Procedural Justice in Procurement Management and Inclusive Interorganizational Relations: An Institutional Perspective*

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This paper applies the concept of procedural justice to one of the most important focal points of interorganizational relations: the purchaser–supplier relationship. The few extant studies of the concept in the purchaser–supplier domain have overlooked an important aspect of this key relationship: that is, inclusiveness in procurement. This is despite the fact that interest in the specific empirical context of supply chain links between large purchasing organizations (LPOs) and ethnic minority suppliers (EMSs) from disadvantaged communities proceeds apace on both sides of the Atlantic. Institutional theory is used to examine the form that procedural justice takes in eight case studies of LPOs from the private and public sectors, which actively engage with inclusive procurement management initiatives in England. The guiding question is twofold: 'What may LPO approaches to installing procedural justice in procurement management entail?' and 'How are these approaches shaped?' This paper identifies specific approaches to installing procedural justice for inclusive procurement and submits theoretical propositions about how these are shaped. The study contributes to a macro-level assessment of procedural justice, i.e. interorganizational procedural justice, as a significant aspect of inclusive interorganizational relationships, which is a domain in need of theoretical development.

Introduction

What form does 'justice' take in purchaser–supplier relations? The concept of justice is helping to cast light on a range of interorganizational relationships, including strategic alliances, joint ven-

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tures, mergers and acquisitions, and public–private partnerships (e.g. Barden, Steensma and Lyles, 2005; Edwards and Edwards, 2012, 2014; Luo, 2005, 2006, 2007, 2008; Meyer, 2001; Meyer and Altenborg, 2007; Zhang and Jia, 2010). Yet, rarely has the concept been applied to the purchaser–supplier relationship setting. Further, justice-centred studies on interorganizational relationships in general, and procurement relationships in particular, have focused mainly on the characteristics of such relationships, their interaction effects and their performance outcomes (Choi and Wu, 2009; Kumar, Scheer and Steenkamp, 1995; Liu *et al.*, 2012; Narasimhan, Narayanana

and Srinivasan, 2013). Relatively little is known about the justice approaches of large purchasing organizations (LPOs) to inclusive interorganizational relationships with ethnic minority suppliers (EMSs), which are typically small organizations, employing fewer than 20 workers (Woldesenbet, Ram and Jones, 2012; Worthington, 2009).

This is despite a recent surge of interest in levelling the playing field for small and epresented suppliers such as EMSs by making trade opportunities accessible to them (Ram and Smallbone, 2003; Ram, Theodorakopoulos and Worthington, 2007; Woldesenbet, Ram and Jones, 2012; Worthington, 2009; Worthington, Ram and Shah, 2008). Beyond enhancing their social performance by helping EMSs 'break out', such inclusive interorganizational relationships may bestow LPOs with competitiveness-related benefits. These include positive reputation, efficiency gains, ethnic market insight and/or innovative input (CRE, 2006; Theodorakopoulos *et al.*, 2013; Worthington, 2009). Notably, in stark contrast to the USA, in the UK the notion of inclusive relationships between LPOs and EMSs is based on applying procedural justice to procurement management. Put another way, 'inclusiveness' is not based on positive discrimination logic, but rather on the logic of 'equality of opportunity' or fairness (Ram and Jones, 2008; Ram and Smallbone, 2003; Ram, Woldesenbet and Jones, 2011). The latter is defined as the extent to which the supplier search and selection procedures employed by a LPO, as a reflection of its procurement policies and practices, are impartial, fair and inclusive of EMSs.

The theoretical neglect in procedural justice for inclusive LPO–EMS relations is addressed in this study. We focus on the perspective of LPOs for two reasons. First, power asymmetries in LPO–small supplier relationships often render the former 'rule makers' in such interorganizational relationship arrangements. Their approaches to procedural justice in the procurement process largely determine the degree of inclusiveness and outcomes of the LPO–EMS interorganizational relationship. Second, EMS perceptions of relations with LPOs have been addressed in recent studies (Ram, Woldesenbet and Jones 2011; Woldesenbet, Ram and Jones, 2012). Consequently, the 'grand tour' research question of this paper is twofold: 'What may LPO approaches to installing procedural justice in procurement management entail?' and 'How are these approaches shaped?'

We address these questions by examining the procurement management practices of public- and private-sector LPOs engaging actively with inclusive procurement initiatives in England. We focus on approaches to procedural justice in supplier search and selection, using institutional theory as an analytical lens. We contribute to the study of interorganizational relationships by exploring empirically and offering theoretical propositions about LPO approaches to installing procedural justice in sourcing for inclusive procurement relations. Our institutional approach enriches social exchange (Blau, 1964; Emerson, 1976; Homans, 1958, 1961) and transaction costs economics (Williamson, 1975, 1985) perspectives on interorganizational relationships in procurement, and has theoretical and practical implications.

The paper is organized as follows. The next section presents the theoretical background, while the third section deals with the adopted methodology. Following from this, the fourth section discusses the findings of the study and submits theoretical propositions. Finally, the paper concludes by outlining implications for theory development and practice in this field of procedural justice in the interorganizational relationships context of LPOs–EMSs.

Theoretical background

Procedural justice and interorganizational relationships

'Interorganizational procedural justice' derives from the concept of organizational procedural justice, which itself is a form of organizational justice (Colquitt, 2001). It differs from its theoretical cousin, distributive justice. While distributive justice focuses on perceptions of fairness associated with the outcomes of the exchange between two parties, procedural justice refers to the perception of fairness of formal procedures used for decision-making (Thibaut and Walker, 1975; Lind and Tyler, 1988). That is, procedural justice focuses on the means (procedures) by which outcomes arise from the interaction between exchange parties (for instance, between LPO and EMS) and on the attitudes of those directly involved in, or affected by those decisions (Korsgaard, Schweiger and Sapienza, 1995). Because procedural justice is shaped around concerns for formal procedures and equity distribution, it embodies the structural

aspect of justice (Tyler and Bies, 1990). This form of justice is found in procedures that embody certain types of normative principles, such as those posited in Leventhal's (1980) framework. The latter refers to six principles relevant to procedural justice: applying criteria consistently; suppressing bias; using accurate information; providing opportunities to correct errors; providing adequate representation in the decision-making process; and ensuring ethical treatment.

