

## THE ROLE OF IMMANENCE IN THE FUTURE OF PUBLIC PROCUREMENT

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**ABSTRACT.** Procurement specialists frequently complain that despite the benefits of their professional skills to their respective organizations, their profession lacks recognition. Over the past decade, examples of this phenomenon can be found in a range of commercial and academic forums specializing in procurement, purchasing and other areas of supply chain management. This paper will explore aspects of the recent history of public procurement through the lenses of professionalism knowledge-building, immanence and their combined capacity to generate insights into the present status of the profession. The paper provides a more radical, if contentious, pathway to understanding the development of the procurement profession.

### INTRODUCTION

Over the past two decades a new view of purchasing has gradually emerged, from that of being operational/tactical in nature and so largely a clerical function, to being considered, in many companies as being of major strategic importance. (Humphreys, 2001, p. 604).

Few procurement professionals or academics would argue with Humphreys' sentiments about the progress of this discipline area over the past twenty years (Meredith & Roth, 1998). However, in the wider academic community and, in the case of private and public sector executives, the view of procurement and purchasing may be changing more slowly than popularly imagined. There is anecdotal evidence that a greater number of high level management positions are being established

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in procurement, but after the past twenty years, what is the nature of the procurement function and how closely has procurement become linked to strategic management?

A review of the literature in a number of discipline areas reveals a number of academic and professional bodies of knowledge that are potentially integral to the contemporary procurement discipline in ways which were not typical when procurement was seen to be a vocational process or practice. The list of disciplines reviewed in this paper is not exhaustive, but could include accounting, economics, engineering, environmental sciences, human resource management, information technology, law, logistics, management development, management studies, industrial marketing, project management, organizational behavior, psychology, sociology, and strategic management. While each of these individual discipline areas has some cross-disciplinary inter-relationship, each seeks to demonstrate the existence of a unique body of knowledge that determines the nature of practice and as Morgan (1989) notes, each of these disciplines tends to view the world in the eyes of their dominant body of knowledge.

In the case of procurement and supply chain management, the speed with which outside influences are changing procurement knowledge and practice result in the core body of knowledge within procurement being summarized as the capacity to manage procurement practice using a constantly variable mix of knowledge drawn from other disciplines to achieve the results expected of practitioners in this field. While the cross-disciplinary nature of procurement is widely recognized in the procurement literature, the thesis of this paper suggests that rather than just managing these cross-disciplinary pressures, procurement professionals need to be able to evaluate procurement influences across a range of discipline areas at a professional standard of knowledge rather than just demonstrating a working appreciation of these content areas (Giunipero, 2000; Humphreys, 2001; Wynstra, van Waele, & Weggemann, 2001). This depth of knowledge, combined with the capacity to manage across these discipline areas, creates power tensions in relation to existing disciplines.

Furthermore, the paper reports on research that finds that if the content and focus of textbooks is a reliable guide to “community paradigms” (Kuhn, 1970), in the more established management discipline of strategic management, the concepts of purchasing, procurement and supply chain management rarely rate a mention and

may not exist in the knowledge base of this subject area. The essential nature of this recognition can be found in the observation, by Thomas Kuhn (1970, p. 43), that “Close historical investigation of a given specialty at a given time discloses a set of recurrent and quasi-standard illustrations of various theories in their conceptual, observational, and instrumental applications. These are the community paradigms, revealed in its textbooks, lectures, and laboratory exercises.”

Procurement and supply chain management do not appear to have made that transition into “community paradigms” beyond the field of the procurement academic and practitioner. They are largely absent from the established management literature, especially in the discipline area of strategic management, as “revealed in its textbooks” (Kuhn, 1970, p. 43). In scholarly journals, apart from those specializing in procurement, logistics and supply chain management, the yield is extremely limited (EBSCO Search, September, 2004).

To set the traditional scene relating to this paper, a brief review of the notion of a profession and the relationship with traditional organisation studies has been undertaken. This is followed by a discussion of the role and impact of immanence on the future of procurement and the self-perception of procurement professionals.

