Market orientation dynamic capability – a catalyst for purchasers’ core competencies to achieve innovative performance during supplier collaboration

Poonam Oberoi and Fatiha Naoui-Outini

Abstract

Purpose – This study aims to investigate purchasing manager’s core competencies during supplier collaboration and explain the mechanism through which these competencies can affect purchasing firm’s innovative performance.

Design/methodology/approach – The authors conducted 22 semidirective interviews with managers in diverse functions such as purchasing, supply-chain management and product development across industries and across nations (mostly India and France), which allow to formulate the propositions.

Findings – Through open coding, the authors identify three path-dependent, causally ambiguous and socially complex core competencies of purchasing managers: relational and emotional, communicational and creative and cognitive competencies; and through axial coding, the authors explain how these intangible core competencies support implementation of market orientation. To provide supporting arguments for the propositions, the authors use the resource-based view of the firm and dynamic capability theory.

Research limitations/implications – The first theoretical contribution of this study is focusing on the impact of competency–capability dyad in terms of performance. The second theoretical contribution of this study is to identify market orientation as a flexible and dynamic managerial capability.

Practical implications – The first managerial contribution is that the authors have identified and described three sets of a purchasing manager’s core competencies during supplier collaboration that affect the firm’s performance: relational and emotional, communicational and creative and cognitive competencies. The second managerial contribution relates to the mechanism through which purchasing managers’ core competencies during supplier collaboration affect firms’ outcomes.

Originality/value – The value of the results is in the explanation of the mechanism, i.e. market orientation dynamic capability, through which the competencies of purchasing managers can affect purchasing firm’s innovative performance.

Keywords Purchaser’s competencies, Market orientation, Innovative performance, Resource-based view, Dynamic capabilities

Paper type Research paper

1. Introduction

A purchasing manager’s or department’s primary focus has been to improve the company’s cost position (Badorf et al., 2019). However, purchasing managers and/or departments are more frequently inviting suppliers and external partners to collaborate with them to innovate (Schmelzle and Tate, 2022). In 2013, the Boston Consulting Group and the Procurement Leaders Network conducted a cross-industry survey that revealed 77% of companies in their sample primarily seek supplier collaboration for cost savings, and the next most-common goal...
cited by 46% of procurement executives was innovation (Tevelson et al., 2013, August 21). The business ecosystem is evolving, and companies must work on their competencies and dynamic capabilities to innovate with existing or potential supply-chain members (IPSERA, 2019); hence, the role of the purchasing manager is gradually adapting to this new context (Legenvre and Gualandris, 2018).

The extant literature on purchaser–supplier collaborations is lacking with regards to two points:

Q1. What are the core competencies that purchasing managers need during supplier collaboration; and
Q2. Through which encompassing mechanism can we explain that these competencies affect purchasing firm’s innovative performance?

There are a few studies like Cavinato (1987), Merminod (2005) and Muller (2000) which have enlisted the necessary purchaser competencies, and others such as Čirjevskis (2017) and Ali and Matsuno (2018) have focused on studying capabilities. Moreover, Patrucco et al. (2017), Astuti et al. (2022) and Celikyay et al. (2023) have investigated the effect of a purchaser’s capabilities on firm performance. However, studies are lacking in exploring the impact of the pairing of purchaser’s competencies and capabilities on its performance (Brandon-Jones et al., 2014). Hence, the purpose of this study is to identify purchasing manager’s core competencies during supplier collaboration and explain the mechanism through which these competencies can be converted into a capability, which can in turn affect purchasing firm’s innovative performance.

Based on the knowledge gap identified and the research question formulated, we pursue qualitative methodology because we are trying to go in-depth to explore which core competencies and capability will have what kind of effect on purchasing firm’s innovative performance. The field research consisted of 22 semistructured interviews in diverse sectors and organizations with a sample of mid and top-level managers in purchasing, supply-chain management, product development, etc. from mostly India and France. This consideration of different kinds of managers, who have dealings with suppliers, ensures that we get the elements of self-evaluation of purchasing managers as well as of other managers who will have broader and more objective overview of purchasing manager’s core competencies during supplier collaboration and can explain the mechanism through which these competencies can affect purchasing firm’s innovative performance. Previous studies have used such self-evaluations of managers (Zsidisin et al., 2000; Schmelzle and Tate, 2022). Since the purpose of the study was theory construction (i.e. elicitation of mechanism and formulation of propositions), it was important to tap a wide range of experiences and perspectives during the data collection. Hence, we used “theoretical” sample plan proposed by Glaser and Strauss (1967) to ensure that the sample included purchasing as well as other managers (for example, project and product manager and supply chain managers) in industrial, consumer and service industries from India and France. The interviewees have interacted regularly with many suppliers during their professional careers and belong to large as well as medium-sized organizations.

In this article, we begin by elaborating our literature review in Section 2, in which we begin by defining the main concepts. The literature review section then presents an aggregated list of purchasing manager’s competencies and describes the knowledge gap and research objective. After which, we justify in Section 3 our methodological choice and data collection procedure. Then the subsequent Section 4 is dedicated to our data analysis and formulating the emerging propositions and proposing our theoretical model. Section 5 is about the validity, reliability and trustworthiness of our study. The article then proceeds to Section 6 regarding our results, which summarizes our theoretical contributions and offers suggestions that alert purchasing managers to important issues such as identifying their core competencies for successful supplier collaboration to improve firm’s innovative
performance. We end this study with a discussion of the limitations and future research prospective on this topic in Section 7.

2. Literature review

The flow of this literature review section is as follows. We begin by providing detailed conceptual definition of the various concepts. We end this section by elaborating the knowledge gap and our research objective. In this second subsection, we explain and justify the connection between different crucial elements of this study such as purchaser’s core competencies, the value-creating dynamic managerial capability of market orientation and its impact on purchasing firm’s innovative performance.

2.1 Conceptual definitions

In the following subsection, we provide definitions of the main concepts used in this study (i.e. production purchasing, purchaser–supplier collaboration, market orientation and innovative performance).

2.1.1 Production purchasing. Production purchasing are purchases for the production and selling of a company's products and/or services. These are logical actions adapted to the product and/or service proposed to stimulate supplier competition and partnerships, which would encourage suppliers to consider purchasers' needs (Fenneteau, 1992).

Production purchasing can be categorized as simple purchases, technical bottleneck purchases, leveraged purchases and strategic purchases (Alleaume, 2013; Kraljic, 1983 (as cited in Naoui-Outini and Siau, 2018)). For each of these purchase categories, there are corresponding strategies (Alleaume, 2013; Kraljic, 1983 (as cited in Naoui-Outini and Siau, 2018)), and the type of product determines both the purchases and strategies. The competencies required per purchase category might also differ (Allal-Chérif and Plantey, 2011) because the more strategic the product is the more important it is to use the appropriate competencies (Allal-Chérif and Plantey, 2011). In this article, our focus will be on production purchasing manager’s competencies to address our research question.

