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A review on the ways to reduce maverick buying: Introducing the context of organizational change

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Anna-Rosa Lehto
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Author Anna-Rosa Lehto

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Abstract

During the recent years, organizations have been consolidating their purchasing volumes increasingly in order to achieve decreased purchasing costs and increased purchasing leverage through purchasing synergies. As most organizations tend to choose a hybrid model for their sourcing organization, the operational tasks of procurement remain in the hands of individuals and units across the organization while the responsibility over creating and managing supplier relationships is transferred to a central purchasing unit. However, such setting is ideal for the non-compliant purchasing behavior, maverick buying, to occur, causing the organization major losses of expected cost savings.

While maverick buying has recently been studied as a phenomenon, the approach on reducing it has been after the consolidation of purchasing volumes. In this paper, the emphasis is moved to an earlier stage of the process. The previous suggestions on ways to reduce maverick buying are critically examined and their strengths and weaknesses are identified. Furthermore, a new approach of organizational change caused by the purchasing consolidation is introduced. The findings of this paper suggest that when this organizational change is managed poorly, the poor level of commitment to change occurs as maverick buying. Thus, the two most common approaches on organizational change, planned and emergent change processes, are presented and connected to consolidating purchasing volumes and reducing maverick buying. In doing so, this paper provides direction for future research and for identifying concrete suggestions on preventing maverick buying.

Keywords maverick buying, organizational change

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1. Introduction

In the recent years, procurement is executed more and more through consolidating purchasing volumes and negotiating corporate level framework contracts by a central purchasing unit (cf. Karjalainen et al., 2009). Through these contracts organizations aim at benefitting from purchasing synergies, resulting in decreased purchasing costs and increased purchasing leverage. However, in most cases while the responsibility over negotiating the contracts and managing the supplier relationships is moved to the central procurement unit, the day-to-day act of procurement as ordering and buying the products and services is left or delegated to various individuals and units around the organization, both in purchasing and non-purchasing (Rothkopf and Pibernik, 2016; Karjalainen, 2011). This type of a sourcing organization is called the hybrid model (Karjalainen, 2011); a combination of centralized and decentralized purchasing. Most organizations tend to opt for some version of this model (Rothkopf and Pibernik, 2016; Karjalainen, 2011). Thus, in this paper purchasing centralization does not necessarily refer to a fully centralized sourcing organization but rather to a hybrid one.

Achieving the above mentioned expected benefits of volume centralization is only possible through compliance to the framework contracts, however (Karjalainen et al., 2009). The phenomenon of non-compliant purchasing behavior, maverick buying, results in major losses of expected cost savings. Maverick buying (MB) is defined as “the off-contract buying of goods and services for which an established procurement process is in place based on pre-negotiated contracts with selected suppliers” (Karjalainen et al., 2009, p.248). It means the individuals and units responsible for the operational purchasing tasks neglecting to use the framework contracts for one reason or another, and can be recognized as the “hidden action” in the principal-agent problem (Kauppi and van Raaij, 2015).

Studies focusing solely on maverick buying are rather recent and as Karjalainen et al. (2009) stated, very little research had been conducted on the matter prior to their study. Recently however, studies focusing on defining the phenomenon, identifying its forms and reasons behind them (Karjalainen et al., 2009), factors that contribute to it (Karjalainen and van Raaij, 2011) and suggestions of possible remedies against it (eg. Karjalainen and van Raaij, 2011; Kulp et al., 2006; Kauppi and van Raaij, 2015; Rothkopf and Pibernik, 2016) have emerged. While these studies have provided an extensive understanding on maverick buying and its aspects, they have focused on its occurrence after the implementation of framework

agreements. However, the issue could be examined and addressed already during the tendering process (cf. Kauppi and van Raaij, 2015) and thus the emphasis could be moved from reducing MB to preventing it.

A yet to be examined area of the study is maverick buying in the context of organizational change. While organizations consolidate their purchasing volumes, procurement tasks and authorities are newly delegated between the central purchasing unit and individuals and units of the organization creating an organizational change. Thus, the control mechanisms should be changed in accordance (Kulp et al., 2006). In order to grasp this aspect of the issue, it is logical to look into the literature of organizational change.

In this paper maverick buying and preventing it in particular are examined in the context of organizational change. As its study objectives, this paper aims at examining previous suggestions on reducing maverick buying critically and providing a new approach against the problem through the context of organizational change. Thus, the study questions are:

1. What are the most common suggested ways to reduce maverick buying?
2. Do they work and if not, why?
3. Can maverick buying be linked to the context of organizational change?
4. Does this context help in identifying ways to prevent the problem from occurring?

The limitations of this paper include that it is not specified to apply for certain organization type as public or private organizations. Furthermore, the contribution of this paper remains at a theoretical level and empirical testing on the matter is needed. Thus, this paper does not aim at presenting concrete procedures on preventing maverick buying but rather contributes by introducing an approach that may enable doing so in future studies.

First, the definitions and theoretical foundations of maverick buying are gone through while identifying maverick buying as a principal – agent problem. To continue, the paper moves onto presenting the consequences, the forms and the reasons and the contributing factors to maverick buying. Following, in the next section some of the most commonly suggested remedies against maverick buying are critically examined seeking to identify their strengths and weaknesses as ways to reduce MB. Finally, in the fifth section of the paper the context of organizational change is introduced and some less technical ideas on reducing maverick buying are presented in this context. Concluding the study, the managerial implications and findings alongside with suggestions for future research are summarized in the final two sections of this paper.

2. Definitions and theoretical foundations of maverick buying

2.1 Definitions of maverick buying

Maverick buying (MB) is the phenomenon of non-compliant purchasing behavior within an organization. As Karjalainen et al. (2009) point out, there are various definitions for maverick buying available in the earlier literature. In most of these definitions the emphasis is on defining the way that the buying is conducted whereas only few such as the one by Hornyak (1999) also bring up things that are affected by MB, such as purchase prices. What makes buying maverick is thus dependent on the way it is executed, that way being nonconforming purchase behavior as Roy (2003) defines it. According to Kulp et al. (2006) purchase compliance is purchasing an approved item from a contracted supplier at the contracted price within the approved purchasing process. Anything other would thus be non-compliance or nonconforming behavior which again can be defined as maverick buying.

Karjalainen et al. (2009, p.248) define maverick buying as “the off-contract buying of goods and services for which an established procurement process is in place based on pre-negotiated contracts with selected suppliers”. With off-contract buying they refer to employees, or “internal clients” as Cox et al. (2005) put it, both in purchasing and non-purchasing failing or neglecting to use ready-negotiated corporate level framework contracts for various reasons. In addition to referring to this as off-contract buying, Cox et al. (2005) point out that maverick buying does not contribute to optimizing value for money due to the procedures through which it is conducted. The procedures used in maverick buying are not the formal processes and authorized suppliers defined by the organization (Angeles and Nath, 2007). Other definitions include wider interpretations such as defining MB as the overall proportion of an organization's spend outside of any formal process (Lonsdale & Watson, 2005), buying done not using available contracts (De Boer et al., 2002) or employees circumventing corporate purchase policies (Hornyak, 1999).

2.2 Maverick buying in indirect spend categories

It has been identified that maverick buying tends to occur more in certain spend categories. That is in indirect-product purchases as Kulp et al. (2006) confirm. Typical examples of indirect spend are such as maintenance, repair and operations items, traveling, office supplies and information technology.

