

## Public Money and Management

### Public procurement research at IPSERA: aligning research and practice, and future trends

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#### Abstract

This paper considers public procurement papers presented at the International Purchasing and Supply Education and Research Association (IPSERA), the leading international conference for purchasing and supply scholars. It reflects on whether the studies presented at IPSERA align with public procurement priorities. It identifies congruence between research and practice, but also areas in which research is leading practice, such studies of sourcing from low cost countries, service delivery and risk management. Future trends in public procurement research are then discussed, which reflect my personal views having researched in the public procurement field for some years, and observations I have drawn through attending IPSERA.

#### Introduction

Public procurement represents 8-25% GDP (OECD, 2011), and the way that public sector buyers approach purchasing and supply can have a big impact upon supply markets. Given the potential influence of public procurement, it is interesting to consider the extent to which it receives attention from the purchasing and supply academic community. Research should reflect the double hurdle, and be both scholarly and relevant to practice. Research is often funded by sponsors, and the themes that they are interested in funding will reflect their priorities.

#### Priorities in public procurement: a practitioner perspective

Public procurement is tasked with meeting a number of different objectives. Public procurement objectives were investigated with 38 senior procurement practitioners at the International Research Study of Public Procurement (IRSP, 2005), where participants were asked to give their top three procurement objectives, and the results were collated. Procurement objectives were also explored in a survey of 280 public procurement practitioners (Brammer & Walker, 2011). These studies were conducted in the mid to late 2000s, and policy objectives may have changed since that time. However, these serve as an initial indicator of which public procurement objectives are perceived as having prominence by practitioners. Table 1 gives the ranked top ten public procurement objectives as identified by these studies.

Rank	Public procurement priorities	IRSP (n=38)	Survey (n=280)	Total
1	Sustainable procurement & ethical procurement	40	279	319
2	Efficiency & value for money	57	105	162
3	Compliance with procurement regulations: transparency, accountability, competition	40	27	77
4	Support government policy	17	25	42
5	Local objectives and SMEs	7	17	24

6	Quality	14	-	14
7	Supplier relationship management	4	9	13
8	Procurement training / education	6	5	11
9	Innovation	5	1	6
10	Customer choice	2	3	5

**Table 1: Top ten public procurement objectives from practitioners**

It seems that sustainable procurement (green, social and ethical) are identified as priorities, along with value for money and efficiency, and compliance with procurement regulations. It is interesting to reflect on whether the topics that are considered priorities by procurement practitioners are the topics that are the focus of research within the purchasing and supply community.

### Public procurement research at IPSERA

Looking across the public procurement papers presented at IPSERA in the last three years, they make up 16% of all papers presented. Given the significant impact of public procurement upon national economies, one could possibly expect a higher degree of attention from the purchasing and supply research community. However, it may be that particularly following the recession, sponsors of public sector procurement research are few and far between, and have limited budgets for commissioning procurement research. It seems that a variety of topics have been popular amongst public procurement scholars presenting papers at IPSERA, which are summarized in the following table.

Rank	Practitioner ranking Table 1	Public procurement objective	IPSERA 2012	IPSERA 2013	IPSERA 2014	Total
1	1	Sustainable procurement & ethical procurement		4	3	7
2	7	Supplier relationship management	4	1	1	5
3	2	Efficiency & value for money	1	2	1	4
3	3	Compliance with procurement regulations: transparency, accountability, competition	3	1		4
3	4	Support government policy	4			4
3	5	Local objectives and SMEs		3	1	4
3		Service delivery	1		3	4
4	9	Innovation		2	1	3
4		Risk management	1	2		3
4	6	Quality	1	2		3
11		Low cost countries / emerging economies	1		1	2
12		Social media	1			1
12		Collaborative purchasing		1		1
12		Market power		1		1
12	8	Procurement training / education			1	1
16	10	Customer choice				0
		<b>Total public procurement papers</b>	<b>17</b>	<b>19</b>	<b>12</b>	<b>48</b>
		<b>Total IPSERA papers</b>	<b>124</b>	<b>109</b>	<b>71</b>	<b>304</b>
		<b>% Public procurement papers</b>	<b>14%</b>	<b>17%</b>	<b>17%</b>	<b>16%</b>

**Table 2: Public procurement papers at IPSERA 2012-2014**

There is a fair degree of congruence between Tables 1 and 2, and between what practitioners perceive as priorities in public procurement, and the research that scholars at IPSERA are conducting. Supplier relationship management, innovation and quality may have more emphasis amongst IPSERA scholars compared to practitioners. There are also some topics being presented at IPSERA that do not make the top ten priorities amongst practitioners. These include service delivery, risk management and sourcing from low cost or emerging economies.