#### **DEFINING THE BODY OF PROCUREMENT KNOWLEDGE**

The functional definitions of a profession (Barber, 1968; Rueschemeyer, 1983; Abbott, 1998), suggest that procurement practitioners may claim the status of a profession. The functional model of a profession may not be ideal, but lends itself to assisting a function such as procurement, to aggregate a knowledge base in an effort to attain professional standing. The importance of this standing is reflected in the power and status that accrues to members of recognised professions (Perkins, 1996). The existence of professional rules, ethics, a sense of community commitment, a corporate body to enforce professional rules and an emerging definition of the body of knowledge support such a claim for professional standing. Beyond the functional model, Friedson (1983) and Rueschemeyer (1983) have identified notions of scientific knowledge, power, self-control, autonomy and social control as further bases on which the notion of a professional can be understood. From this perspective, procurement seemingly struggles to demonstrate “scientific knowledge, power, [and] social control” although the existence of professional bodies may manage issues of self-control and autonomy.

The diversity of the body of knowledge for the procurement discipline can be compared to the emerging body of knowledge of the 1940s and 1950s now known as Organizational Behavior (OB). OB, which arguably forms the foundation of the wider discipline of Management Studies linked elements of psychology, sociology, and anthropology (as a minimum) to describe a new, cross-disciplinary field that aimed to explore the multiple, complex set of relationships that typically form within an organization. That the researchers in this field still debate diverse explanations of the organizational phenomena they observe does not seem to diminish the field, rather it serves to heighten its academic appeal (Clegg and Hardy, 1996).

Similarly, in the case of procurement, the contemporary focus in some organizations is on the process of managing a supply chain using capacities to develop "procedures for dealing with vendors, qualification rules and information systems" (Porter, 1985, p. 41). In others, there is a belief that by managing purchasing techniques, suppliers and related financial and supply arrangements, the financial performance of an organization can be enhanced largely through achieving greater procurement efficiency and cost reduction. As the scope of procurement is more widely explored, there is clearly both the opportunity to computerize some of the key administrative and basic evaluative techniques of the procurement function, and at the same time, increase human intervention in the complex, interpersonal and analytical roles addressed within the procurement process.

Research by Giunipero (2000) defined the concept of a world class procurement professional by linking an individual's personal attributes to their relationship with the so-called knowledge economy. In this view, the professional body of knowledge is managed by a "world class purchaser" who is defined by Giunipero, (2000, p. 8) as:

An individual who visualizes and approaches his or her job from a strategic perspective in dealing with the supplier firm-purchaser firm-customer linkage. This individual continually embraces and leverages his or her skills and knowledge of critical supply chain activities in order to provide value in meeting corporate and customer objectives.

More recent research by Giunipero and Handfield (2004), suggests that currently, in the USA, the most important skills for purchasing include ethics, negotiation skills, decision-making, communication and "common sense" (the latter being a very unhelpful way of defining a

professional skill, especially in the context of management studies, where 'common sense' solutions can be demonstrated to lead to unsatisfactory outcomes). However, looking out to the end of the decade the US research suggests that the key skills-in-demand will include communication skills, negotiation skills, strategic thinking, decision-making, influence and persuasion, cross-functional team capabilities and leadership, strategic thinking, contract writing, managing change, managing the supply base, managing risk and planning will move up the list of skills requirements significantly (Giunipero and Handfield, 2004). Recent research into public procurement has also suggested that current challenges include risk management, e-literacy, co-operative procurement, purchasing cards, supplier development, change management and enhanced capability to manage the post-contract stage of procurement (IRSPP1, 2003). These are all procurement responsibilities requiring greater knowledge and understanding.

As some procurement researchers have noted (for example, Burt and Doyle, 1993; Monczka, Trent & Handfield, 2002), many organizations have progressed the procurement function through several stages of development from a mechanistic, clerically-focused, bureaucratic and comparatively basic function to one that has higher status and a closer relationship with the strategic and operating functions of the organization.