Importantly, the basic premise of procedural justice is that fair treatment determines an entity's reaction to decisions made by the other party and is thus central to their behaviour vis-à-vis that party (Lind and Tyler, 1988). This reflects an extension from how fairness influences lower-order attitudes concerning a particular decision outcome (e.g. self-esteem and social identity) to how it affects higher-order attitudes such as commitment, trust and social harmony towards groups, units and institutions (Konovsky, 2000). This extension to higher-order attitudes follows a shift in analytical level. While research on organizational justice has focused typically on a micro, intraorganizational level, work on a macro, interorganizational level has been gaining momentum more recently, casting new light on the field of interorganizational relationships. Procedures followed in engaging with the other party in interorganizational relationships influence its trust, commitment and behaviour, which have been argued to be critical factors in building successful relationships between engaging parties (Provan and Sydow, 2010; Ring and Van de Ven, 1994; Squire, Cousins and Brown, 2009).

Transcending the organizational boundary, researchers have begun to examine interorganizational justice issues within various contexts. Research on different settings includes strategic alliances, joint ventures, mergers and acquisitions, and public–private partnerships (e.g. Barden, Steensma and Lyles *et al.*, 2005; Edwards and Edwards, 2012, 2014; Luo, 2005, 2006, 2007, 2008; Melkonian *et al.*, 2011; Meyer, 2001; Meyer and Altenborg, 2007; Zhang and Jia, 2010). These studies highlight different relational characteristics, structural aspects, contingencies and positive effects of procedural justice on the quality, outcomes and performance of interorganizational relationships. However, relatively few interorganizational justice studies are grounded in a purchaser–supplier context. For instance, Brown,

Cobb and Lusch (2006) explore the impact (distributive and procedural) on satisfaction and conflict in the wholesaler–supplier relationship. Boyd *et al.* (2007) examine corporate social responsibility in supply chains from a procedural justice perspective, while Beugré and Acar (2008) develop an interorganizational justice model to explain cross-border interorganizational relationships between purchasing and supplying firms in off-shore situations. Other scholars have highlighted the importance of procedural justice practices in dealings with suppliers for purchaser–supplier relationship orientation and performance (Choi and Wu, 2009; Griffith, Harvey and Lusch, 2006; Liu *et al.*, 2012; Narasimhan, Narayanana and Srinivasan, 2013; Scheer, Kumar and Steenkamp, 2003). Notably, in most of this stream of literature on interorganizational relationships, social exchange and transaction costs economics perspectives have been used as a theoretical foundation (Beugré and Acar, 2008; Narasimhan, Narayanana and Srinivasan, 2013). To maintain a successful, repeated social exchange based upon norms of reciprocity (Blau, 1964; Emerson, 1976; Homans, 1961) or economic transactions on cost optimization logic (Dyer, 1996; Williamson, 1975, 1985), the respective structural inputs/procedures of each party must be perceived as fair.

In the context of managing supplier search and selection, interorganizational procedural justice relates to the situation where the parties involved (LPO and EMS in this case) assess the fairness of the formal procedures governing this process. When the overall approach to supplier search and selection is perceived as fair, each party will experience procedural justice. Exclusive or disadvantaging procedures may result in perceptions of procedural injustice, which may adversely affect the formation of a relationship between a LPO and an EMS. As a result, LPOs may forego relational advantages concerning positive reputation, access to ethnic markets and innovative input, while EMSs may miss out trade opportunities (Worthington, 2009; Worthington, Ram and Shah, 2008). More than this, procedural injustice may have a negative impact on the workforce of the procedurally unjust LPO, especially on its ethnic minority employees, perceiving their organization as being unfair (CRE, 2006). However, relatively little is known about the justice approaches of LPOs in procurement for inclusive interorganizational relationships with EMSs.

Power-based logics (Hopkinson and Blois, 2014) have limitations, and small firms in some cases may be able to rebalance power asymmetries in their relationship with a LPO by exploiting their specialist core competencies (Gulati and Sytch, 2007; Mesquita and Brush, 2008; Subramani and Venkatraman, 2003). Nonetheless, LPOs tend to be the 'rule makers' because of the pronounced power/dependence asymmetries they enjoy in such relational contexts (Ram, Woldesenbet and Jones, 2011; Woldesenbet, Ram and Jones, 2012). Their approach to procedural justice largely influences the LPO–EMS interorganizational relationship, the degree of inclusiveness and the nature of outcomes. It is therefore important initially to enhance understanding of LPO approaches to procedural justice in procurement for inclusive interorganizational relationships, before examining interorganizational procedural justice from the perspective of EMSs. Understanding what the approaches of LPOs to procedural justice in procurement may be, and how these are shaped, can have implications for inclusive interorganizational relationship management theory and practice. Institutional theory is useful for this purpose, providing an alternative to social exchange and transaction costs theoretical approaches.

*Institutional forces shaping purchasers'
approaches to procedural justice*

Institutional theory deals with how individuals, groups and larger entities construct social structures (e.g. rules, norms, established modes of interacting and pursuing organizational objectives), as well as with the effect of institutions on actors. It examines how these institutions are diffused, adopted and function in practice over time and space, as well as how they affect society and fall into decline. A major thrust of this theory is the identification of sources of power and forces that influence behaviours and organizational procedures (Meyer and Rowan, 1977; Powell and DiMaggio, 1991; Scott, 1987), such as corporate procurement management procedures aiming at fairness and inclusiveness.

According to neo-institutionalism, in order to survive, organizations must conform to the rules and belief systems prevailing in the environment, because institutional isomorphism, both structural and procedural, will earn the organization legitimacy (DiMaggio and Powell, 1983; Meyer and

Rowan, 1977; Powell and DiMaggio, 1991; Scott, 1987; Suchman, 1995). There is substantial evidence that firms in different types of operating environments, with different institutional arrangements, react differently to similar challenges. Multinational corporations (MNCs) are a case in point; they operate in different countries with varying institutional environments, face diverse pressures and have a range of available options (Jackson and Deeg, 2008; Kostova, Kendall and Dacin, 2008). Variable responses are determined largely by the political, economic, social and legal factors that constitute the institutional structural arrangements within which MNCs operate. Some structures in their host and home institutional environments may exert fundamental influences on their approach to procurement (Ram, Theodorakopoulos and Worthington, 2007). For instance, a MNC in the US has to engage with a certain percentage of EMSs, while preferential treatment and positive discrimination are illegal in Europe. Even within the same country, organizations operating in the public sector are facing different structural arrangements from those of private-sector firms, not least because they are subject to different regulations and seek to address different types of key stakeholders.

