

An analysis of research into the future of purchasing and supply management

Jurong Zheng^{a,*}, Louise Knight^a, Christine Harland^a, Stuart Humby^a, Ken James^b

^a*Centre for Research in Strategic Purchasing and Supply, School of Management, University of Bath, Bath, BA2 7AY, UK*

^b*Chartered Institute of Purchasing and Supply, Easton House, Easton on the Hill, Stamford, PE9 3NZ, UK*

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Abstract

Business organisations are going through rapid external environmental and internal organisational changes due to increasing globalisation, E-business, and outsourcing. As a result, the future of purchasing and supply management—as a function within organisations, as a process that spans organisation boundaries and as a profession—raises important concerns for both organisations and the purchasing professional. This paper considers a broad and rather fragmented body of empirical evidence and analyses 42 relevant empirical studies on the future of purchasing and supply management. The major findings are reported in terms of changes in business contexts, purchasing strategy, structure, role and responsibility, system development and skills. Cross-sectional comparative analyses were also conducted to examine variation by sector, firm type, people's roles in purchasing, and country. A number of major implications for the purchasing function, process and professional bodies are presented together with suggestions for future research to address significant gaps in the current body of knowledge.

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1. Introduction

Business organisations are going through rapid external environmental and internal organisational changes due to increasing globalisation, E-business, and outsourcing. As a result, the future of purchasing and supply management—as a function within organisations, as a process that spans organisation boundaries and as a profession—is being widely debated (e.g. van Weele and Rozemejier, 1996; Harland et al., 1999). The increased focus on the issue of how purchasing fits within business organisations and how it adds strategic value and contributes to corporate success accentuates the following questions. Given the increase in automation and outsourcing of purchasing activities, will

purchasing and supply as we recognise it today exist in the future? How are functional roles and responsibilities changing? What are the implications of these changes on the types of people doing purchasing, and on the skills, education and training they require? Furthermore, many papers on the subject are conceptual, or opinion-based. Empirical research provides fragmented evidence on the changing purchasing context, strategy, structure, process and skill requirements. There is only limited understanding of the variations in purchasing and supply management by sector, size of firm or country (Ellram and Carr, 1994; Carter et al., 2000b).

This paper presents the findings of a study, commissioned by the Chartered Institute of Purchasing and Supply (CIPS) in the UK, to review research on the future of purchasing and supply, and addresses three questions: what studies have been done which address the current state and the future of purchasing and supply? What are the key issues identified in the findings of the higher-quality studies? What are the implications of these studies?

*Corresponding author. Tel. +44 1225 386512; fax: +44 1225 383223.

E-mail addresses: J.Zheng@bath.ac.uk (J. Zheng),

L.A.Knight@bath.ac.uk (L. Knight), mnsclmh@management.bath.ac.uk (C. Harland), shumby@aol.com (S. Humby), ken.james@cips.org (K. James).

findings? From searches of a wide range of academic and non-academic, UK and international sources, 42 core references were identified and subsequently analysed using the methods described in the next section. Section 3 is the analysis of the key findings of the selected studies. This section is organised using several themes (strategy, structure, roles and responsibilities, information system infrastructure and people skills) and by comparative analyses (e.g. private versus public sector). Section 4 discusses the implications for the purchasing and supply management practices and for future research directions. The final, fifth section presents the paper's conclusions and the limitations of the review study.

2. Methods

A wide-ranging review of documented sources relating to purchasing and supply was undertaken, including academic and non-academic sources, UK research and international studies. Several academic journals, including the (*European*) *Journal of Purchasing and Supply Management*, IPSERA (the International Purchasing and Supply Education and Research Association) Conference Proceedings between the period 1995 and 2003, and electronic databases (notably Emerald and Business Premier) were searched. The key words used to search included 'purchasing', 'supply', 'procurement', 'supply chain management', 'function' and 'future'. This search produced a relatively small amount of published future-focused studies and therefore efforts were made to obtain relevant unpublished material. The unpublished materials included studies by the major research centres in purchasing and supply management and studies commissioned by government agencies and professional institutes. In total, 214 papers were collected and reviewed. The initial scan of the 214 papers revealed considerable variations in types of research conducted and the relevance and quality of papers, therefore a further review was conducted to select core papers.

The selection of the core papers involved two processes. Firstly, papers were differentiated between publications that were backed by primary data (considered empirical papers) and those that were not (more conceptual papers). For the purpose of the study, priority was given to references reporting empirical studies. The second process evaluated the papers using two criteria: relevance and quality. Two aspects of *relevance* were considered, firstly relevance to purchasing and supply management generally and secondly relevance to its future development. Relevance was defined in respect to purchasing and supply management in a broad sense; referring to all activities required to manage supplier relationships, including purchasing processes within the organisation and between the organisation and its suppliers (van Weele, 2002). For example, purchasing and supply management could include broad purchasing processes such as outsourcing and supply chain management. For

many papers, the scope of the studies and the reported findings were not directly related to the *future* of purchasing and supply; although they used the term future in the concluding sections and raised the implications of their findings for future practice and research. Inclusion of these papers only occurred if they were based on sound methods, which were well evidenced by the data and drew out systematic implications for the future of purchasing and supply.

The quality of a paper was evaluated in terms of whether the study objectives and scope were clearly specified and appropriate methods were used, as well as whether the findings were logical and insightful (Miles and Huberman, 1994). Each paper was read, evaluated and recorded in a database. Despite the effort made to ensure a systematic evaluation of the quality of a paper, this was found to be challenging. Selection of core papers in terms of quality has to be based on an overall assessment against all three of the above criteria, but many of the empirical papers did not meet them all. For example, some publications reported studies with sound methods, and described extensive data sets but offered only limited insights. Other publications offered useful insights but had methodological shortcomings. Hence, the review included some publications that were relevant but did not meet all the quality criteria defined above. Certain publications were excluded, which had both major methodological problems and limited insights. Overall, we worked with the most appropriate papers available that specifically addressed the future of purchasing and supply management.

Forty-two 'core' publications reporting empirical studies were identified. 'Duplications', where a study was reported in two or more papers, were discounted. Table 1 shows that most of the core selected studies were recent publications and many of these studies were undertaken in the UK and the US. This partly reflects the fact that only publications in the English language were searched. The journal papers were mainly published in purchasing and supply specific journals, but there were also a small number of papers published in journals from other disciplines, such as *International Journal of Operations & Production Management* and *International Journal of Physical & Logistics Management* (see Table 2 and Appendix A).

Of these 42 core publications, 13 are specifically 'future-focused' studies. This includes two US publication by the Centre for Advanced Purchasing Studies (CAPS), two UK publications by the Centre for Research in Strategic Purchasing and Supply (CRiSPS), one study by the Purchasing and Supply Management Education and Research Unit in the Netherlands, one study by the International Federation of Purchasing and Materials Management (IFPMM) and six papers resulting from various joint initiatives between academics and non-academics (see Table 3). The typical method used for future-oriented studies was a questionnaire survey. The

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