For example, one of the operating functions that holds procurement to its clerical past is the tendering process, long used by large private and public organizations to demonstrate that contracting parties have an equal chance of winning contracts. This process has a number of significant weaknesses which procurement practitioners (and their managements) have been unable to discard. The cost of tendering represents a significant investment for those organizations seeking work, especially when the basis of successful tendering is not public. The detailed requirements of the tender are usually contained in a specification which represents the apparent needs of the end-users, which, however may not take into account the full range of available solutions unless the product end-users have been involved from the time the specification is being developed. Furthermore, the tender process avoids the need to address the many aspects associated with the development of closer, more collaborative relationships with suppliers and allows the procurement process to proceed by impersonal, paper-based or electronic-based transactions.

Recent developments in tendering include the preselection of potential suppliers on the basis of a general *due diligence*, followed by an invitation for these approved suppliers to participate in an electronic bidding process. This type of bid process creates a dilemma: collaboration and open interpersonal relationships are evident on the one hand, with closed electronic relationships on the other. What results can be a continuation of domination and suppression in a marketplace, veiled in models of friendship and trust. Does this represent a strategic approach to procurement or merely an alternative manifestation of the power relationship between buyer and seller (Cox, 2001)?

Remote access to the electronic marketplace increases the likelihood that potential participants in the market can be in electronic or telephone communication while participating in the on-line, real-time bid process. There is even the possibility that some competing bids are initiated from different computers in the same room. Does this represent an enhanced marketplace or a naïve approach to the electronic marketplace on the part of buyers?

At a more strategic level, some suppliers are granted long-term contracts on the basis of a guarantee that they can reduce the cost of their goods or services to the buyer on an annual basis (Laseter, 2001). Buyers and suppliers have pursued cost minimizing models in the areas of material sources, inventory management, production methods, single and global sourcing (Arnold, 1999), and financial assessment. The focus on transactions and transaction costs (Williamson, 1985) has been widely applied by procurement practitioners to notions of improved reliability of supply, enhanced quality of product or service and cost minimization. In some circumstances, suppliers have become involved in product specification and design in conjunction with the user, to ensure that the product delivered matched the required needs of users.

Overall, the changes affecting contemporary procurement have not been uniform or consistent. There are no generally agreed rules or principles defining the procurement function or its operation. In a sense, the diversity of procurement practices are likely to have increased as organisations attempt to implement procurement reform in both the clerical and IT senses. The result can be the redundancy of established procurement procedures and practices and the emergence of diversified models that fail to achieve the cost and efficiency goals that buyers and suppliers might have expected from a “reform process”.

There is a possibility that procurement practitioners have to prove the existence of specialist knowledge that they, rather than other professional groups, have the capacity to manage. At an almost simplistic level, Abbott's (1998, p. 8) definition of a profession, suggests that they are "exclusive occupational groups applying somewhat abstract knowledge to particular cases." This perspective poses the fundamental question: "what is the abstract knowledge applied by the procurement discipline"? Apart from the range of techniques required to reduce transaction costs, procurement research could focus on ways to transform the traditional relationship between buyer and seller to achieve a more effective leverage of value for their organizations (Cox, 2001), and resolve relationship issues such as trust within the negotiation process (Warrington, Abgrab and Caldwell, 2000).

In these types of contexts, while procurement practitioners are closely involved, recognition beyond the boundaries of the discipline area is limited, with the broader community recognition inherent in Kuhn's (1970) assessment yet to occur. Application of the functional principles of a profession as a predictor of the existence of an emerging profession demonstrates that procurement has some functional attributes to develop.

However, another challenge commences at the level of the so-called purchasing, procurement or supply chain professional bodies. How is procurement defined and how does it differ from logistics and supply chain management? In many ways this is the first question to be resolved in reaching for a defined body of "abstract knowledge", but in reality it seems to be the last issue to be put to rest by researchers and professional bodies. For example, the process of logistics is designed to provide a variety of methodologies by which buyers receive (or should receive) their ordered goods and services. However, a definition of logistics can be very narrow: "all the activities and methods connected with the supply of armed force organizations, including storage requirements, transport and distribution" (Luttwak, 1971 in Lummus, Krumwiede & Vokurka, 2001, p. 426) while Wills and Wills (1998) define logistics as "the science of the movement or flow of people, materials and information". Similarly, the definition of logistics can be broad: "the process of planning, implementing and controlling the efficient, effective flow of and storage of goods, services and related information from the point of origin to the point of consumption" (CLM, 1998 in Lummus, *et al.*, 2001, p. 427). Both of these definitions could also encompass the process of procurement.