It is common for organizations to create supplier relationships by selecting suppliers and negotiating and implementing contracts through tender processes by a corporate level procurement team, or a strategic sourcing group (Cuganesan and Lee, 2006). The supplier relationships are mostly created and managed from that corporate level. However, when it comes to indirect spend in particular, the daily act of procurement is often decentralized to employees within individual business units requiring the indirect goods or services (Cuganesan and Lee, 2006). The control over the actual buying is thus out of the responsibility of the people negotiating the contracts. This can be seen to provide an ideal environment for maverick buying to occur as such setting decreases the spend visibility which again results in difficulties for the organization to control its contract compliance (Angeles and Nath, 2007).

Cuganesan and Lee (2006) continue that companies' line personnel often purchase their own indirect products and services from non-approved suppliers. They also suggest that this is not only because of the employees being unaware of the contracts available and of the preferred suppliers but also due to the fact that indirect spend is often seen as unimportant and inconvenient (Cuganesan and Lee, 2006). Thus, the internal clients responsible for the actual indirect purchases might not see it as that severe to not comply with the organization's procedures even if they know of them. However, there is also the managerial side of the issue. Indirect spend is often not considered to be strategic (Cuganesan and Lee, 2006), which affects the procurement team's motivation to oversee the day-to-day act of procurement of indirect spend as well. Indirect goods and services are also perceived to be ones of standardized quality and easy to access from suppliers (Cuganesan and Lee, 2006). This would suggest the line-personnel are left with lots of task autonomy in their purchasing tasks as the central procurement team is more focused on direct spend categories and trust the employees to make successful indirect purchases from approved suppliers.

2.3 The Principal-Agent problem

Recent studies have identified maverick buying to be occurring as a principal-agent problem and it being an instance of "hidden action" in this relationship (eg. Kauppi and van Raaij, 2015; Rothkopf and Pibernik, 2016). A principal – agent relationship is defined "as a contract under which one or more persons (the principal(s)), engage another person (the agent) to perform some service on their behalf which involves delegating some decision making authority to the agent" (Jensen and Meckling, 1976, p.308). In the case of maverick buying, the individuals across the organization having the authority for the actual ordering

and buying act as agents. Meanwhile, the central purchasing unit negotiating the framework contracts acts as the principal trying to engage the employees to comply with organization's purchasing procedures and to use the contracts. The principal – agent problem is created when the principal and agents have conflicting interests and the principal should verify and monitor the agent's actual doings which in this case would be ensuring the proper use of the framework contracts (Karjalainen et al., 2009). As Jensen and Meckling (1976) state, the agents will not always act in the best interests of the principal, and thus the principal-agent problem arises in maverick buying.

According to Rothkopf and Pibernik (2016) maverick buying can be considered as a hidden action in the principal - agent problem. With hidden action they refer to the fact that when delegating the operational purchasing tasks to the agent, the principal cannot observe whether or not the agent complies with using the framework contracts. Kauppi and van Raaij (2015) refer to this as an information imbalance after contracting; the principal cannot monitor, attribute or evaluate the agent's effort; or at least cannot do so without taking costly measures to ensure it (Rothkopf and Pibernik, 2016). Jensen and Meckling (1976) confirm that it is generally impossible for the principal to ensure the agent's acting in the best interest of the organization at zero cost. When the agent decides on bypassing the preferred procedures it causes disadvantages on the principal's side as they lose the benefits gained by the volume consolidation (Rothkopf and Pibernik, 2016). According to Kauppi and van Raaij (2015) goal incongruence and asymmetry of information are interrelated factors contributing to this hidden action of maverick buying in the principal – agent relationship. The goals of the central purchasing unit and the agent may differ and the principal not knowing the agent's actions and needs, this gets transferred to the framework contracts and ordering channels (Kauppi and van Raaij, 2015), causing maverick buying.

To sum up, in this paper we define maverick buying as the non-compliant purchasing behavior where the internal clients of an organization engage in off-contract buying of goods and services for which a pre-negotiated framework contract with selected suppliers is in place (cf. Karjalainen et al., 2009). The off-contract buying may refer to buying from a non-contracted supplier, a non-contracted item, at a non-contracted price or outside the approved purchasing process (Kulp et al., 2006). As mentioned earlier, maverick buying is most typical in indirect spend categories, where the operational purchasing tasks such as the daily act of ordering are delegated by the central purchasing unit acting as the principal to various individuals across the organization acting as agents (Cuganesan and Lee, 2006). Maverick

buying occurs thus as a hidden action in the principal – agent problem (Kauppi and van Raaij, 2015; Rothkopf and Pibernik, 2016) as the central purchasing unit tries to observe and ensure that the employees requiring the products and services would use the pre-negotiated framework contracts. However, they cannot verify this compliance or non-compliance without it being difficult or costly. Maverick buying is thus problematic for organizations consolidating their purchasing volumes. In the next sections of this paper MB is examined more closely from different aspects with the final aim of finding ways to reduce it.

3. Consequences and different forms of maverick buying and its contributing factors

3.1 Consequences of maverick buying

According to Karjalainen et al., (2009), maverick buying is mainly seen to have only negative consequences in the previous literature. This is due to the hidden costs distinctive for maverick buying; even if a single individual or unit was successful in achieving better prices or contract terms, the total cost of ownership for the whole organization would still suffer. Thus, the starting point in this paper is to examine maverick buying as a negative phenomenon. Some estimates on the costs of MB include +20% increased procurement costs (Angeles and Nath, 2007) or up to 20-30% of lost cost savings as was the case of the pharmaceutical company GSK (Kulp et al., 2006).

Maverick buying results in consequences of two main categories: increased purchasing costs and reduced purchasing leverage (Karjalainen et al., 2009). In other words, maverick buying causes the organization a negative cost effect and a worse position in future negotiation situations. Separated to more specific elements, the consequences of MB include fragmentation of spend, higher purchasing prices, increased purchasing process costs and finally decreased purchasing leverage (cf. Karjalainen et al., 2009; Cox et al., 2005). Roy (2003) makes an additional point on maverick buying not only causing losses for the buyer side but also for the supplier's sales. In most cases the seller has agreed for lower prices for higher volumes while closing a contract and while the buyer never meets these expected high volumes due to maverick buying, the seller encounters losses. However, in this paper the focus is solely on the consequences of the buyer side as maverick buying is viewed from the purchasing organization point of view throughout the paper. In this section the negative consequences of maverick buying are presented and gone through as listed in figure 1.

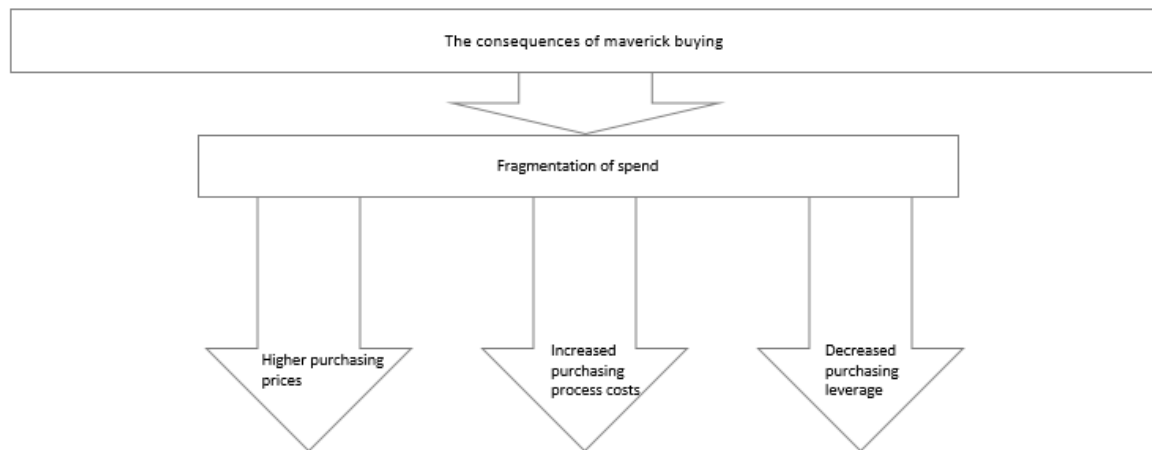


Figure 1: The consequences of maverick buying.