2.1.2 Purchaser–supplier collaboration. Mentzer (2001) (as cited in Jääskeläinen and Thitz, 2018) defined supply-chain collaboration as “a means by which all companies in the supply chain are actively working together towards common objectives” (p.4). This entails sharing of information, knowledge, risks and profits. Chatain and Zemsky (2007) explained that when a purchaser and a supplier engage in multiple transactions, there is the added value of relationship stability.

The four main types of supply-chain management are:

1. the internal supply chain that integrates business functions involved in the inward and outward flow of material and information;
2. the management of dyadic or two-party relationships with immediate suppliers;
3. the management of a chain of businesses, which includes the supplier, the supplier’s supplier, the customer and the customer’s customer; and
4. the management of a network of interconnected businesses involved in the ultimate provision of the product and service package required by the end customer (Harland, 1996).

Another categorization of the supply-chain collaboration involves vertical or horizontal collaborations. Vertical collaboration could include collaborating with customers, firm employees (internally across functions) or suppliers. Horizontal collaboration encompasses collaborating with competitors, firm employees or noncompetitors (Barratt, 2004). In this paper, we consider purchaser–supplier collaboration as a dyadic and vertical collaboration.
2.1.3 **Competencies.** Teece et al. (1997) explained that when firm-specific assets or resources are assembled in integrated clusters spanning individuals and groups so that they enable distinctive activities to be performed, these activities constitute organizational routines, processes or competencies. Competencies have been categorized as core (Teece et al., 1997; Helfat and Lieberman, 2002) and threshold (Prahalad and Hamel, 1990).

2.1.4 **Capabilities.** Amit and Schoemaker (1993) explained, capabilities as a firm’s capacity to deploy resources, usually in combination, using organizational processes, to affect a desired end. They are information-based, tangible or intangible processes that are firm-specific and are developed over time through complex interactions among the firm’s resources. They can abstractly be thought of as “intermediate goods” generated by the firm to provide enhanced productivity of its resources, as well as strategic flexibility and protection for its final product or service.

Teece et al. (1997) define dynamic capabilities using the explanation of Leonard-Barton (1992) as the firm’s ability to integrate, build and reconfigure internal and external competences to address rapidly changing environments. Dynamic capabilities, thus, reflect an organization’s ability to achieve new and innovative forms of competitive advantage given path dependencies and market positions.

2.1.5 **Market orientation.** Kohli and Jaworski (1990) explained, market orientation “is the organization wide generation of market intelligence pertaining to current and future customer needs, dissemination of the intelligence across departments, and organization-wide responsiveness to it” (p. 6). The effect intelligence generation has on dissemination and, in turn, its impact on responsiveness have already been established in the literature (Kohli and Jaworski, 1990).

2.1.6 **Innovative performance.** Traditionally, innovation has been defined as a discrete event of the first commercial introduction of a new or improved product, process or system. Yadav et al. (2007) have noted that many scholars, such as Damanpour (2018) and Pettigrew et al. (2001), have criticized this oversimplification, and have suggested that to be able to demonstrate performance and growth firms need to go through a process (Van de Ven et al., 1999) or a series of tasks (Yadav et al., 2007) to qualify as having innovative performance. Therefore, to understand the innovative performance of a firm, at least three tasks of firm’s innovative process should be studied: detection, development and deployment of new technologies (Yadav et al., 2007).

Yadav et al. (2007) explained the distinction between detection, development and deployment in the following manner:

Detection refers to the identification of a new technology, and the recognition of some future application for it. They must then develop an initial product based on the new technology. Development refers to the process of conversion of an idea for a new product to a product that is launched in the market. Finally, they must deploy the new technology further after launch. Deployment refers to the additions and improvements to existing features that occur to the product after the initial launch. [Slotegraaf et al., 2003 (as referred to by Yadav et al., 2007, p. 5)].

In the following section, we present an aggregated list of purchaser’s competencies and our theoretical framework.

2.2 **Knowledge gap and research objective**

Many supply-chain literature scholars have emphasized the importance of understanding the competencies of purchasing managers. Merminod (2005) categorized these works into two streams. The first stream focuses on studying competencies purchasing manager should possess (Cavinato, 1987; Ellram and Pearson, 1993; Michaels et al., 1995;
Cruz and Murphy, 1996; Giunipero and Vogt, 1997) and the competencies purchasing managers really possess (Jackson, 1990; Hallenbeck et al., 1999). The second stream emphasizes studying purchasing manager’s competencies in either a generic manner (Weiss and Fourie, 2003) or a segmented manner (Martin, 2002). Martin, for example, focused on industrial purchasing managers and indicated the nature of the expenses they are responsible for changes their level of intervention in the purchasing process. Recent studies (De Boeck et al., 2018) also added emotional and relational intelligence to the previously mentioned list of purchaser competencies. In Table 1 we provide an exhaustive list of purchaser competencies and their descriptions.

Extant literature on purchaser–supplier collaboration can broadly be divided into two streams. The first stream elaborates the nature of the purchaser and supplier relationship (for example, arms-length, close, flexible and trusting) (Brownell and Reynolds, 2002; Pérez & Sanchez, 2002; Petersen et al., 2003; Chatain and Zemsky, 2007; Tracey and Neuhaus, 2013; Adobor and McMullen, 2014; Bellamy et al., 2014; Clauss and Spieth, 2016; Naoui-Outini and Siau, 2018). For example, Pérez and Sanchez (2002) explained that firms with strong supplier networks report higher levels of productivity than those reporting weak alliances over time. The second stream discusses the impacts of purchaser–supplier collaborations, for example on new product development (NPD) and innovation (van der Valk and Wynstra, 2005; Fawcett et al., 2012; Koufteros et al., 2012; Asif et al., 2013; Tracey and Neuhaus, 2013; Ateş et al., 2018; Legenvre and Gualandris, 2018; Akin Ateş et al., 2022; Astuti et al., 2022). For example, Ragatz et al. (1997) explained that purchaser–supplier collaboration for NPD helps reduce concept-to-customer cycle time, costs and quality issues. In this second stream of literature, there are articles which study suppliers’ competencies (such as technical and organizational experiential diversity) and its impact on innovation adoption by client firms (Weigelt and Sarkar, 2009) or articles which focus competencies such as inter-organizational communication (Paulraj et al., 2008) or the development of internal collaborative process competence (Whipple et al., 2015) and their impact on performance outcome. Moreover, Patrucco et al. (2017), Astuti et al. (2022) and Celikay et al. (2023) have investigated the effect of a purchaser’s capabilities on firm performance. However, studies are lacking in exploring the impact of the pairing of purchaser’s competencies and capabilities on their performance (Brandon-Jones et al., 2014).