Likewise the definition of “supply chain management” can be very specific: “a network of member companies connected via vendor-customer relationships from the ultimate supplier to the ultimate customer ...” (Barut, Faisst & Kanet (2002), although this definition avoids the identification of government within the definition (despite the fact that government procurement may equal over 25 per cent of GDP in many countries). Furthermore, the notion of supply chain management can be broadened to cover every type of multiple relationship that exists from the moment of conceptualization of a commercial need, whether it is a good or service, until the eventual satisfaction of that need. In these cases the definition of procurement can be absorbed into the notion of supply chain management. The International Federation of Purchasing and Materials Management (IFPMM), which claims affiliation with forty-three national purchasing bodies, defines the field of procurement as “taken to embrace purchasing, materials management, logistics, supply chain management and strategic sourcing” (IFPMM, 2002. p, 1). So much for delineating a somewhat “abstract body of knowledge” (Abbott, 1998).

In this paper, public procurement is defined, in a longhand fashion, as:

the entire series of events relating to the acquisition of goods and services required by government institutions from conceptualization of the need for the product to its utilization and ultimate disposal (Original definition).

The shorthand definition is “the science of buying and supply” (Callender, 2004). Needless to say, these overlapping views, often supported by an active institution which claims to be a professional body, represents a potential nemesis for the emergence of procurement as a profession because there is currently no single, supra-national or national institution that can claim to administer and develop the body of “abstract knowledge”. However, the professional institutions are not the only problem, the inherently cross-disciplinary nature of contemporary procurement, as distinct from its clerical and administrative predecessor, poses risks which are further explored below.

### **PROCUREMENT AS A CROSS-DISCIPLINARY PROCESS**

One of the professional disciplines most influential in the area of procurement is accounting. Accounting brings to procurement attributes

as basic as accounts payable processes and asset management systems. More sophisticated concepts such as Activity Based Costing and its application to the management of costs and benchmarking, and the use of financial modelling, including net present value techniques, to evaluate competing contracting opportunities and to measure whole-of-life costs are also involved. A review of the literature reveals limited empirical research into the cost management issues associated with buyer-supplier relationships (Ellram & Feitzinger, 1997; Seal, *et al.*, 1999; Dekker & van Goor, 2000), despite continuing support for this approach by the procurement profession.

A major area of weakness relates to the notion of cost benchmarking, which cannot be effectively developed as the basis of comparison between organizations unless the basis of cost management has been agreed. Activity Based Costing holds out such a possibility, because it focuses on the full range of cost drivers within organization functions such as procurement. Yet despite this weakness in measurement, and thus, arguably, the whole basis of cost comparison, the procurement profession has provided strong support for cost management, cost reduction and financial benchmarking without necessarily exploring the advantages of these activities, beyond the area of cost cutting (Armstrong, 2002).

Indeed, the accounting profession holds out a group of generally accepted accounting principles as fundamental to the predictability of professional practice, as disclosed through the production of financial statements that reflect the application of these principles. However, areas of accounting activity that are subject to subjective opinion, such as the current valuation of long term assets, the accounting treatment for the value of future contingencies, the assessment of the future costs of maintaining assets and the potential costs of their disposal are all areas of accounting practice that also overlap with, and influence the formulation of procurement models.

Financial models draw both accounting and economics principles together in the notion of the so-called, "Procurement Multiplier", which attempts to prove the capacity of procurement policies to reduce costs and increase profitability (Jensen, 1992) through asserting that one of the major financial contributions of procurement rests in its ability to directly reduce costs and thus contribute to profitability at a higher rate than sales (the latter returns a marginal benefit, although it remains the essential source of income). The "Purchasing Multiplier" is a comparatively

unsophisticated instrument in general usage. It assumes that every product of a particular type is the same as competing products and fails to take into account variations in quality, production cost, ease of delivery, variations in currency values, and the discounted cash flows generated by the product.