As Cox et al. (2005) state, maverick buying results in further fragmentation of spend. That is when a demand for a product is spread across many suppliers (Lonsdale and Watson, 2005). Some fragmentation of spend is natural for every organization to have but the issue becomes problematic when the level of fragmentation exceeds the “normal” level, as might happen caused by maverick buying (Lonsdale and Watson, 2005). This is explained by the numerous individuals across the organization, both in purchasing and non-purchasing, buying products and services from their own preferred suppliers rather than the contracted approved suppliers, resulting in unnecessary amount of separate transactions. Thus, the organization’s purchasing volumes spread and its spend gets fragmented. This leads to the decrease of the relationship between volume and value that is present in most agreements as Cox et al. (2005) say. They also confirm that ‘equivalent’ products are often purchased from a large number of suppliers. Fragmentation of spend itself is not a major problem but as it corresponds to the other negative consequences of maverick buying identified in this paper, its relevance gets highlighted.

Another consequence of maverick buying is higher purchasing prices. As Cox et al. (2005) stated, maverick buying is not optimal for maximizing value for money. When purchases are made decentralized across the organization, especially by the non-purchasing employees, it is probable that the necessary expertise does not always exist. This expertise can include the skills for finding the right supplier, for the tendering process and for negotiating a contract and its terms for example. Cox et al. (2005) support this by stating that maverick buyers probably do not have access to the necessary supply market information nor possess the required competence in contracting and negotiating. The lack of relevant information on the supply market, or on existing contracts of the organization, combined with an incompetence

to properly tender and negotiate contract will eventually lead to higher purchasing prices among other consequences (Cox et al., 2005). Kuganesan and Lee (2006) confirm that buying from non-approved suppliers happens often with significantly higher prices than buying from contracted suppliers. As maverick buying indeed is often off-contract buying from non-approved suppliers, the result is higher purchasing prices and a negative cost effect for the organization. Furthermore, as stated above, fragmentation of spend further contributes to the organization experiencing higher purchase prices due to each separate transaction is of limited value which leads again leads to higher product costs (Cox et al., 2005). The two are thus connected and the negative impact can be multiplied.

Karjalainen et al. (2009) point out that the increased purchasing costs caused by maverick buying are not only due to the actual purchasing prices being higher but also due to the additional costs in the purchasing process. Fragmentation of spend results in the number of overall transactions growing unnecessarily large (Cox et al., 2005). This eventually leads to increased transaction costs, which in this context are regarded as purchasing process costs. Lonsdale and Watson (2005) add that the high number of fragmented spend and thus a large number of suppliers can be seen in transaction costs also through the organization having to establish and manage trading relations with all of the suppliers. Yet another aspect of purchasing process costs increased by maverick buying is that the large number of new non-contracted suppliers and transactions through them also result in additional paper work and other managerial work (Roy, 2003). The increased purchasing costs thus also include the increased work and effort and labor costs.

Cox et al. (2005) among others state that maverick buying also results in loss of commercial leverage, or purchasing leverage as named in this paper. Yet again, this loss of leverage is highly linked with the increased spend fragmentation as well; both in current contracted supplier relationship and future purchasing situations. When the spend volumes are fragmented, leverage opportunities are not possible and the buyer is significantly less attractive in the eyes of the supplier (Cox et al., 2005). In other words, maverick buying causes the organization to have less negotiation power as a buyer. The procurement team has thus less ability to secure better prices and contract terms for the organization as Cuganesan and Lee (2006) put it. Lonsdale and Watson (2006) further explain this problem by the organization's ability to no longer offer the suppliers high volumes of demand nor an appealing account to serve. The organization thus loses their credibility with suppliers having agreed for lower prices for higher volumes but in fact never receiving those volumes

(Roy, 2003). Consequently, the buyer may become a nuisance customer for suppliers (Michels and Yakos, 2003, cited in Lonsdale and Watson, 2006) and the suppliers are unlikely to put much effort or commitment into developing the relationship (Roy, 2003). Thus, as stated, maverick buying affects the way suppliers see the organization negatively; both in current contracted relationships as well as in future tendering projects which again will result in less affordable offers and deals.

To conclude, the consequences of maverick buying are of negative nature for organizations. They are more or less connected to each other and involve the fragmentation of spend for most part. As Cox et al. (2005) refer to individuals or departments having power resources which can be drawn upon to either help, or hinder, change within an organization, maverick buying can be seen as a negative such. It could be thus claimed that maverick buying is a preventer of successful organizational changes in addition to causing a negative cost effect. It is thus of the essence to understand the phenomenon and the factors affecting it better.

3.2 Forms of maverick buying

As there are so many similar yet different definitions for maverick buying to be found in the literature, it is assumable that maverick buying varies in its forms as well and can be different depending on the context. The previous section of this paper found that maverick buying has several negative consequences for an organization. This leads us to examining the different forms of maverick buying resulting in those consequences more closely. Karjalainen et al. (2009) have identified five different forms of maverick buying through an extensive literature review which are presented in Figure 2 alongside with the main reasons behind them. These five forms are unintentional MB, forced MB, casual MB, well-intentioned MB and ill-intentioned MB.

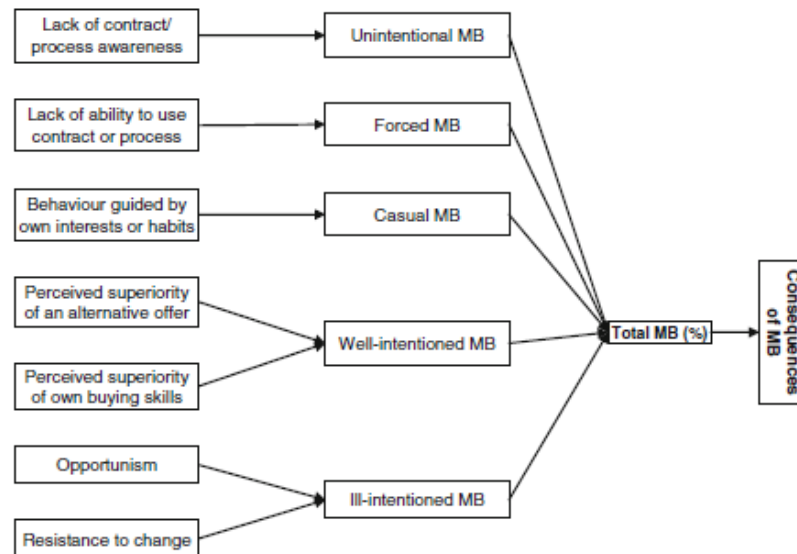


Figure 2: The five forms of maverick buying and the main reasons behind them (Karjalainen et al., 2009).

The first form of MB identified by Karjalainen and al. (2009) is unintentional maverick buying. As its name reveals, unintentional maverick buying occurs when employees are buying off-contract but do not do this intentionally; they do not know there is a framework agreement in place (Karjalainen et al., 2009) or are unaware of the approved suppliers (Cuganesan and Lee, 2006). They don't thus ignore the procedures set by the organization on purpose. This type of non-motivated off-contract buying can be thus result of unfamiliarity with corporate purchasing policies, lack of awareness of the correct processes or lack of information on the negotiated contracts communicated internally in the organization (Karjalainen et al., 2009). Karjalainen et al. (2009) also point out that unintentional maverick buyers have no intention in harming the organization through their actions and thus the behavior cannot be named to be deviant. Nevertheless, it cannot be classified as compliant either so it is perceived as maverick buying from the organization point of view.