Hence, the research objective of this study is to identify purchasing manager’s core competencies during supplier collaboration and explain the mechanism through which these competencies can be converted into a capability, which can in turn affect purchasing firm’s innovative performance. As explained above there is a lack of a theory that can explain the process or the mechanism through which purchasing managers competencies can positively affect purchasing firm’s innovative performance through their capabilities during supplier collaboration. The extant literature has models available, but they were developed and tested on samples and populations other than those of interest with regards to this qualitative study (Weigelt and Sarkar, 2009). Also, theories are also present, but they are incomplete because they do not address potentially valuable variables or categories of interest with regards to this qualitative study (Paulraj et al., 2008; Whipple et al., 2015). On the practical side, a theory is needed to explain how purchasing managers are experiencing this process or mechanism through which their competencies can be converted in capabilities that can positively impact their firm’s innovative performance during supplier collaboration. Brandon-Jones et al. (2014) explain that the resource-based view of the firm and dynamic capability theory asserts that an organization can achieve competitive advantage by creating bundles of strategic resources, competencies and capabilities (Barney, 1991; Rumelt, 1984; Teece, Pisano and Shuen, 1997; Adner and Helfat, 2003). Purchasing and supply-chain management have been identified as having the potential to generate competitive advantage (Barney, 2012), so long as the resources, competencies and
capabilities have the attributes of being valuable, rare, inimitable and nonsubstitutable (Barney, 1991). We theorize in this article that purchasing managers who have a set of threshold knowledge and core competencies (Teece et al., 1997; Prahalad and Hamel, 1990; Helfat and Lieberman, 2002), can convert their core competencies into dynamic

<table>
<thead>
<tr>
<th>Purchaser competencies</th>
<th>Description</th>
<th>References</th>
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<tbody>
<tr>
<td>Legal skills</td>
<td>Compliance with regulatory standards (e.g. environmental risk); human rights; respect of contractual commitments</td>
<td>Salviac et al., 2011</td>
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<tr>
<td>Purchasing knowledge</td>
<td>The necessary skills include analytical skills, communication skills and general management skills: Matrices, ABC analysis, etc</td>
<td>Van Weele, 1984 [as cited in Vachon, and Klassen, 2008]</td>
</tr>
<tr>
<td>Management knowledge</td>
<td>Ability to unite different stakeholders around a purchasing project (e.g. finance analysis, project management, etc.)</td>
<td>Bell, Oppenheimer and Bastien, 2002; Carter and Jennings, 2004</td>
</tr>
<tr>
<td>Knowledge of the operation of the company</td>
<td>Organization, culture, etc</td>
<td>Kolchin and Giunipero, 1993; Ateş et al., 2018</td>
</tr>
<tr>
<td>Knowledge of how procurement works</td>
<td>Structures, procedures, etc</td>
<td>Cavinato, 1987</td>
</tr>
<tr>
<td>Knowledge of computer tools</td>
<td>Ability to use computer software, the Internet, etc. as a means of finding new suppliers</td>
<td>Cavinato, 1987; Kolchin and Giunipero, 1993; Merminod, Nollet and Rebolledo, 2017</td>
</tr>
<tr>
<td>Language and communication competencies</td>
<td>Ability to communicate in public and with partners in different countries</td>
<td>Kolchin and Giunipero, 1993; Merminod, 2005</td>
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<tr>
<td>Negotiation skills</td>
<td>Distributive negotiation and reasoned negotiation with strategic suppliers</td>
<td>Kolchin and Giunipero, 1993; Giunipero and Pearcy, 2000</td>
</tr>
<tr>
<td>Know how to adapt to one’s interlocutor</td>
<td>Culture, language, hierarchical level</td>
<td>Kolchin and Giunipero (1993)</td>
</tr>
<tr>
<td>Ability to deal with difficult situations</td>
<td>Capacity to resolve problems. Example: ethical problems, etc</td>
<td>Kolchin and Giunipero, 1993; Dowd and Liedtka, 1994</td>
</tr>
<tr>
<td>Creativity</td>
<td>The more purchasing is considered a key cornerstone for the organization, the more it contributes to the firm’s strategic processes, including NPD</td>
<td>Giunipero and Pearcy, 2000; Zsidisin Panelli and Upton, 2000; Tracey and Neuhaus, 2013</td>
</tr>
<tr>
<td>Technical knowledge of the purchased product</td>
<td>Ability to identify, analyze and deal with a problem (technical, commercial, etc.)</td>
<td>Cavinato, 1987; Kolchin and Giunipero, 1993; Giunipero and Pearcy, 2000; Chatain and Zemsky, 2007</td>
</tr>
<tr>
<td>Knowledge of the supplier market</td>
<td>Ability to create and develop relationships with suppliers</td>
<td>Cruz and Murphy, 1996; Giunipero and Pearcy, 2000; Chatain and Zemsky, 2007</td>
</tr>
<tr>
<td>Capacity to manage information</td>
<td>Skillful and knowledgeable buyers are a prerequisite for strategic-oriented purchasing function</td>
<td>Pearson and Gritzmacher, 1990</td>
</tr>
<tr>
<td>Sustainable development: environmental aspect</td>
<td>Purchasers have seen these sustainable issues become a major concern for their business. Need integrating environmental and social dimensions</td>
<td>Min and Galle, 1997; Hall, 2000; Handfield et al., 2002; Giunipero and Handfield, 2004; Bowen et al., 2001 and Carter and Jennings 2000 [as cited in Vachon, Klassen, 2008]</td>
</tr>
<tr>
<td>Ability to adapt quickly to changes</td>
<td>Business environment dynamics and the changing role of procurement/supply chain department are driving these changes in the skills needed for effective performance at the level of purchasing function</td>
<td>Freeman and Cavinato, 1990; Giunipero and Pearcy, 2000, Cousins et al., 2006</td>
</tr>
<tr>
<td>Ability to learn</td>
<td>Business environment dynamics and the changing role of procurement/supply chain department are driving these changes in the skills needed for effective performance at the level of purchasing function</td>
<td>Freeman and Cavinato, 1990; Cousins et al., 2006</td>
</tr>
<tr>
<td>Ability to mobilize knowledge network</td>
<td>To mobilize knowledge within and outside the enterprise</td>
<td>Cavinato, 1987; Kolchin and Giunipero, 1993</td>
</tr>
</tbody>
</table>

Source: Created by authors
capability of market orientation (Barton, 1992; Amit and Schoemaker, 1993; Teece et al., 1997) during their relationships with suppliers. As has been explained by authors studying other domains and industries, market orientation can be identified as an adoptive, flexible and dynamic capability, which positively impacts firm’s innovative performance (Kohli and Jaworski, 1990; Javalgi, et al., 2005; Yadav et al., 2007; Kumar, 2020, 2022; Cataltepe et al., 2022; Muneeb et al., 2023).