From a financial point of view, a key element is the assessment of the "whole of life" cost of a good or service or the Total Cost of Ownership (Ellram, 1995), the basis of which is complex and contentious, but which enables the procurement manager to evaluate competing purchases by having regard to their relative purchase prices *and* likely operating, maintenance and disposal costs. The principles of procurement decisions on this basis have been well documented for over thirty years (Tether, 1977), although the concept seems to have been only recently revived through the move towards more sophisticated evaluation of "value for money" concepts in procurement. There are other areas of procurement and procurement policy that attract the attention of economists. For example, in spite of the free market intentions of the World Trade Organization, a number of governments practice "buy local" or "buy regional" policies designed to foster local markets (Porter, 1985) while opposed by conventional economic opinion.

Information Technology is represented widely in the realm of e-commerce, e-business and the related applications of inventory management, communication, product cataloguing, customer information, and most recently, the electronic marketplace. The operation of electronic commerce, in the broadest sense, has achieved significant results in creating electronic linkages between organizations (Heizer & Render, 2000), although there is empirical evidence (Min & Galle, 2001) that there are a number of barriers to small firm participating in electronic procurement as a buyer or seller, even though the existence of the Internet enhances ease of access generally (Buhr, 2000). This is supported by the need for initiatives to provide appropriate training to enable individuals and businesses to be able to use a personal computer (PC), and especially, to use the Internet, so that participation in electronic business can be increased (Interviews, October, November 2002).

While electronic literacy (*eLit*) may seem an unimportant issue for large businesses and mature public sectors, anecdotal evidence suggests that *eLit* appears to be a significant barrier to the participation of individuals and small-medium sized organisations in electronic business activities, and suggests that the definition of literacy could be extended to

ensure that the ability to use a PC to perform basic business transactions and draw on the benefits of the Internet, is deemed to be as important as basic reading and writing skills. Without the participation of smaller firms, the nature of business and business competition may change significantly, with many businesses unable to contribute to the competitive marketplace, a trend explored by Humphreys, Lai & Sculli (2001).

The Project Management discipline shares some common objectives with procurement practitioners. Globerson and Zwikael (2002) discuss the difficulties associated with project planning. The success of the project management process is described by these authors in terms that procurement practitioners would recognise: completion “according to desired specification, and within the specified budget and the promised time” (2002, p, 58). Furthermore, the phases of Project Management mirror those of the procurement process, from initiation to completion although there is emerging evidence that the procurement discipline has neglected the post-contract phase, recently described as the post-contract vacuum (IRSPP, April 2003).

Management Studies encompasses a broad range of disciplinary research within the general area of OB (Clegg & Hardy, 1996). This label encompasses a vast number of sub-categories of management literature and research, ranging in its earliest and latest forms from cultural anthropology to knowledge management. OB also applies to organization change and development. For example, one of the developments associated with just-in-time inventory management, a procurement responsibility, has seen many supplier organizations send their own staff to a customer’s site, on a permanent basis, to manage inventory flows and quality. Procurement specialists have also devised ways to measure supplier performance, to develop policies on single and multiple suppliers for sourcing particular products and services, to find ways of helping suppliers manage cost. The ramifications of each of these initiatives for traditional OB theories of organizing, organizational culture, leadership, motivation and group behavior, are yet to be adequately researched. The study of team functionality is important as different inputs from different areas of expertise required in procurement – for example to collaborate in a team effort to get the best outcomes (DOIT, 2002).

Public Administration is another discipline area that is inexorably drawn into procurement-related decisions in relation to control and

management of government contracts involving capital infrastructure, common-use-contracts, the management of many different types of service contracts and the creation and management of Public-Private-Partnerships (PPPs). The latter typically encompass large-scale infrastructure projects in the area of urban transport, electricity generation, and health but may also extend to custodial services and other significant areas of public policy implementation.

Applications of psychology underlie the notion of work and its inherent importance to the individual. At the individual level, Cialdini and Rhoads (2001, p. 10) describe the task of the social psychologist as being to “strive to understand the fundamental, psychological laws by which humans are changed, are motivated to try something new, and are led to ‘yes’ in a variety of situations”. This provides a micro-view of the role of psychology in terms of relationship and alliance building, in working with suppliers (Wynstra, van Wheelde & Weggemann, 2001) and within and between organizations.