Integral to the present study is the adoption of the institutional analytical framework developed by Scott (1995, 2001, 2008) to examine how LPOs' approaches to procedural justice in managing supplier search and selection are shaped. Scott portrays institutions as exhibiting distinctive properties. They constitute multifaceted, durable social structures, made up of symbolic elements, social activities and material resources. 'Institutions operate at different levels of jurisdiction, from the world system to localized interpersonal relationships . . . by definition connote stability but are subject to change processes, both incremental and discontinuous' (Scott, 2001, p. 48). It is noteworthy that the theory holds that institutional structural forces can be both enabling and constraining as to the efforts of change agents who undertake institutional work (Jones and Messa, 2013, Lawrence and Suddaby, 2006; Lawrence, Suddaby and Leca, 2009; Suddaby, 2010). Hence, although institutions tend to bring about stability and order in social life, institutional theory attends not just to consensus and conformity, but also to conflict and change in social structures. According to Scott (2001, 2008)

structures are upheld by three 'pillars', which work collectively as mutually reinforcing forces to shape the institutional characteristics of an organization. They are composed of cultural–cognitive, normative and regulative elements that, together with associated activities and resources, provide stability and meaning to social life. These are transmitted by various types of carriers, including symbolic systems, relational systems, routines and artefacts.

The regulative pillar relates to rules, laws and conveyances of power (including power embedded in economic transactions). It is the element that explains how institutions constrain and regularize behaviour. Organizational actors are influenced significantly by the plethora of complex public laws, regulations and agency directives and instructions. Within structural arrangements affecting public administration, the legal/regulatory forces in public procurement are considered quite substantial (Wolf, 2005). An organization's regulative pillar is also conveyed by carriers such as relational governance and power systems (e.g. its placement within the public body's formal organizational structure), standard operating procedures and objectivized mandates that serve as coercive mechanisms. For instance, in England, private firms supplying to the public sector are obliged, under the Equalities Act (2010), to demonstrate that they uphold inclusive approaches. Hence, within the regulative pillar, organizational legitimacy is supported by coercive mechanisms and rules-based legal sanctions.

The normative pillar refers to systems of values and norms, which imply expectations, social obligations, roles, professionalism, duty and moral responsibility. Within the normative pillar, legitimacy is supported by morally governed characteristics. Early institutionalists (Parsons, 1951; Selznick, 1957), as well new institutional scholars such as DiMaggio and Powell (1983) have focused on this point. Procurement specialists, as other professionals, help establish the normative values and expectations within an organization, reflecting functional necessities (Zsidisin, Melnyk and Ragatz, 2005). They are professionals by virtue of their training, certifications and moral obligations to their duties (Lawrence, Leca and Zilber, 2013; Scott, 2008). Training programmes and organizational expectations of engaging with the public procurement community, but also the procurement-specialist community at large, can

be considered manifestations of the normative pillar. Professions try to establish autonomy within or despite the authority structure of organizations. 'They introduce training requirements for entry and for continuing development, adopt codes of ethics, create outside bodies to certify professional practices' (Wolf, 2005, p. 193) and exert significant influence (Greenwood, Suddaby and Hinnings, 2002; Jones and Messa, 2013; Scott, 2008).

The third pillar, the cultural-cognitive element, is regarded as a key feature of new institutionalism, emphasizing the creation of shared constructions of social reality. It is strongly influenced by anthropological and psychological perspectives (e.g. the works of Berger and Luckmann, 1966; Geertz, 1983, 2001; and Meyer, 1994, 2010), which emphasize the role of stories, rituals, routines, symbols and scripts as carriers. These enable participants to form identities and create legitimacy in socially constructing reality. As opposed to rules and normative expectations, the cultural-cognitive pillar is characterized by taken-for-granted beliefs and shared conceptions that form a foundation for social order (Scott, 1995, 2004, 2008). While not established in rule or regulation, such common beliefs are surprisingly mimetic across organizations with similar purposes, guided by the logic of appropriateness/orthodoxy (Powell and DiMaggio, 1991). For instance, common culturally supported beliefs may be shared among procurement officials in different MNC subsidiaries or in different public-sector bodies. Table 1 depicts the three pillars as bases of compliance and legitimacy, as well as their mechanisms, logics and indicators.

Scott's analytical framework has been adopted in different ways, by researchers in different disciplines, including Andrews (2008), Bello, Lohtia and Sangtani (2004), Currie and Suhomlinova (2006), Fernandez-Alles, Cuevas-Rodríguez and Valle-Cabrera (2006), Kang (2011) and Koulikoff-Souviron and Harrison (2008).

In this tradition, approaches to procedural justice at corporate policy and practice levels can be seen as being shaped by specific regulative, normative and cultural-cognitive institutional elements. The way in which these elements interact and become aligned or misaligned offers a theoretical insight into how 'equality of opportunity' is approached and how procedural rules for fair supplier search and selection become established.

Table 1. The three institutional pillars

	Regulative	Normative	Cognitive
Bases of compliance	Expedience	Expectations/social obligation	Taken for granted
Mechanisms	Coercive	Normative	Mimetic
Logics	Instrumentality	Appropriateness	Orthodoxy
Indicators	Rules, laws, sanctions	Certification, accreditation, participation in professional bodies	Prevalence
Bases of legitimacy	Legally sanctioned	Morally governed	Culturally supported, conceptually correct

Sources: Adapted from Scott (1995, 2001, 2008).

Hence, we apply Scott's three-pillar framework to elucidate: 'What may LPO approaches to installing procedural justice in procurement management entail?' and 'How are these approaches shaped?' Such an institutional lens to procedural justice is appropriate because it provides a fresh perspective to procedural justice at an under-researched (interorganizational, purchaser–supplier) level and offers a grounding for theorizing inclusive interorganizational relations. It is noteworthy that accounts of the latter have been largely atheoretical (Worthington, 2009).