3. Justification of methodological choice and data collection

The research focus of this article was to develop a theoretical model grounded in data from the field. Our units of analysis include the interaction between buyers and suppliers, the process of generation of a value-creating dynamic managerial capability and the action of deploying managerial capability to improve purchaser firm’s innovative performance. Based on the type of research problem of this article it is most appropriate to ground a theoretical model in the views of participants. We primarily used interviews with 22 individuals as our data. We used “theoretical” sample plan proposed by Glaser and Strauss (1967) to ensure that the sample included purchasing as well as other managers (for example project and product manager and supply-chain managers) in industrial, consumer and service industries mostly from a developing economy, India, and a more established economy, France. We also have a couple of interviewees from outside these two economies (i.e. USA and Switzerland). The interviewees have interacted regularly with many suppliers during their professional careers and belong to large as well as medium-sized organizations. The data collection was done between February 2019 and June 2021 until we started observing saturation in responses we were getting from our interviewees. Previous studies have used such self-evaluations of managers (Zsidisin Panelli and Upton, 2000; Schmelzle and Tate, 2022). With regards to strategies of data analysis we used open coding [1] for elaborating threshold knowledge and core competencies of purchasing managers, axial coding [2] for describing the subcategories of threshold knowledge and core competencies and selective coding [3] for explaining links between core competencies and market orientation dynamic capability, and between market orientation and firm’s innovative performance via propositions. The data coding process is diagrammatically depicted in Figure 1. The theoretical model emerged through the simultaneous and iterative data collection, analysis and memoing processes.

3.1 Field interviews

Of the 22 interviewees, 14 held the post of purchasing managers, 7 held nonpurchasing positions but were collaborating with suppliers on a regular basis for project and/or product development and 1 was purchasing consultant. A total of 21 organizations from France, India, USA and Switzerland were included in the sample. The organizations of 8 interviewees were in consumer sector (B2C), those of 9 were in the industrial sector (B2B) and that of 5 interviewees was in the service sector. The sample, thus, reflects a diverse set of organizations and positions, and, hence, is well suited for obtaining a rich set of ideas and insights. Table 2 enlists our interviewees.

A format of semistructured interview was followed by the two authors. Each interviewee was given a brief description of the research project, asked to present themselves and their post in the company and then was asked to answer the following open-ended questions:

RQ1. What kind of competencies do you think you require to deal with suppliers?

RQ2. Do you think certain of these competencies are threshold competencies and others are core competencies for your job? Could you please identify certain threshold competencies and certain core competencies?

RQ3. What do core competencies help you gain? Do you think it is important?
RQ4. Do you think core competencies help improve the innovative performance of your company?

The above-mentioned questions provided a structure for each interview, but it was frequently necessary to explain and clarify some of the questions and some of the academic terms, as well as probe deeper with additional questions to elicit examples. The personal telephonic interviews typically lasted about 45 min and were recorded unless the interviewee requested otherwise. Majority of the interviewees wished to remain anonymous [4].

4. Data analysis, identification of emerging propositions

To conduct our data analysis both the authors read and reread the 22 interview transcripts and proceeded with open, and axial coding. Based on our interviews, purchasing manager’s competencies can be categorized into two groups based on their importance during collaboration with suppliers: threshold competencies and core competencies (inspired by Prahalad and Hamel, 1990). The first set of competencies, threshold, encompasses purchasing managers’ basic competency (e.g. knowledge of the operations of the company and how procurement works). The purchasing manager’s threshold competency does not directly affect the purchasing manager’s market orientation capability or the firm’s innovative performance. However, the threshold competency is necessary for the proper functioning of the purchasing manager’s core competencies. Prahalad and Hamel (1990) described core competencies as “the collective learning in the organization, especially how to coordinate diverse production skills and integrate multiple streams of technologies” (p. 4). Core competencies are required for coordination of codified and tacit knowledge (Helfat and Lieberman, 2002). A purchasing manager who does not possess the threshold competency will not have market orientation capability, and the firm will probably have poor innovative performance (at least, whatever innovative performance the firm has will not occur because of the purchasing manager’s knowledge). However, a purchasing manager possessing the threshold competency neither leads to better market orientation nor improves the firm’s innovative performance; it only prevents having no market orientation and poor innovative performance. Figure 1 represents diagrammatically the arguments presented above.
<table>
<thead>
<tr>
<th>No. of interviewees</th>
<th>Pseudonyms</th>
<th>Date of the interview</th>
<th>Post in the company</th>
<th>Interview conducted by</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Ms W.</td>
<td>25/08/2019</td>
<td>Product engineer in a French branch of a multinational building construction firm. The interviewee has more than 10 years of work experience in this industry and has worked for national and international firms. The interviewee deals with multiple national and international suppliers per product</td>
<td>First author</td>
</tr>
<tr>
<td>2</td>
<td>Mr H.</td>
<td>04/09/2019</td>
<td>Purchasing director in a French branch of a multinational building construction firm (B2B). The interviewee has more than 10 years of work experience in the industry and the purchasing department and deals with multiple national and international suppliers</td>
<td>First author</td>
</tr>
<tr>
<td>3</td>
<td>Mr R.</td>
<td>27/10/2019</td>
<td>Project manager in a French cooperative. The interviewee has 17 years of work experience in the company and has his post since past 5 years. The interviewee deals with lots of French national suppliers and a few international suppliers</td>
<td>First author</td>
</tr>
<tr>
<td>4</td>
<td>Mr T.</td>
<td>28/10/2019</td>
<td>Solution developer and procurement manager in Swiss company in the service sector. The interviewee originally from India has more than 3 years of work experience with the company and at this post. The interviewee deals with national and international suppliers</td>
<td>First author</td>
</tr>
<tr>
<td>5</td>
<td>Ms A.</td>
<td>29/10/2019</td>
<td>Product managers in the USA based firm in the News industry. The interviewee originally from India has more than 5 years of work experience in international companies. The interviewee collaborated with a lot of well-established international supplier companies for new product development</td>
<td>First author</td>
</tr>
<tr>
<td>6</td>
<td>Mr I.</td>
<td>30/10/2019</td>
<td>Procurement and operations manager in a big Indian e-retailer (B2C). The interviewee has more than 7 years of work experience in the Indian e-retailing industry</td>
<td>First author</td>
</tr>
<tr>
<td>7</td>
<td>Mr M1</td>
<td>27/04/2020</td>
<td>Purchasing director of a French building construction firm (B2B). The interviewee has more than 10 years of work experience in the industry (commercial as well as industrial purchasing)</td>
<td>First author</td>
</tr>
<tr>
<td>8</td>
<td>Mr M2</td>
<td>08/05/2020</td>
<td>Purchasing manager in a multinational cosmetics company. The interviewee held national and international posts of purchasing manager for more than 5 years</td>
<td>First author</td>
</tr>
<tr>
<td>9</td>
<td>Ms S.</td>
<td>14/05/2020</td>
<td>Senior product and purchasing manager of two website in a holding company. The interviewee has more than 10 years of experience in the field</td>
<td>First author</td>
</tr>
<tr>
<td>10</td>
<td>Ms P.</td>
<td>14/05/2020</td>
<td>Senior demand planning manager in a multinational home appliance company</td>
<td>First author</td>
</tr>
<tr>
<td>11</td>
<td>Mr B.</td>
<td>18/12/2020</td>
<td>Purchasing manager in a French cooperative. The interviewee deals with lots of French national suppliers and a few international suppliers</td>
<td>First author</td>
</tr>
<tr>
<td>12</td>
<td>Mr S.</td>
<td>10/06/2021</td>
<td>Procurement manager in an Indian state-owned aerospace and defense company. The interviewee worked for more than 3 years in the domain</td>
<td>First author</td>
</tr>
<tr>
<td>13</td>
<td>Mr A.</td>
<td>11/06/2021</td>
<td>Purchasing manager in automobile and medical industries. The interviewee worked for more than 3 years in the domain</td>
<td>First author</td>
</tr>
<tr>
<td>14</td>
<td>Ms P. (asked not to be recorded)</td>
<td>11/06/2021</td>
<td>Project manager in an international company in the automobile industry. The interviewee has experience of dealing with national and international suppliers</td>
<td>First author</td>
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(continued)
In the next sections, we identify and describe the different types of core competencies a purchasing manager should possess during supplier collaboration and how these affect a purchasing manager’s dynamic capability and purchasing firm’s innovative performance.