At a macro-level, Gill (1999) has noted the centrality of work is linked also to the degree of workplace independence afforded an individual, as exemplified by the importance of recognition and personal control over job content and context, identified by Mayo (1933) and explored by later motivation theorists such as Herzberg, (1969) and Hackman and Oldham, (1975). This approach contrasts with the scientific management model of Frederick Taylor (1911) who sought to achieve results through predetermining and controlling the methods and activities of workers very tightly and providing an external *locus* of control.

Similarly, the tensions between individual and social needs and direction are taken up by sociologists, with their focus on social institutions such as religion, the workplace, and culture at a macro level, compared with issues of power and control, the behavior of groups and teams, the complex consequences of conflict and the implications of political behavior provide some of the rich overlays of knowledge that influence the actions of buyers and suppliers (for example, Farrell and Schroder, 1999).

There are a number of other discipline areas that influence the scope of procurement knowledge. The notion of contracting is firmly embedded in the legal system where the terms and conditions of contracts have been, and continue to be, interpreted. The various branches of engineering influence both the area of product design and,

typically, the notion of long term contract management. The marketing discipline has visited the notion of business-to-business marketing extensively (Lings, 2000), and those involved in the field of human resource management have assisted executives in their task of downsizing and de-layering, outcomes that have affected the development of procurement through devolving procurement activities and potentially diluting the impact of new procurement knowledge, especially at the strategic level. In the area of environmental sciences, Carter and Dressner (2001, p. 21) have found that managers measure the success of environmental projects in terms of whether or not “costs decrease or remain the same and environmental performance is improved.”

It can therefore be argued that procurement is a discipline area where a number of different bodies of knowledge are brought together in one jurisdiction. With this diversity of cross-disciplinary input, the difficulties of encouraging the development of this wide-ranging body of knowledge among a limited number of individuals and the lack of focus among procurement-related professional bodies in terms of their definition of procurement, it is not surprising that the procurement profession struggles to gain recognition as a strategic activity.

Procurement seems to have a reputation for being reactive, clerical, unimaginative, and unglamorous (Twynford, 1915; Stewart, 1994). However, procurement has also been promoted as an emerging strategic tool in both the public and private sectors that has been used to reduce costs and, perhaps, improve the quality of purchasing contracts for goods and services, with Ellram and Carr (1994, p. 17) providing a typical viewpoint:

top management in many firms has viewed the purchasing function as an ancillary support function. However the literature establishes the fact that when purchasing (procurement) is proactive and operating at strategic level, there are major opportunities to achieve competitive advantage through strategic purchasing.

However, when examining these developments within the context of strategic management, the notions of procurement, purchasing and supply chain management receive little attention. As Table 1 demonstrates, a sample of strategic management textbooks published over the past five years, suggest that procurement has made very little impact upon the research and writing in this field. Indeed in terms of

Kuhn's perspective (1970), the "community paradigms" about the formulation of procurement theory and practice are very limited, suggesting the possibility that procurement professionals have promoted their body of knowledge within their own professional ranks quite well, but have failed to reach the wider academic and business communities, particularly in the targeted area of strategic management.

The negative outcome of this sampling of the strategic management textbook literature is supported by recent research reported by Johnson, Klassen, Leenders and Fearon (2002, p. 86), which found "surprisingly low scores concerning the involvement of purchasing in major corporate activities." The Johnson, *et al* (2002) research also provides empirical support for the view that a decentralized purchasing function ensures that purchasing personnel have low involvement in the strategic decision making within an organization, compared with the much better opportunities in those organizations with more centralised structures.