### **Future trends in public procurement research**

Looking ahead, a number of topics seem ripe for research, and some are already nascent fields emerging in the papers presented at IPSERA.

#### *Innovation*

The links between public procurement and innovation are worthy of exploration. Is the aim to 'Procure innovatively' with the onus being on buyers to look at employing innovative processes in procurement? Or is the aim to 'Procure innovation', and encourage suppliers to be innovative in the products and services that they provide to the public sector? Pursuing both topics seems salient.

#### *Sharing best purchasing and supply practices*

It has been suggested that public procurement is under pressure to adopt strategic purchasing practices from the private sector (Walker, Brammer, Syntetos, Johnsen, & Harland, In review). However, the public sector faces a very different context to the private sector, needing to support government policy, and demonstrate transparency, accountability and competition. It also has a role in supporting SMEs, and sustainability objectives.

Future research could explore which strategic purchasing practices are applicable to the public sector. It would be also be interesting to look across the private sector studies presented at IPSERA, to see if any topics might be beneficial to public procurement. For example, sustainable SCM research makes up about 25% of papers at IPSERA, and it would be interesting to identify transferable lessons for public procurement practitioners that are working towards the same sustainability goals as their private sector counterparts.

There is also a need for public procurement in developed countries to share best practice with public procurement in developing and newly industrialised countries. This is particularly important as regards to transparency, accountability and minimizing corruption.

#### *Healthcare purchasing*

In terms of sectoral studies within public procurement, healthcare is one of the biggest spend areas in public procurement. It has been an enduring area of research, particularly for IPSERA members in Holland, the UK and Finland. Future research can explore the implications of an increasing aging population, and how to best deliver healthcare priorities such as diabetes, cancer care and mental health services. The potential for integrating health and social care commissioning is salient here.

#### *Social procurement: buying to support communities*

Public procurement can support local communities by buying from SMEs, social enterprises and local enterprises. The adoption of community benefits clauses (Lynch, Walker, & Harland, 2013) and the requirement for contractors to provide employees with a 'Living Wage' (Wontner, Walker, Harris, & Lynch, 2014) are examples of ways to support local economies and communities. Particularly, investigating how public procurement can support vulnerable parts of the community and reduce poverty would be most welcome.

### *Emerging economies*

One of the dilemmas facing public procurement is when to buy from local suppliers and support local and national communities, and when to buy from low cost countries with suppliers that may offer cost savings. Buyers need to consider issues such as employee working conditions of suppliers in developing and newly industrialised countries. As well as having a duty of care to local communities, public procurers need to be mindful of the impact that their purchasing decisions have on communities along global supply chains.

### *Social media*

The use of social media has exploded in the last decade, and has influenced the way that we communicate and connect. Research could consider how this is affecting the purchasing and supply community, and how people network and build social capital. Research could reflect on whether social media is affecting the procurement process, from how tenders are advertised to how supplier relationships are managed.

### *Research impact*

Increasingly the academic community is being encouraged to evidence the ways in which research has an impact, 'the demonstrable contribution that excellent research makes to society and the economy' (ESRC, 2014). This includes how research can benefit a country's economic performance, increase the effectiveness of public services and policy, and enhance quality of life. Public procurement research can have a clear impact, providing that impact is demonstrable. Researchers need to evidence the value of the research, showing that it has influenced public procurement policy makers, or been used by practitioners to improve public services, or provide community benefits and improve sustainability targets. As public procurement research progresses, we need to ensure we can demonstrate its impact.

### **Conclusion**

This paper has considered whether public procurement research and practice are aligned. It seems that the research studies presented at IPSERA do reflect practitioner concerns. Research could also lead practice by attending to topics that are yet to feature on the radars of policy makers and practitioners. It would be great to see more public procurement research at IPSERA, as public procurement research has the potential to have significant impacts upon individuals, organisations and nations.

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