The second form of MB named is forced maverick buying. Unlike in the previous form of MB, in forced maverick buying the employees are aware of the organization's purchasing policies but are unable to comply with those preferred processes due to some barrier preventing them from doing so (Karjalainen et al., 2009). Such barrier might be a need for a new item that hasn't been contracted yet or of which a contract isn't in use yet for example (Kulp et al., 2006). Another scenario that might result in employees engaging in forced MB is a supply problem of an approved supplier forcing them to buy the item needed off-contract

from a local supplier instead. Ferneley and Sobrepez (2006) call such situation a workaround in an emergency situation. Croom and Brandon-Jones (2007) on the other hand point out that in order for employees to be able to comply with new purchasing routines, they need to be provided with adequate support and training. The opposite might yet again lead to forced MB as the employees wouldn't possess the skills needed to do compliant purchases. As in the given examples, the employees' lack of compliance in forced maverick buying is not due to their motivational intentions either; they are simply unable to buy according to the preferred processes.

Casual MB is the third form of MB identified by Karjalainen et al. (2009). It is like forced maverick buying but in this case there is no barrier stopping the employees from complying with the organization's preferred processes. The employees are aware of the purchasing policies but continue to do as they please; they buy both within and outside contracts depending on which serves them the best (Karjalainen et al., 2009). Again, their behavior is not driven by intentions or motivations to harm the organization but rather by self-interest; they feel reluctant to change their old habits as Karjalainen et al. (2009) put it. Other reasons include lack of guiding towards preferred behavior by management, lack of understanding of the costs their behavior brings with it to the organization or a lack of incentives directing employees to use the preferred processes and suppliers (Karjalainen et al., 2009; Gelderman et al., 2006). In other words, casual maverick buying occurs when it is allowed to occur; the employees don't want to change their old habits and are not encouraged nor forced to do so.

The fourth form of MB named is well-intentioned maverick buying. Unlike in the previous forms of MB, well-intentioned maverick buying occurs when the employees are motivated to behave as they do. They are aware of the preferred process and there is no barrier stopping them from buying them item from an approved supplier but they still do so (Karjalainen et al., 2009). However, they still do not mean any harm for the organization. Spreitzer and Sonensheim (2004) refer to such behavior as positive deviance; intentional actions where the employee believes to be acting in the organization's best interest. Karjalainen et al. (2009) list that reasons for an employee to engage in well-intentioned MB include them either perceiving an alternative offer better than the contracted one or perceiving their own purchasing skills better than the ones of the central procurement unit negotiating the existing contracts. They add that both motivations to engage in well-intentioned MB can be explained by the employee's lack of understanding of the total cost of ownership (TCO) of the purchases, lack of convincing use cases of the existing contract or the employee's product

knowledge. Lack of insight being the main reason behind such feelings of superiority (Karjalainen et al., 2009) suggests that the employees don't fully comprehend that the TCO doesn't only include the price of the product or service but also the contract terms, the process costs and the labor put into it both by the central procurement unit and the employees themselves.

The last of the five forms of MB identified by Karjalainen et al. (200) is ill-intentioned maverick buying. It is the only one of the five forms where the employees choose not to use the preferred processes and approved suppliers because of their motivation being to actively oppose them. Whereas well-intentioned MB could be included as Spreitzer and Sonensheim's (2004) positive deviance, they refer to behavior like ill-intentioned maverick buying as negative deviance. Karjalainen et al. (2009) identify two main reasons to cause such deviant behavior; the first being opportunism. As Cox et al. (2005) state, employees may often have personal and conflicting preferences in procurement both about certain products and suppliers. Using the preferred policies might thus not be in the best interest of an employee or their unit. Cox et al. (2005) add that when there is a conflict between the employees' loyalties to the organization and the ones of their department, themselves or their career, the employees will often make purchasing decisions that drive their own personal advantage. The second reason for ill-intentioned maverick buying is resistance to change (Harris, 2002, cited in Karjalainen et al., 2009). When corporate level framework agreements are negotiated, it often affects the purchasing dynamics of an organization. Ambrose et al. (2002) list four main reasons for work place sabotage which ill-intentioned MB can be seen as a part of. These four reasons are powerlessness, frustration, boredom, facilitation of work and injustice. Linked to resistance to change these negative feelings may correlate to employees feeling that ready available contracts decrease their own power in the decision-making process or that the decision comes up-down from the management without the personnel being adequately involved in the contracting process. Furthermore, personal feelings of injustice towards the employees themselves or to a former but no longer contracted supplier may arise (Karjalainen et al., 2009).

To summarize, in order to truly understand the reasons behind maverick buying and furthermore to be able to find explanations and possible remedies for it, one must understand the different ways in which MB occurs; in other words, the forms of it. The above section of this paper has aimed at doing so by listing the five forms of maverick buying and the underlying reasons behind them identified by Karjalainen et al. (2009). Those were 1.

unintentional maverick buying caused by the employees being unaware of the contracts and preferred processes, 2. forced maverick buying where the employees were met with a barrier such as lack of skills to comply with preferred processes or a new yet to be contracted purchase need forcing them to buy maverick, 3. casual maverick buying where the employees' decision to buy within or outside the contracts is driven by self-interest due to reluctance to change old habits, 4. well-intentioned maverick buying caused by the employees

thinking that they're acting in the organization's best interest when following their perceived superior offer or own purchasing skills, and finally 5. ill-intentioned maverick buying where the employees intentionally engage in MB due to opportunism or change resistance while acknowledging this may cause harm to the organization. Knowing the forms of MB and the main reasons causing them makes it possible to examine the factors that contribute to maverick buying, which is done in the next section of this paper.

3.3 Contributing factors to maverick buying

Having examined the forms of MB and the reasons behind them it is possible to search for underlying causal mechanisms behind maverick buying (Karjalainen et al., 2009). Furthermore, in order to find ways to prevent maverick buying, it is important to understand the factors that contribute to it. Karjalainen and van Raaij (2011) aimed at doing so through an empirical test on the individual factors correlating with certain forms of maverick buying; well-intentioned MB where the employee seeks to achieve better terms and conditions (form 1), unintentional MB where the employees are simply unaware of the existing contracts (form 2) and casual MB to maintain existing supplier relationships (form 3). Through an empirical test they proposed and tested nine contingency variables and were able to identify four of those contributing to employees engaging in the above mentioned forms of maverick buying. These variables are presented and briefly explained below in table 1. However, in this paper we focus on examining the three first contingency variables more closely, those being task autonomy, training on purchasing both in general and on purchasing practices in use and communication and involvement; those three factors were found to be the most notable ones while age was found not to be as prominent (Karjalainen and van Raaij, 2011).

Contingency variable	Contribution to the three forms of maverick buying
Task autonomy	Higher task autonomy increases all of the three forms.
Training on purchasing	Lack of general purchasing training increases the forms 2 and 3.
Communication and involvement	Lack of communication and involvement in the process with the central purchasing unit increases form 1.
Age	Older age contributes to form 1.

Table 1: The contributing factors to maverick buying (cf. Karjalainen and van Raaij, 2011).

According to the empirical test of Karjalainen and van Raaij (2011) task autonomy in purchasing is the single most important contingency variable that affects one's tendency to engage in maverick buying. They found this variable to be particularly related to maverick buyers who are trying to get better terms and conditions than the ones of frame agreements as well as maverick buyers who are seeking to maintain the current supplier relationships with non-approved suppliers. Employees engaging in such behavior typically have more task autonomy. However, the test showed this to be a typical factor for unintentional maverick buyers as well. Taking these results into account, reducing task autonomy seems to be the most effective of the contextual variables against all of these three forms of maverick buying, as the empirical test of Karjalainen and van Raaij (2011) suggests.