**TABLE 1**  
**Sample of Strategic Management Textbooks: Focus on Procurement and Supply Chain Management. (1998-2003)**

Author(s)	Contents Procurement/ Supply Chain	Index: Procurement/ Supply Chain	Index: Suppliers/ supply alliances
Baker, 2000*	0	0	2
Burgelman <i>et al.</i> 2001	0	0	0
Campbell, <i>et al.</i> , 2000	0	0	3
Coulter, 1998	0	0	0
David, 2001	0	0	0
Drummond & Ensor, 2001*	0	0	0
Dyson & O'Brien, 1998	0	0	0
Grant, 1998	0	1	0
Hanson, <i>et al.</i> , 2002	0	0	5
Hill & Jones, 1999	0	0	3
Kluyver & Pearce, 2003	0	0	0
Murdick, <i>et al.</i> , 2001	0	1	3
Nankervis, <i>et al.</i> , 2002**	0	0	0
Porth, 2003	0	1	0
Segal-Horn, 1998	0	0	1
Thompson & Strickland, 2001	0	1	7
Wright, Kroll & Parnell, 1998	0	0	0

Notes: \* Marketing is the principal focus of these sources.

\*\* Human Resource Management is the principal focus of Nankervis, et al. (2002).

### A DISCONTINUOUS VIEW OF PROCUREMENT

The notion of immanence has been applied in the management studies discipline to assist scholars further deconstruct the non-rational, discontinuous view of organisations that is popularised in post-modern literature. While not venturing very far into this post-modern literature, it is apparent that rational, normative explanations of the progress of procurement are not adequate. Just as there are many alternative ways of envisaging the nature of an organisation (Morgan, 1986), so can this level of analysis be applied to the notion of procurement.

The rational definition of procurement provided earlier, masks many elements of discontinuity. This can be illustrated by economists' capacity to dominate economic debate, yet to seemingly yield this dominance when faced by socio-political forces. The construction of sophisticated models of economic activity by economists, while knowing that the unexpected and un-anticipatable behaviour of people may undermine the forecast outcomes, increases the scope of the divide between economists' expectations and the realities which eventuate. Husserl (1999, p. 18) describes this situation in terms of positive sciences:

If we immerse ourselves in the positive sciences, we find, to the degree they have developed into exact sciences, everything clear and intelligible. We are sure that we are in possession of objective truth which has been grounded through reliable methods that actually make contact with objectivity. But as soon as we engage in reflection, we fall into error and confusion. We get involved in patently untenable positions, even in contradictions. We are in constant danger of falling into skepticism [(sic)], or worse yet, into any one of the forms of skepticism [(sic)] that have, unfortunately, one and the same characteristic: absurdity.

Logical analysis of procurement could be overshadowed by irregularity, or in Husserl's terms "absurdity", within the entire application of the notion of procurement. For example, a rationalist approach to supplier markets suggests that competition inside monopolistic markets provides a means of increasing market *efficiency*,

even though the evidence shows that in certain circumstances this result is neither achieved (Productivity Commission, 1999) nor desired (Buckley, 2001). Similarly, the view that providing senior executives with higher salaries, in both public and private sectors will enhance the motivation of these individuals and the performance of their organisation, is not supported by the evidence (NSW Auditor-General, 1998; Gray, 2000; Saville, 2001), although some critics might wish to apply Husserl's notion (1999, p. 61) of the "absurd" to some of these remuneration situations (Gray, 2000; Saville, 2001).

As Collins (2001, p. 168) reports, Chia and King (1998):

argued that we have a tendency to adjust the reality of the world to suit our intellectual priorities. Thus, we study organizations (institutions), rather than organizing (the dynamic and interactive process), and we study change (the outcome) rather than changing (a process of becoming). In short, we study entities rather than movement.

In the case of procurement, not only is there a historical focus on the clerical process, the advent of IT systems has ensured the technological, ephemeral elements of procurement processes have been advanced, at the expense of the complex, discontinuous aspects.

As a means of interpreting the phenomenon, Chia (1999, p. 211) proposes a "rhizomic" model of change to help explain situations "in which the precarious, tentative, heterogenous and network-strengthening features of actor-alliances are accentuated". In the case of procurement, these adjectives can be used to describe the features of "actor-alliances":

1. "precarious" - procurement's search for relevance, overwhelming levels of maintenance contracting in UK rail networks (Jack, 2001; McInerney, 2001)
2. "tentative" - the failure of procurement to establish itself as a discrete, professional force; the progressive failure of management processes to cope with the consequences of a variety of rail safety problems (McInerney, 2001; McInerney, 2004);
3. "heterogeneous" – the diverse varieties of knowledge available for capture by the procurement profession; the various individuals and relationships which comprise a contracting arrangement.