Methodology

Our research strategy is based on a case study design for generalization that explores 'what may be' (Schofield, 2000). Examining 'what may be' 'refers to designing studies so that their fit with future trends and issues is maximised' (p. 93). 'What may be' has to do with what types of practice in a given domain (in our study, in the domain of inclusive interorganizational relationships in procurement) may become more common in the future. As Schofield (2000) puts it, studying an array of cases that are indicative of future trends and issues and considering the different approaches to notions, usage and practice makes it fruitful to examine 'the heterogeneity of approaches in what may be'. Following this guidance, our research is a multiple case-study examination of what (LPO approaches to procedural justice in procurement) may be. A multiple case-study design was employed to avoid radical particularism and explore the heterogeneity of approaches to installing procedural justice among LPOs that are actively engaging with the notion of 'inclusive procurement relations' (not only self-proclaimed, but also corroborated by third parties, i.e. intermediaries concerned with inclu-

sive procurement and their EMS members who deal with these LPOs). We selected eight cases of LPOs that actively engage with inclusive procurement; such firms are indicative of approaches that may be adopted more widely in the future. These cases were different in terms of missions, strategic objectives and country of origin (public vs private sector, UK MNC vs US MNC and different industrial sectors). This allowed us to explore different forms of engagement with 'inclusive procurement relationships', and account for variation of practice. These cases were therefore 'suitable for maximizing the fit with future trends and issues' (Schofield, 2000, p. 93) in the domain of inclusive interorganizational relationships in procurement. The level of analysis in this study is the LPO supplier search and selection process.

The theoretical sampling of eight LPOs – four from the public sector and four from the private sector – was employed by replication logic in contrasting sectors (Eisenhardt and Graebner, 2007; Yin, 2008). From the public sector, two organizations (PUB1 and PUB2) are part of the Greater London Authority (GLA). The other two (PUB3 and PUB4) are local authorities in London and in the East Midlands region of England. From the private sector, four MNCs operating in England were considered; specifically, one UK MNC in the telecommunications sector (PRI1), two US MNCs in financial services (PRI2 and PRI3) and one US MNC in the petrochemicals industry (PRI4). All participant LPOs were engaging with two prominent supplier diversity intermediaries from the voluntary sector at the time the study was conducted, which complemented our sample frame. One intermediary is based in London (INM1) and the other in East Midlands (INM2). They both have substantial corporate membership; they advise their LPO members on inclusive procurement and organize meet-the-buyer events for EMSs. In fact, the eight LPOs considered were

recommended by these intermediaries, as 'genuinely enthusiastic about inclusive procurement and influencing'. The accounts of the managers of these intermediaries were used to triangulate LPO respondents' views (Yin, 2008) and also to obtain an insight into the aspects of good practice promoted by these specialist intermediaries.

Although the research design captures 'the heterogeneity of approaches in what may be', the absence of negative instances, i.e. cases of LPOs that failed to embed inclusive procurement, constitutes a limitation. Negative instances permit theoretical replication (Yin, 2008) and illustrate the complex influence of institutional constraints (Smets and Jarzabkowski, 2013) on procedural justice and inclusive interorganizational relationships in the context of procurement. The study's reliance on the perceptions of LPO and intermediary managers is a further limitation. Direct inclusion of the supply-side voice would offer a more holistic view of justice and interorganizational relations in procurement and strengthen the validity of the findings. Nonetheless, intermediary managers' representation of suppliers partially mitigates this weakness.

The project took place over a period of two years, between 2009 and 2011. In each of these eight LPOs, we conducted personal face-to-face, in-depth interviews with procurement officials/ project managers responsible for the formulation and implementation of policies and practices that promote procedural justice for inclusive procurement relationships (between one and three key informants from each LPO). Further, in each of the two supplier diversity intermediaries, we undertook personal in-depth interviews with two managers who were responsible for demand and supply-side membership activities. Supplementary interviews – to clarify matters when needed – were conducted over the telephone. Overall, we interviewed 21 key informants from these eight LPOs and four key informants from the two intermediaries involved in the study. The total number of interviews was 46. All interviews were semi-structured, lasted between one and two hours, and were digitally recorded and transcribed. The interview schedule consisted of questions on the respondents' background and organizational role, and the history, policies and programmes of inclusive procurement management in the organization and any relation these programmes may have to corporate strategy. Documentary evidence was

also collected either directly or via the two intermediaries examined in this study. Such documents referred to policies, procedures, meet-the-buyer events and monitoring mechanisms relating to inclusive procurement. Code names were used to preserve the anonymity of the respondents and the LPOs they represented.

The research tactics suggested by Eisenhardt and Graebner (2007) and Yin (2008) were employed to meet the research quality criteria of internal validity, external validity (generalizability) and reliability. These are outlined in Table 2.

Thematic codes were drawn initially from engagement with the literature that informed the interview schedule and from the scoping interview transcripts. Unforeseen coding categories that emerged through iterative engagement with recruits' transcripts were also included. Specifically, we used Miles and Huberman's (1994) general analytical procedure to analyse the data collected, as follows:

Table 2. *Tactics used to meet the research quality criteria*

Research quality criteria	Case study tactics
Internal validity	• Use of multiple sources of evidence – triangulation by considering the accounts of key informants within LPOs and those of the supplier diversity intermediary managers, as well as relevant documents provided by participant LPOs and intermediaries • Establishment of chain of evidence • Review of draft reports by respondents • Application of pattern matching logic • Analytical description/explanation building – seeking emerging patterns • Reflexivity – surfacing of values and beliefs before, during and after collecting data, when interpreting the accounts of the respondents
Generalizability	• Exposition of the relevant dimensions, i.e. approaches to procedural justice, and the forces shaping these approaches, expressed as theoretical propositions • Explication of settings • Use of replication logic in the multiple case study
Reliability	• Use of case study interview instrument (semi-structured guide) • Protocol for analysing relevant documents • Use of the QSR NVivo software to code and retrieve, in order to handle large volumes of data, manage complexity and create an audit trail/case-study database for replication purposes

- familiarization with the data; data were collected into three 'bins' – 'Regulative', 'Normative', and 'Cultural/Cognitive' – with source references attached and classified within each 'bin' as to factors, processes and outcomes;
- reflection on the data within each bin and conceptualization; institutional theory was used as the major analytical lens;
- further cataloguing of concepts – categorization;
- linking concepts and exploring any themes that emerged; by considering the range of properties and dimensions of each category (approach to procedural justice), the conditions under which they are maximized or minimized, the consequences and their relation to other categories (endogenous and exogenous);
- re-evaluation, re-coding, identification of similarities and differences and analytical generalization.

The following section discusses the findings of this multiple-case study. Golden-Biddle and Locke's (2007) approach of alternating between 'telling' and 'showing' is adopted, by weaving together the theoretical elements and live excerpts from the setting.