Lack of training on purchasing, both on purchasing in general and on purchasing activities in particular, was another significant contributing factor identified by Karjalainen and van Raaij (2011). Mainly, they recognized this as a contingency variable contributing to unintentional maverick buying; not only were the employees unaware of the existing contracts but they also did not possess the skills to look for possible pre-existing framework agreements. Thus, training the employees on the purchasing practices in use in their organization would reduce unintentional MB. Karjalainen and van Raaij (2011) also state that general purchasing training is likely to promote ones purchasing skills and awareness on purchasing practices of the organization. In addition, personnel that are less trained on purchasing in general and on purchasing practices of the organization are also those who are more likely to engage in MB that aims at maintaining an existing supplier relationship (Karjalainen and van Raaij, 2011).

Communication and involvement was the third and final notable contingency variable that Karjalainen and van Raaij (2011) discovered in relation to maverick buying. That is, with maverick buying to get improved terms and conditions compared to the ones of framework

agreements of the organization. Their finding was that lack of communication and involvement with the typically centralized corporate level purchasing unit contributes to employees engaging in that kind of well-intentioned MB. Furthermore, they found that the opposite would probably convince the employees that their purchasing needs were met in the final framework agreements (Karjalainen and van Raaij, 2011).

To conclude, when examining these three types of maverick buying, Karjalainen and van Raaij (2011) were able to identify three notable contingency variables that contribute to their occurrence as well as one less prevalent one. Task autonomy, lack of training on purchasing in general and on purchasing activities and lack of communication and involvement between the central purchasing unit and the employees in the purchasing process were the factors that contributed the most to employees engaging in MB while age was just a mildly contributing factor. Out of those, task autonomy was the variable found to increase maverick buying of all three forms the most and thus seems to be the most prominent of the factors. However, the results of Karjalainen and van Raaij's (2011) study are limited on certain forms of maverick buying so the existence of other contributing factors is not excluded. In this paper it is assumed that the contributing factors presented in this section could however be more or less applied to other forms of maverick buying as well. In doing so, this paper aims at connecting the factors to ways of reducing maverick buying. To sum up, Karjalainen and van Raaij's (2011) findings on factors contributing to maverick buying further explain one's tendency to engage in such behavior. Furthermore, they give suggestions on what should be taken into account when searching for possible ways to reduce maverick buying. Having presented the consequences of MB and why organizations should aim at reducing it, listed the forms and reasons behind it and explained the factors contributing to it, this paper now moves onto the next section where previous suggestions on ways to reduce maverick buying are examined critically.

4. Ways to reduce maverick buying

As Karjalainen et al. (2009) state, identifying the forms of maverick buying and the underlying reasons behind them may help practitioners in designing mechanisms for reducing it. Surely, identifying the contributing factors behind certain forms of MB bring as done above further help in doing so by providing managerial implications on reducing maverick buying, which Karjalainen and van Raaij (2011) confirm. In the previous literature

some suggestions over possible ways to prevent and /or treat maverick buying have been given. In this section, the four most common suggestions from previous literature as presented in figure 3 are critically examined in groups of two; they are e-procurement, the P-card, reward sanction systems and monitoring. They are more or less connected to each other and this paper now aims at evaluating their efficiency as remedies against maverick buying.

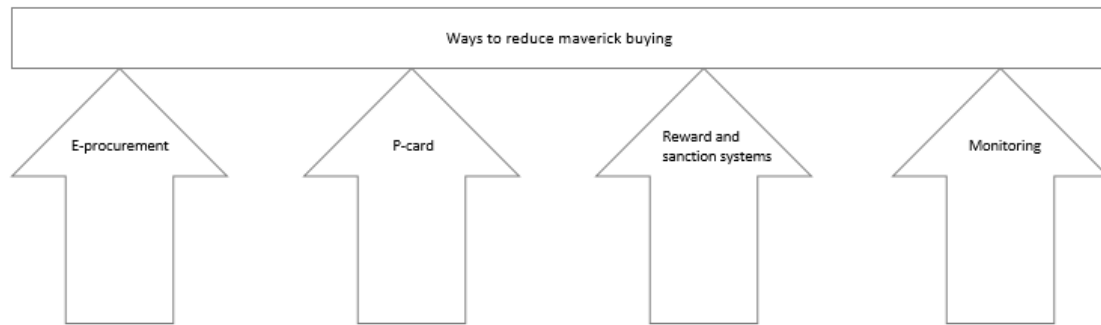


Figure 3: Ways to reduce maverick buying.

4.1 E-procurement and P-cards

Many companies use e-procurement tools in order to decrease the total delivered costs of products and services (Kulp et al., 2006). They do so wishing to achieve facilitated communication, increased competition between suppliers and transformation to less costly online negotiations instead of face-to-face ones (Kulp et al., 2006). Implementation of e-procurement tools is thus expected to result in easier supplier negotiations, less purchasing effort and increased spend visibility. Such tools include for example online-ordering systems, content aggregators and internally developed decision-support tools (Kulp et al., 2006). The purchase card (P-card) on the other hand is a payment method promoting the use of the approved suppliers and a component of e-commerce (Roy, 2003). Its benefits include reduced paperwork, a more specific reportage and improved control (Roy, 2003).

The reason why e-procurement and P-cards have often been referred to as possible remedies against maverick buying lies in the fact that, in theory the technologies allow full spend visibility to the purchases of the organization (Rothkopf and Pibernik, 2016). In other words, all the transactions of the organization could be monitored electronically. This is highly related with monitoring the employees' buying activities and is linked with the decrease of their task-autonomy, which was identified as the most prevalent contributing factor to maverick buying by Karjalainen and van Raaij (2011). Such technologies thus make it harder

for the employees to engage in maverick buying without being detected (Rothkopf and Pibernik, 2016). On the other hand, with the P-card allowing companies to make lists of approved suppliers (Roy, 2003), it may have been expected that this type of listing would reduce maverick purchases from non-approved suppliers. Karjalainen et al. (2009) suggested as well, that better contract-awareness might be achieved through e-procurement tools which would result in the decrease of unintentional MB. In addition, as Rothkopf and Pibernik (2016) state, e-procurement and P-card may make the compliant purchase option more attractive than the maverick option (Angeles and Nath, 2007), as they decrease the employees' effort of buying via framework agreements. The purchasing process is thus made more automated.

However, as Rothkopf and Pibernik (2016) argue, there is not much empirical evidence on how these technologies in fact aid at reducing maverick buying. In the contrary, Angeles and Nath (2007) name maverick buying as a challenge in implementing e-procurement tools successfully. This is perhaps due to the maverick buyers not using the preferred systems. In other words, while these technology tools may help in reducing some of maverick buying, maverick buying simultaneously decreases their efficiency and eats away their expected benefits. Kulp et al. (2006) support this in their case study stating that noncompliance, such as maverick buying, prevent these tools from fully realizing their expected results of savings and cost reductions. Technological solutions such as e-procurement tools and P-cards are thus not a sole solution to the problem. In order for these technologies to result in their full expected benefits and to reduce maverick buying as a part of them, the occurrence of maverick buying diminishing their efficiency should be solved in other ways. Other suggestions are thus needed.

4.2 Reward and sanction systems and monitoring

The implementation of reward sanction systems is another commonly suggested remedy against maverick buying. This would mean either giving incentives that would lead the employees towards compliant buying and thus getting rewards for that, or punishing the employees in the opposite case. In the latter option, companies often implement monitoring systems to detect and penalize maverick buying, as Rothkopf and Pibernik (2016) state. Reward and sanction systems are thus linked together with monitoring in this paper.