4.1 Purchaser’s core competencies during supplier collaboration and market orientation

Extrapolating from the resource-based view (Penrose, 1959; Wernerfelt, 1984; Prahalad and Hamel, 1990; Barney, 1991, 2001; Nelson, 1991; Peteraf, 1993; Teece et al., 1997), we argue that to have a sustained competitive advantage during supplier collaboration, purchasing managers should possess certain competencies that are valuable, rare, imperfectly imitable and nonsubstitutable. These competencies then become the purchaser’s core competencies, and they are crucial firm resources during supplier collaboration because they can lead to a sustainable competitive advantage by implementing value-creating capabilities that cannot be easily duplicated by competing firms (Barney, 1991; Peteraf, 1993; Wernerfelt, 1984, 1995; Conner and Prahalad, 1996; Eisenhardt and Martin, 2000).

<table>
<thead>
<tr>
<th>No. of interviewees</th>
<th>Pseudonyms</th>
<th>Date of the interview</th>
<th>Post in the company</th>
<th>Interview conducted by</th>
</tr>
</thead>
<tbody>
<tr>
<td>15</td>
<td>Ms A.S.</td>
<td>05/10/2019</td>
<td>Purchasing consultant in a large mechanical parts industry based in France. This interviewee has more than 5 years of work experience in national and international companies</td>
<td>Second author</td>
</tr>
<tr>
<td>16</td>
<td>Ms E.V.</td>
<td>17/10/2019</td>
<td>Research and innovation project buyer in Aerospace industry. The interviewee has 3 years of work experience as a buyer in the industry. The company is based in France and has international and national supplier collaboration</td>
<td>Second author</td>
</tr>
<tr>
<td>17</td>
<td>Ms L.B.</td>
<td>07/10/2019</td>
<td>Project purchaser in an international firm in Maritime Industrial Services. The interviewee has more than 7 years of work experience in national and international companies. For the different projects the interviewee can in contact with multiple international suppliers</td>
<td>Second author</td>
</tr>
<tr>
<td>18</td>
<td>Mr R.P.</td>
<td>15/11/2019</td>
<td>Purchasing director and consultant in a large mechanical parts industry based in France. This interviewee has more than 5 years of work experience in national and international companies</td>
<td>Second author</td>
</tr>
<tr>
<td>19</td>
<td>Mr W.A.</td>
<td>31/10/2019</td>
<td>Procurement and purchasing manager in a French IT firm. The interviewee has more than 3 years of work experience and interacts with national and international suppliers</td>
<td>Second author</td>
</tr>
<tr>
<td>20</td>
<td>Mr E.D.</td>
<td>05/02/2019</td>
<td>Projects purchaser more than 2 years. The interviewee has experience as a business manager and IT recruitment manager</td>
<td>Second author</td>
</tr>
<tr>
<td>21</td>
<td>Mr F.M.</td>
<td>16/10/2019</td>
<td>Purchasing consultant with 15 years of work experience across industries. The interviewee is based in France. He heads and organizes professional workshops for different companies on the topic of purchasing</td>
<td>Second author</td>
</tr>
<tr>
<td>22</td>
<td>Mr C.A.</td>
<td>19/11/2019</td>
<td>Warehouse director in a large French retail store. The interviewee has more than 3 years of work experience at this post and has interactions with lots of national and international suppliers</td>
<td>Second author</td>
</tr>
</tbody>
</table>

Source: Created by authors
Majority of the interviewees identified:

- relational and emotional;
- communicational; and
- creative and cognitive competencies, as their core competencies that are valuable, rare, imperfectly imitable and nonsubstitutable during supplier collaboration.

These competencies are described in Table 3.

Some of the interesting quotes of the interviewees on identification of their core and threshold competencies are provided in Table 4.

These purchasing managers’ core competencies are firm resources that are path dependent, causally ambiguous and socially complex; hence, they are imperfectly imitable. Barney (2001) explained competencies like these can only be developed over long periods of time (i.e. path dependence) because how to develop these competencies in the short-to-medium term (i.e. causal ambiguity) may not always be clear and because some competencies cannot be bought and sold (i.e. social complexity). Building a trustworthy ambiance within the department and with external supply partners, knowing how to communicate effectively and efficiently and possessing creative abilities and know-how to manage knowledge creation and transfer it are examples of competencies that take time to acquire. Moreover, if another firm recruits a manager who possesses such competencies, these competencies cannot easily be transferred because they are organizationally embedded.

Earlier, we defined market orientation as a set of behaviors that refers to the collection of intelligence on customer needs and the external forces (e.g. competitors, regulators and suppliers) that shape those needs (intelligence generation), the extent to which the obtained external intelligence is disseminated within the firm (intelligence dissemination) and the action taken in response to this generated and disseminated external intelligence (responsiveness) (e.g. Jaworski and Kohli, 1993; Kohli et al., 1993). Existing studies often link the previously mentioned three competencies (relational and emotional, communicational and creative and cognitive) with different elements of market orientation. In a study on strategic alliances, Kale et al. (2000) explained the following:

Relational capital based on mutual trust and interaction at the individual level between alliance partners creates a basis for learning and know-how transfer across the exchange interface. At the same time, it curbs opportunistic behavior of alliance partners thus preventing the leakage of critical know-how between them. (p. 1)

<p>| Table 3 Description of purchasing manager’s core competencies during supplier collaboration |</p>
<table>
<thead>
<tr>
<th>Purchasing manager’s core competencies during supplier collaboration</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relational and emotional competency</td>
<td>To build a productive and trustworthy ambiance within the department and with external partners. It requires dealing with and adapting to different interlocutors and difficult situations. It involves negotiating effectively with and uniting different stakeholders in a collaborative project</td>
</tr>
<tr>
<td>Communication competency</td>
<td>To communicate effectively with both internal and external interlocutors in formal and informal settings. It requires communicating in public orally or via written reports to successfully carry out a collaborative project</td>
</tr>
<tr>
<td>Creative and cognitive competency</td>
<td>To possess creativity and cognitive capacities. It focuses on learning ability; ability to identify, analyze and deal with technical and consumer issues and opportunities; and ability to mobilize internal and external knowledge networks during collaboration to quickly adapt to changes</td>
</tr>
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</table>