Findings and discussion

Approaches to procedural justice for inclusive interorganizational relationships

Despite their sectoral differences, the eight LPOs examined in this study exhibit some common themes in the way they approach 'equality of opportunity' in managing supplier search and selection for inclusive interorganizational relationships. These themes resonate with good practice suggested in the arena of supplier diversity and inclusive procurement management (CRE, 2006; Pearson, Fawcett and Cooper, 1993, Ram and Smallbone, 2003). All respondents regard the reviewing of procurement policies and practices as crucial for removing access barriers facing EMSs. Given the importance of embedding CSR initiatives in strategic planning (Galbreath, 2010), establishing inclusive interorganizational relationships relates to finding ways to position just procurement in the strategic agenda. Public sector LPOs were more advanced in this respect than their private-sector counterparts, as a supplier-diversity intermediary manager commented:

> [T]he public sector seems to be more proactive . . . linking inclusiveness with the strategic agenda, establishing policies simplifying procedures etc. I think it is more difficult in the private sector, but the stronger the business case becomes, the easier it is to move forward . . . (INM1, Interviewee 1)

Furthermore, the respondents sense that the evaluation of the organizational supply chain and identification of realistic opportunities for including EMSs in the procurement process is another important aspect of fairness in sourcing. Although the opportunities available often relate to relatively small, low-value contracts at the low-risk end of the supply chain, yet these can be very useful in building trust and understanding, which are fundamentally important in purchaser–supplier interorganizational relationships (Artz, 1999; Beugré and Acar, 2008; Geyskens *et al.*, 1996; Liu *et al.*, 2012). All respondents referred to the need to assess where in their supply chain diverse suppliers fit. The view of inclusive relational context expressed below by a respondent of a private-sector LPO is instructive:

> What we've been trying to do is to understand where the match is, from our own procurement approaches but also in terms of what the position of minority business in the external market is. To identify areas of opportunity where we have a need of a service or a product, and within the market place to supply that service or product; there is a degree of significance in terms of minority businesses. So we have pinpointed the area of services procurement as the overall procurement activity, where there is most opportunity to engage with minority suppliers. (PRI1, Interviewee 2)

Respondents were mindful of the need to communicate the importance of supplier diversity and justice in procurement to internal stakeholders, particularly buyers; 'equality of opportunity' would be illusory in the absence of such communication. Fostering inclusive interorganizational relationships therefore involves committing resources to training programmes that focus on the aims, structure and benefits of supplier diversity to facilitate buying into procedural justice in procurement management. Informational seminars/training for procurement officers constitute potent normative carriers (Scott, 2001, 2004, 2008) to this effect. They are particularly important for improving their knowledge and instituting new norms, bringing about cultural change that underpins

inclusive LPO–EMS relationships. Indicative is the view of this private-sector LPO respondent:

> Our policy around supplier diversity includes educating people internally about what the supplier diversity agenda is; we need to embed it into the culture of sourcing to make sure that our practices and procedures on the ground create an equal playground so that there are opportunities for small suppliers like minority suppliers. (PRI2, Interviewee 3)

Making opportunities visible by participating in outreach/meet-the-buyer events, delivering informational seminars and workshops for EMSs and advertising contracts with intermediaries is another aspect of the respondents' efforts to make their procurement function more inclusive. These efforts at transparency signify both inclusion and trustworthiness by reducing the secrecy and dishonesty that become obstacles to relationship development (Lamming, Caldwell and Harrison, 2004; Narasimhan, Narayanana and Srinivasan, 2013; Tyler and Bies, 1990). Formulating appropriate policies that encourage first-tier suppliers to consider EMSs in their contracts or purchase orders is also important. Illustrative are the accounts provided below by key informants; as one of the managers of the supplier diversity intermediaries and one of the public–sector LPO respondents explained:

> Our existing and prospective corporate members are doing meet-the-buyer events to help them [EMSs] and generally help them to learn how to go about supplying to them so that they can get involved in their supply chains somehow, even as a second or third-tier supplier so that they are not left out. Some publish details of contracts and prime contractors on their website, portals or with us [INM2] so that small suppliers can contact them. Transparency encourages their [EMSs] participation in their supply chains . . . (INM2, Interviewee 2)

> [W]e can . . . encourage the main contractor to incorporate supplier diversity. What we ask for is a supplier diversity plan, so what is their approach, how will that package work, where will they advertise the work etc. (PUB2, Interviewee 1)

Table 3 displays the five common approaches to procedural justice taken by these organizations in their efforts to make their supplier–base relations more inclusive.

Arguably, such approaches embody procedures that reflect principles advanced by Leventhal (1980): consistency, bias suppression, accuracy, correctability, representativeness and ethicality in managing supplier search and selection. The following section discusses the forces shaping the approaches discussed above, from an institutional perspective.

Institutional pillars shaping approaches to interorganizational procedural justice in procurement

The regulative pillar. Within the regulative pillar, organizational legitimacy is supported by coercive mechanisms and rules-based legal sanctions (Scott, 2004, 2008). In the UK, with the advent of the Race Relations Act (2000) and the Equality Act (2010), the regulative pillar becomes a significant presence in public procurement. In conjunction with objectivized mandates, such institutions regularize behaviour and standard operating procedures as to procedural justice, which serve as coercive mechanisms in public procurement and beyond. In the GLA organizations considered in this study, the reasons for introducing assessment and monitoring of the supplier base relate to political mandates:

> It is one of our obligations under the Mayor's sustainable procurement policy. It is one of our business initiatives, we have to deliver it and we have to report against it. (PUB1, Interviewee 2)

> [M]onitoring has been something which is high on the agenda by the GLA from the Mayor and it is something we have to report back to on a quarterly basis. (PUB2, Interviewee 1)

Furthermore, the requirement to deal with contractors that are able to serve the needs of local, diverse communities are examples of explicit rules that shape policies and procedures relating to inclusive interorganizational relationships at procurement level. In line with the Race Relations Act 2000 and Equality Act 2010, to ensure that EMSs have access to larger contracts, a public body can ask first-tier suppliers about their track record in sourcing goods/services from EMSs. In addition, first-tier suppliers are required to demonstrate how they are engaging with EMSs as part of the ongoing contract management. Importantly, as an institutional force, this influences not

Table 3. Common approaches to procedural justice in supplier search and selection