Karjalainen et al. (2009) mentioned the lack of incentives to comply to be one of the reasons behind maverick buying. It would thus seem that compatible incentive systems could result

in decrease of maverick buying. However, the incentives should be aligned correctly, as misaligning them could result in the employee's or unit's best interest being different from that of the organization and thus result in ill-intentioned maverick buying (Karjalainen et al., 2009; Cox et al., 2005). In other words, the principal – agent problem would get deepened. Kulp et al. (2006) point out in their case study that the incentive should be for example to get the employees to purchase on the negotiated rates rather than to get the central purchase unit to negotiate the rates. The rewards should thus be on realized savings instead of the potential or estimated savings through framework agreements put in place (Kulp et al., 2006). Their main idea in this was to motivate the central purchasing unit to contribute in getting the employees to engage in compliant purchasing. To specify, Kulp et al. (2006) add that the incentive system should also encourage the employees to use the approved suppliers even if that would mean buying a single item at a higher price than from a local supplier in order to get the employees to act in the best interest of the whole organization rather than just themselves or their unit.

It could be concluded that in order for the reward sanction systems to reduce maverick buying, they should be rather carefully designed and have specific features in them. Furthermore, in order to be able to measure the employees' performance on the incentive system, the measure should be informative of their effort (cf. Kulp et al., 2006). The organization should thus be able to track the employee's purchasing activities, whether it is to prove and reward their compliant behavior or to detect and penalize their noncompliant behavior. Thus, rewards and sanction systems require monitoring in order for them to be informative and used consistently. In addition, Karjalainen and van Raaij (2011) found in their empirical study that at least in public organizations the presence of reward and sanction systems did not affect the levels of maverick buying.

Monitoring itself is a commonly brought up suggestion against maverick buying (Rothkopf and Pibernik, 2016) as well, as it decreases the employees' task autonomy and provides spend visibility. However, as Rothkopf and Pibernik (2016) point out, such monitoring requires increasing efforts correlating with the level of monitoring and thus results in increasing costs. Kulp et al. (2006) support this by noting that while compliance techniques can bring savings, the investments in resources and human capital as well as the marginal costs of tracking should be taken into notice. Implementing such a system would thus also require optimizing the level of monitoring effort with the benefits gained from reducing maverick buying. Furthermore, it is often not easy to distinguish controllable actions from

circumstances beyond the employee's control in such systems (Kulp et al., 2006) which in the worst case could cause rewarding or penalizing an employee on false base. It would thus seem that neither reward and sanction systems nor monitoring are an exhaustive solution to reducing maverick buying either.

To sum up, this section has examined the four more commonly suggested ways to reduce maverick buying from previous literature, those being e-procurement, the P-card, reward and sanction systems and monitoring. Out of these four e-procurement and monitoring are the most often mentioned (Karjalainen et al., 2009; Rothkopf and Pibernik, 2016), and thus can be seen having the most potential. However, having gone through the four suggestions it can be concluded that none of them provides a sole solution as a remedy against maverick buying. The efficiency of the suggested remedies lies mostly in decreasing the employee's task autonomy, which was the most important contributing factor to maverick buying (Karjalainen and van Raaij, 2011). They decrease task autonomy through improved spend visibility, through more automated and monitored purchasing activities and through guidance towards usage of approved suppliers, and are thus expected to reduce maverick buying. However, as brought up in the above section, while these suggestions have partial potential in reducing maverick buying, they all seem to possess factors that prevent them from being an exhaustive answer to the problem; maverick buying eats away their efficiency itself or the cost and effort of implementing and keeping up such systems makes it not worthwhile to use them excessively. It is thus needed to seek for other possible solutions to the problem and the next section of this paper continues by doing so.

5. Reducing maverick buying in the context of organizational change

As can be seen, several remedies against maverick buying have been proposed in the earlier literature, of which e-procurement and monitoring being the ones mentioned most often (Karjalainen et al., 2009; Rothkopf and Pibernik, 2016). Most of these proposals are of technical or monitorial nature however. While all of them have been suggested or even proved to bring great benefits in reducing maverick buying, none of them seem to have been an unambiguous solution for overcoming maverick buying all together. In other words, they all seem to have "flaws" which allow maverick buying to persist even after their implementation. This would suggest, that there is no sole solution to reducing maverick buying all together but rather that a more diverse solution is needed.

As Karjalainen et al. (2009) point out, the technical solutions, referring to tools of e-procurement and monitoring, do not address the emotional motivations behind maverick buying. They don't take away the "feelings of injustice and powerlessness, or the perception that a better deal can be achieved outside the corporate framework agreement" (Karjalainen et al., 2009, p.253). It thus seems that other ways to address these emotional needs in order to reduce maverick buying are needed there. Furthermore, reward and sanction systems, as stated, have not been found to contribute to maverick buying (Karjalainen and van Raaij, 2011) and thus can't be seen as a way to reduce maverick buying either. In addition to these findings, the previous suggestions against maverick buying seem to focus on reducing it when it is already occurring and when the framework agreements have already been put in place. Perhaps another point of view is needed; that of preventing maverick buying while negotiating the contracts. All contracts expire sooner or later and need to be renewed, and perhaps that is the optimal time for looking at the process more carefully and aiming at the reduction of future maverick buying. Furthermore, the feelings of injustice and powerlessness mentioned by Karjalainen et al. (2009) could perhaps be addressed earlier on before them resulting in MB.

A yet to be examined aspect of maverick buying is its connection to organizational change. When an organization's procurement is centralized to a central purchasing department and new corporate level framework agreements negotiated by this department are put in place, it inevitably causes a change in the organization. While the management of the supplier base, the negotiation of the frame contracts and the responsibility of the consolidation of purchase volumes and achieving its positive effects is transferred to the central purchasing department (Rothkopf and Pibernik, 2016), the remaining operational procurement activities such as the actual ordering rights stay or are newly delegated to individual units or local managers (cf. Karjalainen, 2011). The responsibilities of procurement tasks are thus newly organized which results in a change of employees' authorities, responsibilities and tasks. As Kulp et al. (2006) state, whenever organizations change their processes they should also change their control mechanisms in accordance. The processes being in this case the ones involved in procurement, this statement could be extended to the change of all related activities. This would suggest that the change caused by the centralization creates the need for changes in the organization's systems and mechanisms supporting compliance as well.

As maverick buying is identified to occur outside the framework agreements set up by the central purchasing department, a link between the change of reorganizing the procurement

roles and responsibilities and maverick buying can be established. It is thus logical to look into reducing maverick buying in the context of organizational change. If the right incentives ensuring compliance in purchasing are ones that reward contract usage instead of closing contracts (Kulp et al., 2006) surely the success of consolidating purchase volumes should be measured by how widely the framework contracts are in use. As Cox et al. (2005) point out, conflicting interests between the central purchasing unit and the contract-users as a whole can either help or hinder a change within an organization. In the case of maverick buying the result will thus be the latter and the success of the organizational change in question gets burdened. Furthermore, as Van der Voet et al. (2016) state, the employees' level of commitment to change is highly dependent on the way the organizational change is implemented - the process of change. This only highlights that the emphasis in reducing maverick buying and thus providing a successful change to using the framework contracts requires an emphasis on managing the change itself. Put to this context it may be possible to discover new ideas on how to grasp the problem of MB when negotiating new framework contracts and thus other suggestions on how to reduce maverick buying.

Organizational changes are usually divided in planned changes and emergent changes (Bamford and Forrester, 2003). Planned changes are initiated top-down and their objectives are set in advance while emergent changes are more of bottom-up processes where the participation of employees is more crucial (Van der Voet et al., 2016). Putting framework contracts in place can thus be traditionally seen as a planned change. However, this paper now focuses on examining the organizational change of consolidating purchasing volumes and reducing maverick buying from both aspects; both planned and emergent change. This will be done by combining other less technical suggestions on how to decrease maverick buying such as purchasing leadership (Karjalainen et al., 2009), participation menus (Rothkopf and Pibernik, 2016) and training, guidance and involvement in the process (Karjalainen and van Raaij, 2011; Kauppi and van Raaij, 2015) with the named change processes. The aim in doing so is to address the context of organizational change apparent in organizations implementing and applying corporate level framework agreements, and the emotional factors behind maverick buying.

