of Education, 2014). It is important to explore the SP practices inside Australian universities primarily for three main reasons. First, Australian universities spend a huge amount of money on procurement activities. Although the specific amount spent on procurement activities is publicly unavailable, the Department of Education's website does state that Australian universities have assets of more than \$35 billion in property, plant and equipment. A few Australian universities disclose the procurement process inside the university, which provides an idea about the amount involved in procurement activities. For example, the Monash University website states that there are several procurement and purchasing activities across the university, starting from simple (day-to-day) purchases involving AUD \$20,000 to strategic procurement involving complex purchases of around AUD \$1,000,000 (Strategic Procurement Procedures, 2012). Thus, it is assumed that a large amount of public money is spent on procurement practices inside Australian universities.

Second, most of the SP studies have only been carried out from an organisational perspective (Carter et al., 1998; Schaper, 2002; Carter and Jennings, 2004; Lau, 2011; Brammer and Walker, 2011; Walker and Brammer, 2009, 2012; Liu et al., 2012), and there are only a few SP studies (such as Meehan and Bryde, 2011; Li and Geiser, 2005) conducted within the non-industrial sectors. Most of the purchasing and supply literature has not examined the SP practices inside the education and non-market sectors. Gruen (2012, p. 11) states that the non-market sector in Australia (including education and training) "makes up roughly 26 per cent of employment and 18 per cent of output and a significant proportion of these services are provided by government". Li and Geiser (2005) find that universities conduct huge purchasing and contracting activities, and there are significant degrees of variation in the purchasing approach across the universities. There is a lack of SP studies in the education sector, particularly in Australia that "employs over 107,000 people and in 2009 had close to \$19.9 billion in total revenue" (TEQSA, 2014). Third, another important reason to conduct this study is that the Australian government spends approximately 7.1% of GDP on education (Australian Bureau of Statistics, 2012) and the majority of Australian universities are public universities funded by the government, and thus have a strong potential to influence SP practices. The above three reasons emphasise the importance of exploring the SP practices inside Australian universities that generate significant revenue and employment. The study argues that a deeper understanding of the demographic characteristics of procurement professionals inside Australian universities is needed to bridge the gap in the literature.

Gruen (2012, p. 7) further states that non-market sectors in Australia such as health care, social assistance and education and training "have a significant direct impact on productivity because they are primarily or significantly responsible for governance and service delivery".

Realising the breadth of procurement practices inside Australian universities, this current study explores the demographic characteristics of procurement professionals, an important area hitherto overlooked. The study examines the procurement professionals who are purchasing in a more sustainable way—and in particular looks at their key demographic characteristics. Such attention will help understand the procurement function, and will also identify just who in an organisation may be likely to purchase

in a more sustainable manner.

The remainder of this paper is structured as follows. Section 2 outlines a review of the literature, detailing the demographic characteristics that are being measured. Section 3 presents the research methodology of this study. Section 4 presents analysis and results, followed by a discussion and interpretation in Section 5. Section 6 provides concluding remarks, including implications for future research.

## 2. Literature review and theory building

There is a body of literature which suggests that procurement-specific skills (such as technical skills, behavioural skills, generic skills, broad financial skills) of procurement professionals contribute to organisational performance (Cousins et al., 2006; Giunipero et al., 2006; Large and Gimenez, 2006; Tassabehji and Moorhouse, 2008). However, according to our investigation, the literature fails to recognise the direct impact of the demographic characteristics of procurement professionals on actual procurement practices. As a result, there is an understanding of the skills, but not of just who these professionals are. The literature suggests that, from the consumer perspective, studies have addressed individual values, personal attitude, ethnicity, normative pressure and cognitive bases, including functional background and educational qualification, and their influence on environmentally friendly purchasing (Becker et al., 1981; Stern et al., 1993; Kempton et al., 1995; Schlegelmilch et al., 1996; Diamantopoulos et al., 2003; Johnson et al., 2004; Poortinga et al., 2004; Han et al., 2011; Fisher et al., 2012). Thus, the literature provides a strong indication that demographic characteristics, social and individual values and personal attitudes have the potential to influence individuals in their decision making regarding the purchase of goods and services. So far, however, there has been little discussion about the demographic characteristics of procurement professionals, as the majority of the demographic studies are conducted from the individual consumer's viewpoint, which may or may not differ from that of a corporate consumer. Because procurement professionals are also individuals, it is expected that their age, gender, working tenure, knowledge and education have the potential to influence their purchasing behaviour.

This study acknowledges that personal and organisational purchasing behaviours are not similar, as they do have a different purpose, but the role of demographic characteristics in organisational purchasing behaviours is worth exploring in light of some of the debate in the literature. For example, Sebastian and Davison (2011) recognise the demographic characteristics of procurement professionals, including other personal factors such as beliefs and values, in understanding contract administrative problems. However, counter to that, Hall (2012) finds that the demographic characteristics of marketing officers have little or no impact on marketing index scores. With there being no clear indication whether demographic indices affect organisational purchasing processes, the current study builds upon the literature (Diamantopoulos et al., 2003; Johnson et al., 2004; Poortinga et al., 2004; Han et al., 2011; Fisher et al., 2012) and extends it by focusing on the demographic characteristics of procurement professionals.

A recent US study by Wagner and Kemmerling (2014, p. 164) finds that the "long-term trend for a stronger chief supply chain officers' (CSCO) presence in top management teams (TMTs) leads to a gradual increase in supply chain expertise in US corporate upper echelons". Their study also finds a link between operating profit margin and supply chain management experience in top management teams. Supporting the demographic characteristics and their organisational influence, Manner (2010) finds that the

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