Source: Created by authors
<table>
<thead>
<tr>
<th>Interviewee’s generic information</th>
<th>Quotes for threshold competencies</th>
<th>Quotes for core competencies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Warehouse director in a large French retail store. The interviewee has more than 3 years of work experience at this post and has interactions with lots of national and international suppliers</td>
<td>Purchasing and management knowledge – “Knowing your costs”</td>
<td>Relational and emotional competencies – “I think empathy serves with both internal collaborators to understand their needs as managers and with external suppliers”</td>
</tr>
<tr>
<td>Procurement and purchasing manager in a French IT firm. The interviewee has more than 3 years of work experience and interacts with national and international suppliers</td>
<td>Purchasing knowledge – “Analytical mind”</td>
<td>Relational and emotional; communicational; creative and cognitive competencies – “Softs skills are important: to be friendly; well ordered to manage the files (a dozen files to manage at the same time); Good computer skills (Excel) to analyze data (the offers); to be quick-witted; to have empathy for others; to be human; effective communication and relationship; organization and negotiation capability”</td>
</tr>
<tr>
<td>Purchasing consultant in a large mechanical parts industry based in France. This interviewee has more than 5 years of work experience in national and international companies</td>
<td>Technical knowledge of the purchased product – “Technical learning”</td>
<td>Communication competencies – “In order to have relations with suppliers, we need to be diplomatic. It is a skill that we don’t necessarily master. We need to be comprehensive enough without falling in the trap of being friends with the suppliers. And most of the time we need to stick to the decisions that were taken. We need to be good in communication and relationships and demonstrate firmness and flexibility”</td>
</tr>
<tr>
<td>Project purchaser in an international firm in Maritime Industrial Services. The interviewee has more than 7 years of work experience in national and international companies. For the different projects the interviewee can in contact with multiple international suppliers</td>
<td>Purchasing knowledge and technical knowledge of the purchased product – “The technical skills are threshold skills and also ERP SAP” Knowledge of how procurement works “The important thing is to know the process of the purchased part in detail and to know the industrial process of the part- this helps to know the real price of the part”</td>
<td>Communication is a core competency that all purchasers must have, otherwise the purchase can not take place. On the other hand, firmness can be developed over time”</td>
</tr>
<tr>
<td>Product engineer in a French branch of a multinational building construction firm. The interviewee has more than 10 years of work experience in this industry and has worked for national and international firms. The interviewee deals with multiple national and international suppliers per product</td>
<td>Purchasing knowledge – “I need the supplier to understand my specifications, so I need to express very clearly for them and that everything is well framed. My goal is for the product to be in line with demand, so I have to go into details and have to provide as complete a specification as possible so that the supplier does not have an error of adaptation”</td>
<td>Creative and cognitive competency – “In the industry you have to be curious, to be interested in all the services and especially those with whom you work. Curiosity and motivation are mandatory . . . I think to be good, we do not need a background in supply chain but have to be diligent and organized”</td>
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(continued)
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<tr>
<th>Interviewee’s generic information [5]</th>
<th>Quotes for threshold competencies</th>
<th>Quotes for core competencies</th>
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</thead>
<tbody>
<tr>
<td>Product managers in the USA based firm in the News industry. The interviewee originally from India has more than 5 years of work experience in international companies. The interviewee collaborated with a lot of well-established international supplier companies for new product development</td>
<td>Technical knowledge of the product and legal skills— &quot;So, one is a very good understanding of your product. Like if you are working with Apple and want to release an app you need to adhere to their guidelines ... as well as understanding what user experience you are looking for. So, if you are working with Alexa and Google, it is very important to understand the framework they are working with and how the features that you are trying to make align with their customer branding without losing your intellectual property.&quot;</td>
<td>Relational and emotional competencies— &quot;Relationship management is again a core competency. It is something very personal so ... if you don’t have it, you just don’t have it.&quot;</td>
</tr>
<tr>
<td>Purchasing director in a French branch of a multinational building construction firm (B2B). The interviewee has more than 10 years of work experience in the industry and the purchasing department and deals with multiple national and international suppliers</td>
<td>Management knowledge; language and communication competencies; and negotiation skills— &quot;Purchasing managers should be at ease with numbers, different languages ... should not be to predictable during negotiations ... &quot;</td>
<td>Creative and cognitive competency— &quot;We were talking about VR/AI stuff ... that you point your phone at a news article, and it gives you more information about ... same for real estate ... you point your phone at a realtor’s sign and it gives you all the information about the house ... So in that using amazon’s recognition ... it’s called Image recognition ... so the product itself is called recognition ... so we had to work even more closely to see what are their features and how can we use that to create a business case for our self and put a product out in the market ... So this about your cognitive and creative capabilities, right? Yes And this was while working with suppliers or vendors of amazon? Yes In this case, would you categorize it (Cognitive and Creative) a core competency or threshold competency? This (Cognitive and Creative) competency is a core competency&quot;</td>
</tr>
<tr>
<td>Project manager in a French cooperative. The interviewee has 17 years of work experience in the company and has his post since past 5 years. The interviewee deals with lots of French national suppliers and a few international suppliers</td>
<td>Knowledge of the supplier market; and capacity to manage information— &quot;One needs to know the supplier market ... generally we can classify suppliers based on the price they ask and the quality of their product and service. So based on our needs we orient ourselves sometimes towards costly suppliers because they be able to satisfy our needs in a shorter time-period compared to others ... the price and the time-period in which they can satisfy our demands are two important factors in assessing supplier market&quot;</td>
<td>Emotional and relational competencies— &quot;Knowing well your supplier is the best-case scenario ... but it depends ... sometimes you get better feeling with one kind of supplier over the other ...&quot;</td>
</tr>
<tr>
<td></td>
<td>Technical knowledge of the purchased product— &quot;One needs to know what they are buying ... that the basis ... &quot;</td>
<td>Creative competencies— &quot;It depends on the requirements of our clients ... sometimes they leave very little room for creativity because they have limited budget but at other times, they want very good quality work so we can be creative with supplier ... but the budget of the client and price of supplier impacts our creativity ... &quot;</td>
</tr>
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</table>
Clark et al. (1991) found when firm leaders engage in significant external communication and set a vision for the firm, it could lead to more productive product development projects. In the supply-chain literature, Christopher, Payne and Ball's work has best related to market orientation capability. Their 1991 article focused on the concept of relationship marketing to fill the gap between what is expected and what customers get, and Christopher's (2000) work explained the need for creating responsive supply chains in extremely volatile environments. Wang et al. (2009) demonstrated that a firm’s knowledge management activities (i.e. organizational memory, knowledge sharing, knowledge absorption and knowledge receptivity) have a positive link with market orientation because they provide a foundation of wisdom that enables the firm to effectively process, interpret and act on information about external trends and events. Some of the quotes from our interviews which support the link between purchasing manager’s core competencies during supplier collaboration and market orientation capability of the purchasing manager are identified in Table 5.