Approaches and plausible guiding principles	LPOs							
	PUB1	PUB2	PUB3	PUB4	PRI1	PRI2	PRI3	PRI4
1. Reviewing procurement policies, practices and procedures to reduce access barriers	HIGH	HIGH	HIGH	HIGH	HIGH	MEDIUM	MEDIUM	MEDIUM
Guiding principles: Consistency, bias suppression, accuracy, correctability, representativeness and ethicality								
2. Identifying suitable procurement categories for small suppliers such as EMSs	HIGH	HIGH	MEDIUM	HIGH	MEDIUM	MEDIUM	LOW	MEDIUM
Plausible guiding principles: Representativeness and ethicality								
3. Educating procurement officers and other internal stakeholders	MEDIUM	HIGH	MEDIUM	HIGH	HIGH	MEDIUM	LOW	LOW
Guiding principles: Consistency, bias suppression, accuracy, representativeness and ethicality								
4. Involving first- and second-tier suppliers	HIGH	MEDIUM	MEDIUM	HIGH	MEDIUM	LOW	LOW	MEDIUM
Guiding principles: Bias suppression, representativeness and ethicality								
5. Reaching out and making opportunities visible to EMSs	HIGH	HIGH	MEDIUM	HIGH	MEDIUM	HIGH	MEDIUM	LOW
Guiding principles: Consistency, bias suppression, representativeness and ethicality								

Explanatory note: The categories High/Medium/Low refer to Applied Practices/Intention/No intention or Undocumented intention

1. Reviewing procurement policies, practices and procedures to reduce access barriers
High: Reviewed policies, practices and procedures to reduce access barriers relating to tendering
Medium: Reviewed policies and documented intention to institutionalise practices and procedures to reduce access barriers relating to tendering, as documented in action plans/relevant documents.
Low: No intention or undocumented intention to review procurement policies, practices and procedures to reduce access barriers relating to tendering

2. Identifying suitable procurement categories for small suppliers such as EMSs
High: Identified suitable procurement categories for small suppliers such as EMSs
Medium: Partial identification of, or documented intention to, identify suitable procurement categories for small suppliers such as EMSs, as documented in action plans/relevant documents.
Low: No intention or undocumented intention to identify suitable procurement categories for small suppliers such as EMSs.

3. Educating procurement officers and other internal stakeholders
High: Undertake learning, training and development initiatives targeting procurement officers and other relevant internal stakeholders
Medium: Intention to run learning, training and development initiatives targeting procurement officers and other relevant internal stakeholders, as documented in action plans/relevant documents.
Low: No intention or undocumented intention to run learning, training and development initiatives targeting procurement officers or other relevant internal stakeholders.

4. Involving first- and second-tier suppliers
High: Evidence of involvement of first- and second-tier suppliers in efforts for inclusive procurement (for instance, tender documents requesting prospective suppliers to explain how they engage/will engage SMEs/EMSs in their supply chains).
Medium: Intention to involve first- and second-tier suppliers in efforts for inclusive procurement, as documented in action plans/relevant documents.
Low: No intention or undocumented intention to involve first- and second-tier suppliers in efforts for inclusive procurement.

5. Reaching out and making opportunities visible to EMSs
High: Evidence of efforts to reach out and make opportunities visible to EMSs (for instance, delivering workshops and hosting or participating in meet-the-buyer events organized by procurement intermediaries concerned with inclusive procurement, or advertising trade opportunities in a variety of media engaging with EMSs).
Medium: Intention to reach out and make opportunities visible to EMSs, as documented in action plans/relevant documents.
Low: No intention or undocumented intention to reach out and make opportunities visible to EMSs.

Table 4. Regulative structures that would strengthen procedural justice in England

Measuring is a challenge there is no doubt about that. So we have got the challenge at the moment of how to update our database with existing suppliers and new suppliers to include all of the diversity data. So that is a challenge. You have got data analysis and then you have got what conclusions do you draw, what recommendations do you make, and then the actions that follow. I think I said before for the Meet-the-Buyer we set a target of 20% I am not sure what the providence of that target was, I will find out. At the moment I am not sure what good looks, how do you know when you get there . . . I suspect we will never know. (PUB2, Interviewee 1)

We don't have any such yardstick. I believe the UK is moving towards having best practice information. But at present this is just too new a concept in the UK, in either the public or private sector it is still a very new concept . . . One message I would give is it's not worth doing this unless you do monitor it, well unless you take it seriously and to take it seriously you must monitor it. It's the old expression if you can't measure it you can't manage it; that applies to supplier diversity as it does with everything. (PUB1, Interviewee 2)

I suppose with the local authority if there was a push from central government to start measuring something like this that would obviously make it a lot easier. That would save half the educating of buyers bit. Because if they are all reading the procurement strategies that are coming from national government then they would know there is a reason why they need to buy in this way and they need to measure this. Yes that would be a real help because everything in the public sector is. (PUB4, Interviewee 1)

I think an external benchmark would be useful that's what they [INM2] are trying to develop. Once we had that information we would be able to benchmark ourselves against other organizations . . . And out of that we might then form a view to say are we happy with that position, do we want to try to improve it if so by how much. But until you start to have that information and a context you can't really do much. (PRI2, Interviewee 3)

Having a yardstick won't make the process easier but it will make the numbers more meaningful because it is not just about having these numbers [spend on EMSs], it is also about how you use them . . . And that's what makes a difference . . . (PRI1, Interviewee 1)

only public-sector, but also private-sector LPOs' approaches to procedural justice for inclusive interorganizational relationships with suppliers; that is, it has a cascading effect (Worthington, 2009). Yet, notably, such interorganizational relationships are shaped by competing regulatory forces at play, signifying institutional complexity (Smets and Jarzabkowski, 2013):

> Well, we do have competing legal requirements to comply with, so we do have to comply with best value, and public procurement law, UK and EU law, which we have to make sure we address in the way we undertake procurement. Packaging contracts differently could help, as small firms like minority suppliers are not able to tender for every notice. However, we cannot do that. There are EC rules that prohibit splitting a contract so that each part is below the thresholds at which the directives apply. (PUB1, Interviewee 2)

Setting targets and measuring inclusive procurement constitutes a feedback mechanism on the effectiveness of the approaches taken to procedural justice in this context. All respondents referred to the importance of assessing their supplier base and setting targets, so that the inclusiveness of procurement relations can be monitored. Yet LPOs often lacked relevant yardsticks or carriers, so institutional scripts remained 'loose', within complex arrangements (Greenwood *et al.*, 2010, 2011; Smets and Jarzabkowski, 2013). Even public-sector LPOs, which appear to be more pro-active in recording diversity of suppliers in terms of ethnicity, face hurdles related to setting targets, as there is no clarity at present over what they should be aiming at. It seems that regulations, guidelines, benchmarks and infrastructural elements such as databases of 'fit' EMSs could be potent institutional carriers, which shape approaches to procedural justice in procurement. The views of the respondents in Table 4 are illustrative. They point to the absence of crucial underpinning regulative structures in England and highlight the interrelation between interorganizational procedural and distributive justice (Provan and Sydow, 2010).