5.1 Planned change

As planned changes are top-down processes with ready formulated objectives, they can be seen as rather programmatic (Van der Voet et al., 2016). The initiative for the change coming

from the management, the importance of top-down communication gets emphasized (Van der Voet et al., 2016). When centralizing purchasing volumes to be managed by the central purchasing unit, the change process can be seen to be coming from top-down and the objectives of lower purchasing costs and increased purchasing leverage are set in advance. The change can thus be seen as a process moving from one “fixed state” to another through several pre-planned steps (Bamford and Forrester, 2003). This “action research” model of planned change process alongside with another one called the “three-step model” are principally based on Kurt Lewin’s work on change management (Bamford and Forrester, 2003). In the three-step model the process of change is managed through three phases; the “fixed state” is first “unfreezed”, the new ideas and approaches are then explored that being the “change” and finally the new desired values, attitudes and skills are identified, utilized and integrated with the previously held ones “refreezing” the state (cf. Bamford and Forrester, 2003). While consolidating purchasing volumes this would mean first the previous state of scattered purchasing volumes across various suppliers being “unfreezed”. Following would be the process of change, introducing the organization with the new idea of framework contracts and finally putting the contracts in place with the end-users ideally using them and finally refreezing this new desired state.

It could be argued that organizations typically move onto negotiating their framework contracts using the first mentioned model, trying to move directly from one state to another. Perhaps this is resulting in maverick buying. As Bamford and Forrester (2003) state, before any new behavior can be fully accepted and adopted successfully, the old one has to be abandoned. This would suggest that if the organizational change is merely implemented without addressing the needed change from an old behavior to the new one, the old one will persist. In the case of implementing framework contracts in use, the change will thus not be successful, and end-users persist in their old ways that being now perceived as maverick buying. Having recognized this fact, some suggestions on how to address the missing second phase of the planned change process are made.

Van der Voet et al. (2016) emphasize the importance of transformational leadership and that of the direct supervisors in particular when implementing organizational change. Transformational leaders provide employees with appealing visions about organizational changes and encourage them to accept the offered solutions (cf. Van der Voet et al., 2016). This contributes to and stimulates the occurrence of organizational changes resulting in enhanced commitment to change and employee participation (Van der Voet et al., 2016).

Van der Voet et al. (2016) argue that the central leadership role is that of the direct supervisors and their study results suggest that the main ways to gain support for change among employees are communication and participation. When it comes to maverick buying, Karjalainen et al. (2009) suggested lack of purchasing leadership to be a factor increasing certain forms of maverick buying. Taking these findings into account, it could be concluded that in order to prevent and/or reduce maverick buying when putting framework contracts in place, a strong role of leadership is needed to encourage the employees to accept the suggested change and to implement it successfully.

As Van der Voet et al. (2016) discovered a link between leadership in implementing change and communication and involvement in the process, these factors can be seen as essential in ensuring and improving contract usage. Lack of communication and involvement in the process as well as training were identified as contributing factors to maverick buying as well (Karjalainen and van Raaij, 2011), so increasing them would thus result in reduced levels of MB. Kauppi and van Raaij (2015) support this by stating that reducing maverick buying requires first and foremost raising the awareness level of both the principal and the agent so their goals would be more in congruence and information more symmetrical. This can be achieved through increased communication. Kauppi and van Raaij (2015) continue that the central procurement unit should continuously guide and mentor the internal clients as well as inform them of the frame agreements in place and the reasoning behind the change. In other words, it is important to communicate the guidelines of the organization's purchasing procedures and simultaneously improve the overall contract awareness and increase the level of training on purchasing in general as well as on purchasing activities in order to reduce maverick buying (cf. Karjalainen and van Raaij, 2011). Taking into account the results of Van der Voet et al. (2016) the central purchasing unit should expand this training and communication to the direct supervisors of the end-users as well; thus they would have the means to encourage and enforce the process as well as support the employees' commitment to change through leadership. To conclude, the context of planned organizational change supports and emphasizes the findings of other studies (Kauppi and van Raaij, 2015; Karjalainen and van Raaij, 2011) on reducing maverick buying.

5.2 Emergent change

The above described process of planned change has received some criticism on its applicability in the increasingly fast-changing and uncertain business environment, its

reliance on managers and dependence on detailed step-to-step plans (Bamford and Forrester, 2003). As it's based on the assumptions that organizations would operate under constant conditions and that all stakeholders in the change process would feel positive about implementing it, it has been argued that it wouldn't be ideal in cases where major and rapid changes are required (cf. Bamford and Forrester, 2003; By, 2005). Thus the idea of an emergent change has been introduced. The major difference in the emergent change process compared to that of the planned change is that it is seen to be implemented from bottom-up rather than top-down (Bamford and Forrester, 2003). As its argued that it is impossible for senior management to identify, plan and implement every action required in the change process (Bamford and Forrester, 2003), the emergent change has no objectives set in advance and they are formulated during the process instead (cf. Van der Voet et al., 2016). By (2005) points out, that the emergent approach to the process of change emphasizes the change readiness and facilitating for change instead of planning steps for each individual change and initiative. According to Van der Voet et al. (2016) emergent changes rely more on the participation of employees; instead of being merely informed about the change the employees are invited to participate in the implementation process. They add that emergent change processes stimulate both the quality of change communication and the degree of employee participation, resulting in improved change commitment.

Brought to the context of centralizing purchasing volumes, an emergent change would thus mean that the initiative to negotiate framework contracts would come from bottom-up from the internal clients of the organization. While this seems unusual in the typical setting where it's the central purchasing unit negotiating these contracts, Van der Voet et al. (2016) point out that the management can initiate emergent changes but that they don't formulate detailed objectives for the change. The commencement for the tendering process for a product or service could thus still be coming from the central purchasing unit but they should invite the employees to participate in the process. As stated, lack of involvement in the process was one of the factors contributing to maverick buying (Karjalainen and van Raaij, 2011) and thus the opposite would result in reducing maverick buying, or preventing it in the context of organizational change. Karjalainen and van Raaij (2011) found that involving the employees in the process of putting framework contracts in place might increase their commitment to the change and that the end-users would thus be more likely satisfied and convinced with the results. It could be argued that in this case the possible feelings of

injustice and powerlessness mentioned by Karjalainen et al (2009) would be addressed early on in the change process itself.

A rather recent suggestion on reducing maverick buying through different kind of participation of the internal clients is the “participation menu” introduced by Rothkopf and Pibernik (2016). The foundation of their suggestion is that under some conditions, especially when traditional efforts to reduce maverick buying such as monitoring fail and the agents have skills to discover attractive options of buying outside the framework contracts, the principal (the central purchasing unit) should offer the agents a contract menu – a termed participation menu (Rothkopf and Pibernik, 2016). With this they refer to participating or even leveraging the suggested superior purchasing capabilities of the agent. Rothkopf and Pibernik (2016) suggest that the central purchasing unit and the individuals or units responsible for the operative procurement should exchange information about the feasibility and attractiveness of the framework contract and the possible outside options. The agents would thus have the opportunity and even an incentive to communicate any other purchase options to the principal which would result in a shared decision on whether to use the framework contract or an attractive outside option and in shared benefits. The participation menus apply especially when the maverick buyers are successful buyers and succeed in making better deals than the framework ones. Thus when communicating the features of both options, if the consolidation benefits are high the agent will be likely to engage in using the framework contract in order to gain the same benefits (Rothkopf and Pibernik, 2016). Meanwhile, if the consolidation benefits are comparatively low, the principal should actually leverage the agent’s superior market knowledge and this way achieve the improved benefits for the whole organization (Rothkopf and Pibernik, 2016).