Extrapolating from the works of Eisenhardt and Martin (2000), and Pisano (1994), and based on evidence from the interviews, we argue that by possessing these three core competencies purchasing managers can generate a new value-creating capability (i.e. market orientation). Based on the previous arguments, we propose proposition 1:

**P1.** Assuming the presence of the purchasing manager’s threshold knowledge, the greater the purchasing manager’s core competencies during supplier collaboration, the greater the probability of generating a marketing orientation capability of the purchasing manager.

### 4.2 Market orientation capability affects the firm’s innovative performance

A purchasing manager’s market orientation capability is a dynamic managerial capability. Adner and Helfat (2003) defined dynamic managerial capabilities as “the capabilities with which managers build, integrate, and reconfigure organizational resources and competencies” (p. 2). Hult and Ketchen (2001) found market orientation along with entrepreneurship, innovativeness, and organizational learning capabilities allows a firm to create a positional advantage for itself. Market orientation capability is an organizationally embedded and nontransferable firm-specific resource, and its purpose is to improve the innovative productivity of the previously mentioned competencies the purchasing manager possesses (extrapolation from Eisenhardt and Martin, 2000).

Many academic studies have positively linked dynamic capabilities to firm performance. Helfat (1997) explained that dynamic capabilities enable firms to create new products and processes and respond to changing market conditions. Powell et al. (1996) proposed the dynamic capability of knowledge creation that included external linkages in the form of significant alliance relationships that led to superior R&D performance within biotech firms. Yadav et al. (2007) related a CEO’s attention pattern to detecting new technological opportunities, developing initial products based on these technological opportunities and deploying these new products.

Academic articles have discussed the conceptualization of market orientation (Connor, 1999; Slater and Narver, 1998, 1999), and other empirical articles have linked market orientation directly (Narver and Slater, 1990; Jaworski and Kohli, 1993; Wang et al., 2009) or indirectly (Hult and Ketchen, 2001) with firm performance. Other studies (Sinkula et al., 1997) have found market orientation affects the degree to which an organization makes
Table 5  Quotes identifying the link between purchasing manager’s core competencies during supplier collaboration and market orientation capability of the purchasing manager

<table>
<thead>
<tr>
<th>Interviewee’s generic information</th>
<th>Quotes identifying the link between purchasing manager’s core competencies during supplier collaboration and market orientation capability of the purchasing manager</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchasing director in a French branch of a multinational building construction firm (B2B). The interviewee has more than 10 years of work experience in the industry and the purchasing department and deals with multiple national and international suppliers</td>
<td>Communication competency linked with generation of intelligence – “One should always listen to the suppliers . . . so that they can always express themselves freely . . . and so that we come across propositions of ideas which might not be in line our preconceived ideas . . . sometimes they help us to break our way from our initial way of thinking . . . and help to think outside the box”</td>
</tr>
<tr>
<td>Solution developer and Procurement Manager in Swiss company in the service sector. The interviewee originally from India has more than 3 years of work experience with the company and at this post. The interviewee deals with national and international suppliers</td>
<td>Communication competency linked with dissemination across departments – “Transfer my know-how and the fruit of my actions . . . For example, if I talk to a supplier, I then inform the correct people (within my company and department) about the proper course of actions . . . I don’t need to involve everybody but the correct people . . .”</td>
</tr>
<tr>
<td>Product managers in the USA based firm in the News industry. The interviewee originally from India has more than 5 years of work experience in international companies. The interviewee collaborated with a lot of well-established international supplier companies for new product development</td>
<td>Communication and relational competencies linked with generation of intelligence, dissemination across departments and responsiveness – “A supplier for example tells me about the new method of recycling our product’s waste or has information on solar energy . . . I look up the information and then transfer that to the technical department (R&amp;D) . . . Then the decision makers in the company are informed . . . Sometimes it works and we have innovative performance . . . at other times it does not . . . The new method of recycling was implemented but the solar energy thing didn’t work”</td>
</tr>
<tr>
<td>Purchasing consultant in a large mechanical parts industry based in France. This interviewee has more than 5 years of work experience in national and international companies</td>
<td>Communication and relational competencies linked with generation of intelligence, dissemination across departments and responsiveness – “Sometimes the client knows what they want and other times they want something different, but they know exactly what . . . So I can propose a brochure of existing solutions to the client in the first case scenario to select an option from the existing possible options . . . and in the second case I work with suppliers to develop from scratch a solution . . . This solution can then be used for other projects by my company later as well . . . my past and current employers have started knowledge banks for generation of intelligence purposes . . .”</td>
</tr>
<tr>
<td>Purchasing consultant with 15 years of work experience across industries. The interviewee is based in France. He heads and organizes professional workshops for different companies on the topic of purchasing</td>
<td>Creative and cognitive competency linked with generation of intelligence and dissemination across departments – “Our core competencies (Creative and Cognitive) have a direct impact on the user experience . . . and we collect information on user experience, their feedback on apps . . . there is a platform at the HQ level we gather information and use it as per requirement of new projects . . . this impacts us to improve user experience and for cost savings . . .”</td>
</tr>
<tr>
<td>Procurement and operations manager in a big Indian e-retailer (B2C). The interviewee has more than 7 years of work experience in the Indian e-retailing industry</td>
<td>Communication and relational competencies linked with generation of intelligence – “[Core] skills contribute to innovative performance. Being at the center of the business can perhaps lead to solutions and create ideas that we have not thought of before. In addition, the buyer’s profession is built up gradually, but you have to have a certain desire and the skills create a synergy between the two”</td>
</tr>
</tbody>
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Source: Created by authors
changes in its marketing strategies (a behavioral construct). Kaplan et al. (2003) explained that having knowledge of current and future customer needs also entails the identification of a new technology and the recognition of some future application for it. Weigelt and Sarkar (2009) explain that a firm’s marketing intensity positively moderates the curvilinear relationship between its supplier’s technical and organizational experiential diversity and its own innovation adoption.

In our study, we link market orientation capability to a firm’s innovative performance based on arguments borrowed from the absorptive capacity literature (Cohen and Levinthal, 1990; Zahra and George, 2002). Purchasing managers who possess market orientation capability can generate a broad knowledge base, share it across departments and have the absorptive capacity to be responsive toward new technological development and unmet customer needs. Hence, these purchasing managers are better able to:

- detect new technologies and emerging needs of customers and of collaborating partners;
- convert ideas into products and services in a superior manner; and
- bring improvements to existing features of the product after the launch with superior creativity.

These arguments are in line with the marketing orientation literature (Jaworski and Kohli, 1993; Han et al., 1998), which asserts that when firms try to extract insights from the marketplace, it can have significant implications for their innovation outcomes. Some of the interesting quotes of the interviewees on the identification of the link between purchasing manager’s marketing orientation and firm’s higher innovative performance are provided in Table 6.