In the light of the above, the following theoretical proposition is advanced:

> *TP1:* LPOs' approaches to 'equality of opportunity' in procurement for inclusive interorganizational relationships are influenced by the presence and potency of supporting institutional forces and carriers.

The normative pillar. Within this study the normative pillar was examined from the perspective of the expectations placed upon the procurement function for inclusive interorganizational relationships with EMSs. As mentioned earlier, procurement officials are professionals by virtue of their training, certifications and moral obligations to their duties. They exhibit logics of appropriateness, and are expected to do what is

right. DiMaggio and Powell (1983) note that professionalization is one of the important sources of normative isomorphism in organizations. Mechanisms such as professional and trade associations create a pool of individuals who occupy similar positions across a host of organizations and possess a similarity of orientation and disposition (Greenwood, Suddaby and Hinnings, 2002; Lawrence, Leca and Zilber, 2013; Scott, 2008). In the context of this study, the expectations placed upon LPO officials with regard to undertaking diversity training and participating in intermediaries that bring together corporate purchasers and EMSs constitute normative forces at play that promote inclusive interorganizational relationships in respect of procurement. Arguably, such forces are upheld by the increasing importance of corporate social performance and reputational gains in this area, which can have an impact on the bottom line (Worthington, 2009; Worthington, Ram and Shah, 2008).

Moreover, intermediaries that promote inclusive interorganizational relationships at procurement level appear to be undertaking significant 'institutional work' (Lawrence and Suddaby, 2006; Lawrence, Suddaby and Leca, 2009; Suddaby, 2010). They do so by disseminating 'appropriate' practice to their members (LPO procurement officials) and by providing a platform for the development of cultural/cognitive structures that support inclusive procurement within their membership. Those with substantial membership, such as the ones considered in this study (INM1 and INM2), appear to be potent normative institutions in the making. Beyond providing access to expertise in inclusive procurement and introducing 'fit' EMSs to their LPO members, such intermediaries act as institutional entrepreneurs (Garud, Hardy and Maguire, 2007; Greenwood and Suddaby, 2006; Hardy and Maguire, 2008). By providing support networks and learning forums, intermediaries can serve as a catalyst in diffusing such new institutional logics to their LPO members (Mair, Marti and Ventresca, 2012). They use discursive resources, to reform existing institutions (Hall and Thelen, 2009; Hardy and Maguire, 2008; Jones and Messa, 2013) relating to supplier search and selection. They incubate an identity for their members, through which the assessment of appropriateness of suggested concepts and their consumption takes place (Wilhelm and Bort, 2012). All the

LPO respondents considered in this study pointed out the significance of INM1 and INM2 in that respect. Engaging with these intermediaries helped them to gain an understanding of what is required to make their procurement systems and relationships with EMSs more inclusive:

> I think it is worthwhile engaging with intermediaries that are out there to promote diversity to see what they can share with you, like information about best practice, in terms of what you might aspire to; [INM2] is useful in that it provides an opportunity to engage with UK businesses in a neutral space. The conversations you have there are about the challenges other companies face in their efforts to make sourcing more inclusive . . . (PRI1, Interviewee 2)

> [P]rocurement people talk to each other and even non-members are getting tuned to this . . . you know, inclusive procurement for corporate social responsibility if you like . . . the sort of measures an organization should be taking and the debates on what is feasible of course, given the constraints facing . . . (PRI4, Interviewee 1)

The last line of the quote above alludes to the fact such intermediaries, to be successful as institutional actors that promote inclusive interorganizational relationships at procurement level, have to displace more established institutional logics (Greenwood, Suddaby and Hinnings, 2002; Greenwood *et al.*, 2008, 2010; Mair, Marti and Ventresca, 2012). Such antithetical logics in supply chain management affect both the private and private sector. The concept of inclusive relationships in procurement does not sit neatly with prevailing orthodoxies for relationship-building in sourcing:

> The challenge here is to change the current best practice thinking for supply chain management. As a procurement professional over the last decade, like a lot of my colleagues, I have developed best practice tools in various jobs to reduce the number of suppliers we have. To establish bigger and longer term deals, and to concentrate on relationship-building, to aggregate demand, so we buy bigger, less often. That is what best practice supply chain management has been about for the last decade, and it is very successful in making your processes efficient and effective and of course saving money. Now if you go to supplier diversity and inclusive procurement you are going to do the opposite, you are

going to increase the number of suppliers you use. You are going to find ways to break down your large aggregated demand for smaller suppliers, who by definition tend to be the diverse groups. (PUB1, Interviewee 1)

From the above discussion, the following theoretical propositions are suggested:

TP2: LPOs' approaches to 'equality of opportunity' in procurement for inclusive interorganizational relationships are influenced by the presence and potency of logics for inclusiveness against orthodoxies based on transaction costs optimization.

TP3: LPOs' approaches to 'equality of opportunity' in procurement for inclusive interorganizational relationships are influenced by the degree of engagement with intermediaries that promote inclusive procurement.

The cultural/cognitive pillar. This institutional pillar is examined from the perspective of the common culturally supported beliefs, which are shared among participants of similar types of organizations dealing with procurement (Zsidisin, Melnyk and Ragatz 2005). Public-sector LPOs have to cater for an increasingly diverse population, especially in metropolitan areas where ethnic minorities are concentrated, and therefore procuring from the communities they serve is seen as in accord with their cultural values (CRE, 2006). In the private sector, inclusive interorganizational relationships at procurement level are promoted by emphasizing the contribution of CSR to building competitive advantage ('it pays to be good'), mainly via enhanced positive reputation and access to ethnic markets (Worthington, 2009; Worthington, Ram and Shah, 2008).

The LPO respondents who represent US MNCs in the UK are aware of the importance of assessing and monitoring their supplier base, because of their exposure to the lessons drawn from the US experience, where their home office has a long history of engaging with inclusive procurement. The US home office can exert great influence on how procedural justice is dealt with in the UK, highlighting the role of administrative centres based abroad in importing institutional logics that support inclusive interorganizational relationships in procurement. It is noteworthy that such cultural/cognitive structures can later become normative structures (Scott, 2004, 2008).