While participation menus as a formal model on reducing and participating maverick buying is rather distinct from previous suggestions in the literature, it can be seen to have aspects of emergent change process in it. Furthermore, it provides a new perspective to the issue; whether maverick buying could be harnessed to serve the organization. The framework contracts are initiated by the principal (the central purchasing unit) but then offered to the agents (individuals and units in charge of day-to-day procurement activities) to participate; the objectives are thus set through participation and information exchange. All in all, this approach aims at gaining the highest mutual benefits with less effort; maverick buying would be reduced and/or prevented and purchasing costs saved.

To sum up, the focus on reducing maverick buying has typically been only after consolidating purchasing volumes and putting up framework contracts. Furthermore, it hasn't addressed the feelings of injustice and powerlessness that employees may experience due to the process (Karjalainen et al., 2009). As brought up in the above section, the act of centralizing purchases results in an organizational change that should be taken into account. It could be argued that managing this change poorly results in maverick buying and that the emphasis on reducing maverick buying or rather in preventing it should be during the tendering process of negotiating the framework contracts; either when starting the change of putting them in place or when renewing them. The two most dominant types of organizational change processes, the planned and the emergent change (Bamford and Forrester, 2003) were introduced as a starting point to this approach on examining the issue. While the planned change seems to be the more typical one used in putting framework contracts in place, some suggestions of remedies against MB (eg. Karjalainen and van Raaij, 2011; Rothkopf and Pibernik, 2016) suggest that the approach of emergent changes might be one to consider more extensively in the future. Finally, ways to reduce maverick buying were suggested in both cases; communication, guidance and training being the ones for planned change and employee involvement in the change process as well as participation menus as a more recent one being the ones for emergent change (Figure 4). It was also recognized that in either case, strong leadership was needed as it was seen to stimulate both types of change (Van der Voet et al., 2016) and also suggested as a possible factor contributing to the decrease of maverick buying (Karjalainen et al., 2009) (Figure 4).

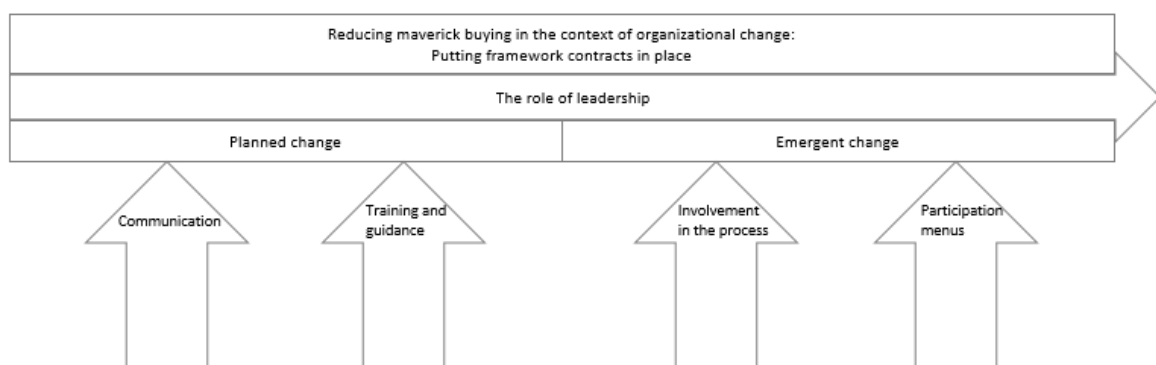


Figure 4: Reducing maverick buying in the context of organizational change

6. Managerial implications

As managerial implications, this paper suggests in its findings that organizations should move the focus on reducing maverick buying to an earlier stage of the process and thus on preventing its occurrence. As the previous suggestions on ways to reduce maverick buying seem to address the problem only when it is already occurring, organizations should look into the circumstances in which it is created; the organizational change created by purchasing consolidation and the implementation of framework contracts. The findings of this paper suggest that leaving this change unaddressed corresponds with the low level of change commitment occurring as maverick buying. Consequently, organizations should emphasize the attention put into the change process and focus on the role of leadership in it; that of the central purchasing unit as well as direct supervisors. Thus, the focus in finding remedies against maverick buying should be on improving communication between the principal and agents and increasing the agent's participation opportunities already during the tendering process.

Another implication of this paper is introducing the idea of the change process of putting framework contracts in place as being an emergent one. Emergent change processes have been found to have a naturally higher level of employee participation and thus a higher level of commitment to change as well. In such processes the emphasis on the role of leadership and more importantly on involvement in the process and employee participation are highlighted. In the context of this study, the main implication is that while consolidating their purchasing volumes, organizations should perhaps opt for characteristics of emergent change processes, enabling them to draw upon the hidden assets of the organization. This approach examines the possibility of even harnessing successful maverick buying; whether it could be leveraged through employee participation and used to gain the highest benefits for the whole organization. While this seems like a rather distinct approach to the issue, it is one to be looked into more extensively in the future.

7. Conclusions

In this paper, the phenomenon of non-compliant purchasing behavior – maverick buying – has been looked into from various point of views. Doing so a broad understanding of the issue was gained in order to examine the previously suggested remedies against maverick

buying critically. The findings of this examination would suggest that out of the most commonly suggested ways to reduce maverick buying such as e-procurement tools and the P-card, monitoring systems and rewards sanction systems none were efficient as a sole solution to the problem. Furthermore, they seemed to tackle only task autonomy out of the contributing factors of maverick buying identified by Karjalainen and van Raaij (2011) and left the emotional factors mentioned by Karjalainen et al. (2009) unaddressed.

This paper thus moved onto identifying a new approach to the phenomenon; recognizing consolidation of purchasing volumes and putting framework contracts in place as an organizational change. As Kulp et al. (2006) pointed out, whenever organizations change their processes they should also change their control mechanisms in accordance. This new approach thus suggested a need for other types of ways to reduce maverick buying. Furthermore, the approach of this paper guides the focus on reducing maverick buying or rather preventing it to be advanced already to the tendering process - to the process of change.

Two common approaches on organizational change were then recognized; the planned and the emergent change process (Bamford and Forrester, 2003), and the link between the process in which the change is implemented and the level of change commitment among the internal clients was established (cf. Van der Voet et al., 2016). This connection was then applied to the case of maverick buying; a successful implementation of framework contracts would mean a broad contract-usage and thus a reduction of maverick buying. As suggestions on how to prevent maverick buying in this context, the importance of communication and participation as well as training and guidance were highlighted (Van der Voet et al., 2016; Karjalainen and van Raaij, 2011; Kauppi and van Raaij, 2015). In addition, the role of leadership stimulating both types of changes (Van der Voet et al., 2016) was found to be important in implementing these changes, for both top-down and bottom-up initiations. Finally, it was suggested, that perhaps when aiming at reducing maverick buying a new approach of bottom-up change process and a more extensive end-user participation is needed.

While the main contribution of this paper is in introducing the context of organizational change to the case of maverick buying and thus providing suggestions on preventing the phenomenon, some further research is needed. This paper examined the processes of planned and emergent changes and their connection on putting framework contracts in place.

However, more extensive studies on identifying the ideal change management framework for procurement should be conducted. Furthermore, future research should focus on empirical testing on organizations using these approaches in order to achieve concrete suggestions on ways to tackle the problem and evidence to support the ideas introduced in this paper. Finally, research on the efficiency of these suggestions on the different forms of maverick buying is needed.

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