4. network-strengthening – the inherent tension between positive relationship management; the resolution of the power relations contained in a typical adversarial contracting environment.

These uncertain elements of the procurement practitioner-supplier environment provide a contemporary position statement without even a hint of why this position exists. Perhaps the application of immanence may provide some insight into this issue.

Immanence is defined by Chia (1999, p. 220) as the sense in which a situation "necessarily incorporates and absorbs the events of the past". The implication of this definition and its application by Husserl and Chia reflect a dissatisfaction with the rigid structures of a notional approach to knowledge (Husserl, 1999), its relationship to organisation change (Chia, 1999) and the unpredictable results that emerge.

In the case of procurement, the influence of immanence may be found in the absence of substantive change in the perceptions of procurement over a significant period of time, and exemplified by the extracts from conference presentations which follow:

1. "acquiring and maintaining high level skills and a broad range of areas including: market research, forward planning, client service training, proactive sourcing, modern technology (such as EDI) ... we must adapt to the changes and become leaders within our organisation in managing change rather than being seen as irrelevant central administrators" (Bailey, 1992, p. 7).
2. "This is one of my pet subjects. It would seem to me that one of the things we need to do in Australia today is to improve the ration of Training completed to that of Education. i.e. we spend too much time concentrating on Education and not enough time on Training. I have spoken to a number of people in my preparation for this presentation about this subject and the consensus of opinion is that about 80% - 90% of Academic offerings in this country are Educational. This ratio needs to be changed" (Camm, 1993, p. 9).
3. "The key purchasing executive in any organisation is likely to be accountable for the following: development of policies, procedures and objectives; operation of the purchasing program in accordance with the enterprise's corporate and business objectives; obtaining necessary supplies at the lowest cost, consistent with approved quality and delivery standards;

recommending improvements in overall purchasing programs which will advance the interest of their employer” (Johansson, 1995, p. 4).

4. “In summary, SSM demands the existence of a number of special features within an organisation. These issues include the existence of long term planning and scanning horizons; the use of information technology to handle the basic processing of purchasing; the existence of strategies for assessing and implementing contracts, systems for managing the supplier base without increasing risk; and involvement of internal and external players in the development of some form of partnership approach to supply which ensures that both the benefits and risks of a supply partnership are shared” (Callender, 1998, p. 41).
5. “These, of course, are only a few of the core competencies ... procurement professionals will possess or acquire during their time with the organization. This skills acquisition may occur through learning on-the-job, which has been the case for many years in the procurement industry. However, because the industry has matured there has been an increased need for formal qualifications and formal education and training that compliments on-the-job learning activities” (Brandi, 2003, p.3).

These randomly selected extracts taken from a number of procurement-related conferences over the past twelve years, demonstrate a remarkable propensity for commentators on procurement to return to the most traditional of themes.

*The past is not just immanent in the future. Instead, the past is to be regarded as a rich tapestry of ideas and actions, experienced in a range of different ways by different people.*

### **THE FUTURE FOR PROCUREMENT**

The literature provides little evidence that the procurement function has identified an area of “somewhat abstract knowledge” to substantiate its functional claim to professional status. Furthermore, there is little to suggest that procurement has been engaged by the strategic management literature to ensure procurement becomes as ubiquitous as accounting, law, economics, IT, OB, sociology or strategic management. As a consequence procurement remains a discipline area at risk, lacking broad community recognition and still struggling to establish its place among

the new professions, particularly those that emerged substantively during the 20<sup>th</sup> Century.

There are cross-disciplinary interactions that remain potentially unique to procurement, but which need to be developed and promoted, not within the procurement academic and practitioner community, but in the wider discipline of strategic management. There is a significant revolution to be undertaken to convince the strategic management community, among others, that procurement knowledge is an integral part of strategy formation in both business and government, the success of which will be measured by the recognition of procurement in the strategic management textbooks of the future.

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