

Investigating the non-compliant purchasing behavior at Company X

– A case study

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This study investigates the non-compliant purchasing behavior at Company X. The purpose of the study is to identify the reasons behind the employees' non-compliant behavior and how managers at Company X can change that behavior. By doing a multiple case study at Company X with a cross-case analysis a conclusion was found for the reasons behind the non-compliant purchasing behavior Company X is struggling with. The findings in this study also present solutions on how to change the employees' purchasing behavior.

Keywords: non-compliant purchasing behavior, reasons, solutions

Introduction

In today's competitive market it is extremely important for companies to continuously improve their supply chain to survive. One of the hottest topics nowadays in the supply chain is the purchasing function (Joyce, 2006). There are many discussions on which purchasing structure a company should use to create an efficient purchasing function depending (Weele, 2010; Pooler *et al.* 2005, Karjalainen *et al.* 2008). The conclusions are that there is no right or wrong purchasing structure, as there are pros and cons with all kind of strategies. The chosen structure should always reflect back to the companies' strategy and in today's business the structures becomes more complex than ever as the

companies work on a more globalized world (Weele, 2010). As the complexity in the companies purchasing structures is advanced it requires that the companies have well defined work processes and guidelines to reduce any misunderstandings between employees and managers. Even if these phenomena are well known and companies strive to have well defined processes and procedures, they are still struggling with employees having problems to follow the processes. Company X is a company that struggles with employees that are non-compliant and have seen that these behaviors have an economical impact on their business. The managers are worried that it will hurt the company more severe if these behaviors continues and have aroused the questions: "*Why are the employees avoiding the procedures*

and how can we change their mindset?"

Purpose and research questions

The purpose of this study was to identify the reasons behind the employees' non-compliant purchasing behavior at Company X. Another aim was to find the solutions to the reasons behind the non-compliant purchasing behavior to change that behavior. The questions that needs to be answered to solve these problems are:

1. *Why do employees at Company X fall into non-compliant behavior in the purchasing process?*
2. *How can we change that behavior?*

Focus and delimitations

The focus of this study will be limited to investigate the reasons and find the solutions and will not investigate the purchasing processes and its structures. Moreover, the companies IT-systems will be seen as static and no investigation will be made in this area. Further, this study only stretch out to the Nordic countries, Sweden and Denmark, as there is no time to investigate all countries Company X is operating in.

Theoretical framework

The theoretical framework consists of three main areas: *Forms of non-compliant purchasing behavior, reasons behind non-compliant purchasing behavior and the*

solutions to these non-compliant reasons.

The theory has been retrieved mainly from journals that are widely admitted by professionals within logistics, such as: *International Journal of Physical Distribution & Logistics Management* and *Journal of Purchasing and Supply Management*.

Further, to find relevant theory some keywords have been used. These keywords are: *maverick-buying, non-compliant work behavior, non-compliant purchasing behavior, deviant work behavior etc.*

Finally, the theoretical research has resulted in a model that has been used through the whole study, see appendix. This model is the base for the data collection and the analysis in the end. The model consists of the different forms of non-compliant purchasing behavior, the reasons connected to these forms and how to solve the non-compliant reason.

Method

This study was carried out by following an abductive approach, where a qualitative case study research was conducted. The chosen case study method was a multiple case study, where six cases was studied by interviews. Each case was analyzed individually followed by a cross-case analysis, were all cases were compared to each other. The aim was to find similarities and to learn from the cases that had compliant purchasers.

Conclusions

From the analysis it was clear that the non-compliant employees at Company X, that have purchasing

activities in their daily work, lacks the training needed to be able to perform their purchasing tasks. Even though the possible forms behind non-complaint purchasing behavior are many, Company X is only facing two of these forms, un-intentional- and forced purchasing behavior.

The interviewees from the employees with non-compliant purchasing behavior revealed that the reasons behind their non-compliant purchasing behavior are mainly two, the unfamiliarity with frame agreements and lack of training in the IT-systems. It is very important to give the employees the right conditions to be able to perform their tasks, which has not been the case at Company X. The employees do not have the knowledge or the training that is required to understand purchasing and its processes, which in turn leads to non-compliant purchasing behavior.

Above all, to reflect back to the second research question, how to change the non-compliant purchasing behavior, the findings shows two solutions with similar meaning. Train and educate the employees in general purchasing and as well to train them in using the IT-systems correctly. The knowledge in purchasing will make the employees understand the importance of using the purchasing process as it is designed.

These solutions to non-complaint behavior needs however a deeper research on how the training and

education should be done. One recommendation for Company X is to study the employees that are compliant in the purchasing process and try to find how these employees learn from their trainings and how they use their knowledge. Further, Company X should have internal workshops with their employees so that knowledge and experienced is shared within the company, since there are employees that are compliant in the purchasing process.

Reference

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Appendix