By 'evangelizing' (Jones and Messa, 2013), their orthodoxy, concerning inclusive interorganizational relationships in procurement, becomes a logic of appropriateness for a host of LPOs operating in an organizational field, regardless of origin. Illustrative is the view of a US MNC respondent:

What gets measured by the corporation gets done, as we always say; and if the senior management decided that this was something that they wanted to measure then it will probably get done more quickly than if they didn't . . . I think what I am going to do with this is go back to my boss who runs the minority group in the US. Ask what KPIs they are using so that I can get some pressure to adopt it here. . . . I know they have had a great success with this in the US. There they do over a half a billion dollars worth of business [with EMSs] . . . (PRI3, Interviewee 2)

In the light of the above, the following theoretical proposition is advanced:

TP4: MNC subsidiaries' approaches to 'equality of opportunity' in procurement for inclusive interorganizational relationships are influenced by the presence and potency of support from the home office.

All the LPO respondents of the private sector claimed that inclusive interorganizational relationships at procurement level are supported by senior management, within their CSR agenda. However, in contrast to the public sector, with the exception of PRI1, where assessment of the diversity and inclusiveness of their supplier base is under way, the rest of the private-sector LPOs exhibit intentions of commitment rather than commitment to inclusive procurement per se. This could be a way to gain legitimacy by signalling, without actually intending to take action (Scott, 2001, 2008; Suchman, 1995). Notably, the notion of 'best value' and assumptions about 'best sources' (e.g. sourcing from incumbent 'tried and tested' vendors), which militate against inclusive interorganizational relationships at procurement level, are embedded in the culture of the organization (CRE 2006; Worthington, 2009; Worthington, Ram and Shah, 2008). Establishing and developing inclusive interorganizational relationships requires devalorization of such logics, through ideational processes that change the culture and institutional order (Mair, Marti and Ventresca, 2012; Zilber, 2012). Such processes

must be strongly supported by senior management. This is necessary to curb 'old-boy networks' and perennial discriminatory procurement practices that militate against transparency and often inhibit purchasing from small firms in general and EMSs in particular. Representative of this view, one LPO respondent commented:

> The sad thing is that policies not always translate to practices . . . A cultural change needs to be made in an organization when you are introducing a new area; to explain what the agenda is and to really be able to explain what the tangible effect to business groups is going to be, and to get them to support and buy into it. Very senior sponsorship and support is needed, and making sure that it filters down so that it does not just remain at that senior level, but that middle management see the value and the benefits of it, so that they embed them [inclusive procedures] into the procurement process. (PRI2, Interviewee 3)

Hence, the following theoretical propositions are submitted:

> *TP5:* LPOs' approaches to 'equality of opportunity' in procurement for inclusive interorganizational relationships are influenced by the presence and potency of senior management support.

> *TP6:* LPOs' approaches to 'equality of opportunity' in procurement for inclusive interorganizational relationships are influenced by the presence and potency of a supportive culture.

Conclusion

We contribute to the study of interorganizational relationships by exploring empirically and offering theoretical propositions about LPO approaches to installing procedural justice in procurement management, to underpin an inclusive relational context, in England. From the theoretical standpoint, we contribute to the macro-level aspect of procedural justice, i.e. interorganizational procedural justice in the LPO–EMS relational context; this is a significant yet underexamined domain of inclusive interorganizational relationships. Drawing on the interorganizational justice and relationships literatures in this relational context of inclusiveness offers valuable insights to scholars of management and organizations. We provide an indication of what

LPO approaches to installing procedural justice in procurement management may entail and how these approaches are shaped, using institutional theory as an analytical lens. Our institutional viewpoint differs significantly from perspectives that have been applied mainly to the nexus of interorganizational justice and relationships. It is different from transaction costs economics approaches, insofar as such approaches focus on opportunistic behaviour. It is also different from social exchange theoretical perspectives, insofar as it is not limited to outcomes, but includes procedures. Hence, our institutional approach is geared towards enriching these different theoretical perspectives, in understanding better what inclusive interorganizational relationship management may entail, as just practices in the procurement process.

By considering interorganizational justice as justice in procurement involving LPOs and EMSs, we focus on the social embeddedness of interorganizational relationships, with institutional arrangements considered as structures that influence their inclusiveness. Yet, such institutional arrangements are not regarded as formal characteristics of the relationship itself. Rather, the approaches outlined in Table 3 are deemed to be social structures embedded in the institutional context of interorganizational relationships. The findings highlight how the interplay of regulative, normative and cultural/cognitive forces shape LPOs' approaches to 'equality of opportunity' in supplier search and selection, and legitimize certain procedural approaches (as outlined in Table 3) to inclusive interorganizational relationships in procurement, in the public and private sector. Moreover, in advancing theoretical propositions, we argue that LPO approaches to 'equality of opportunity' in supplier search and selection, and the extent to which they go in setting up and following procedures for inclusive procurement management, are shaped by a certain cluster of institutional factors and agentic forces. This consists of the presence and potency of procurement mandates and regulations, engagement with intermediaries, senior management support, home office support in the case of MNC subsidiaries, congenial culture and the relative strength of institutional logics militating against inclusive procurement relations and supplier diversity. Beyond theoretical considerations, the identified approaches and submitted proposi-

tions are also relevant to management practitioners who are concerned with developing inclusive relationships with EMSs. That is, from the practical standpoint, our findings may help organizations to develop procurement management competences for inclusive interorganizational relationships.

Yet, the research design is largely dependent on the perceptions of LPO and intermediary managers. Although the latter do represent the perspectives of their supplier membership, direct inclusion of the supply-side voice in future studies would offer a more holistic view of interorganizational justice and relationships in procurement. Future research should consider the perspective of EMSs that have engaged with different stages of the procurement process. The absence of negative instances, i.e. cases of LPOs that failed to embed inclusive procurement, also needs to be addressed. Inclusion of such negative cases in future research would allow for theoretical replication and would illustrate how institutional complexity influences approaches to procedural justice and interorganizational relationships in procurement. Sensitivity to the constraints, as well as enablers, of inclusive procurement would have the further benefit of cross-fertilizing institutional, interorganizational justice and relationships perspectives in the context of procurement. Related to this suggestion, a promising avenue for future research is examining the nature of institutional work in this domain. Such research would potentially cast light on how successful procurement intermediaries promote inclusive interorganizational relationships and act as institutional entrepreneurs in introducing potent normative forces in different sectors. Finally, a different area for further research is the role that home offices of US MNCs can play, as a cultural/cognitive pillar, in shaping their foreign subsidiaries' approaches to procedural justice in procurement for inclusive relationship management.

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