Based on these arguments, we propose Proposition 2:

\[ P2. \] The greater the purchasing manager’s market orientation capability during supplier collaboration, the greater the probability of the purchaser firm’s high innovative performance.

Figure 2 shows a schematic representation of a purchasing manager’s core competencies during supplier collaboration, their relation to a purchasing manager’s market orientation capability through proposition 1, and the impact of a purchasing manager’s market orientation capability on a purchaser firm’s innovative performance via proposition 2.

5. Validity, reliability and trustworthiness of the study

We used different strategies for validation of our qualitative study. First, we sought participants’ feedback on our interpretation of their experiences and their views regarding the credibility of our findings. This technique is considered by Lincoln and Guba (1985) to be “the most critical technique for establishing credibility” (p. 314). Few of our participants played a critical role in examining the rough draft of our manuscript with preliminary analysis and providing critical observations. They also gave comments on the transferability of information generated through analysis to other settings than just their own. Second, we have had friendly peer-reviews of rough draft of our manuscript with preliminary analysis to audit whether the findings, interpretations and conclusions are supported by the data. Based on the comments of one such friendly reviewer we have added detailed and rich quotes from our interviews in Tables 4, 5 and 6. Third, we collected job description documents from some of our interviewees for senior purchasing and procurement officers for triangulation and saw how the focus is mostly on threshold competencies which according to our study does not directly affect the purchasing manager’s market orientation capability or purchasing firm’s innovative performance. This intrigued us further because there is need to further refine our understanding of core competencies of purchasing managers during supplier collaboration and to inform the industries about them.
We established intercoder agreement between the two authors for reliability. We established a common platform for coding and develop a preliminary code list. We defined and shared the initial codebook among the two authors/coders and used memoing throughout the research process.

6. Results and discussions
In the existent literature there are studies that focus on purchasing manager’s competencies, supplier’s competencies and the impact of purchaser–supplier collaboration on firm performance. Our objective is to combine some of these facets. The goal of this paper has been to identify purchasing manager’s core competencies during supplier collaboration and explain the mechanism i.e. market orientation dynamic capability, through which these competencies can affect purchasing firm’s innovative performance. By looking at these research objectives through the theoretical lens of the resource-based view of the firm and dynamic capability theory we contribute to them in different ways.

<table>
<thead>
<tr>
<th>Table 6</th>
<th>Quotes identifying the link between purchasing manager’s market orientation and firm’s higher innovative performance</th>
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<tbody>
<tr>
<td><strong>Interviewee’s generic information</strong></td>
<td><strong>Quotes identifying the link between purchasing manager’s market orientation and firm’s higher innovative performance</strong></td>
</tr>
<tr>
<td>Research and innovation project buyer in aerospace industry. The interviewee has 3 years of work experience as a buyer in the industry. The company is based in France and has international and national supplier collaboration</td>
<td>Dissemination across department linked with innovative performance globally – “Yes, from an engineer’s point of view and at management level. Agile management where the whole team may be involved . . . I think of more participative management . . . all employees have a little bit of their place . . . in the organization . . . That means that the impact can be direct and can improve innovative performance” Generation of intelligence and Responsiveness linked detection and development – “The innovation is linked to the buyer because the buyer will know how to study a market and know how to show curiosity during his visits to salons and know how to use information. In addition, the buyer must know how to persuade and convince the supplier market to work with him and also the criticality of the buyer allows him to say we will make this innovation or we must be careful. For example, I created a prototype because I had the 3 D (three dimensions) tool from suppliers without which I would not have done it” Responsiveness linked with detection – Marketing orientation “contribute to innovative performance. Being at the center of the business can perhaps lead to solutions and create ideas that we have not thought of before”</td>
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<tr>
<td>Purchasing consultant with 15 years of work experience across industries. The interviewee is based in France. He heads and organizes professional workshops for different companies on the topic of purchasing</td>
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<td>Purchasing consultant in a large mechanical parts industry based in France. This interviewee has more than 5 years of work experience in national and international companies</td>
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<tr>
<td>Purchasing director in a French branch of a multinational building construction firm (B2B). The interviewee has more than 10 years of work experience in the industry and the purchasing department and deals with multiple national and international suppliers</td>
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</tr>
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<td>Product managers in the USA-based firm in the News industry. The interviewee originally from India has more than 5 years of work experience in international companies. The interviewee collaborated with a lot of well-established international supplier companies for new product development</td>
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Source: Created by authors
Our article contributes to the resource-based view of the firm and dynamic capability theory literature in the following manner. First, Brandon-Jones et al. (2014) pointed that there are only a limited number of studies that explore resources (which implies competencies) and capabilities together. Our focus is to study competencies and capabilities together like the capability-building mechanism as explained by Makadok (2001), where managers design and construct organizational systems to enhance the productivity of whatever resources the firm acquire. Our study, in line with RBV, demonstrates that organizations may achieve competitive advantage through the bundling of competencies such as relational and emotional, communicational and creative and cognitive to create capabilities (Barney, 1991). Market orientation is an important antecedent to innovative performance, not only because its presence helps organizations proactively generate and disseminate knowledge, but also because it encourages firms’ managers to be responsive. Like Sirmon et al. (2007) our study addresses the process-oriented managerial actions required to develop a competitive advantage and thereby contribute to the creation of value for the firm, i.e. we are studying the impact of competency–capability dyad in terms of performance.

Second, our study is context sensitive, i.e. we can identify the conditions in which these competencies and capabilities emerge and are most valuable. By linking market orientation capability to the firm’s innovative performance, we also contribute to the ongoing discussion in the dynamic managerial capabilities literature on how dynamic capabilities are a source of heterogeneity in managerial decisions (Adner and Helfat, 2003). In line with the existing literature (Ethiraj et al., 2005; Javalgi, et al., 2005; Yadav et al., 2007; Kumar, 2020, 2022; Cataltepe et al., 2022; Muneeb et al., 2023), we also identify market orientation as a flexible and dynamic managerial capability involving the deployment of resources that could evolve over time and is context-specific (i.e. purchaser–supplier collaboration).

Our first managerial contribution is that we have identified and described three sets of a purchasing manager’s core competencies during supplier collaboration that affect the firm’s performance:

- relational and emotional;
communicational; and
creative and cognitive competencies.

As far as we know, our article is the only one that claims to have identified purchasing managers core competencies during supplier collaboration. Unexpectedly, these emerging core competencies have more to do with human interaction and creativity (intangible) processes than technical (tangible) processes. These core competencies during supplier collaboration do not necessarily have much to do with the firm’s fundamental business. These core competencies have emerged by considering the practices of a wide variety of purchasing managers during supplier collaboration. According to the discourse of the interviewed purchasing managers these core competencies are enhanced overtime and are viable during different types of collaborations with various kinds of suppliers. Moreover, purchasing managers’ core competencies are path dependent, causally ambiguous and socially complex. They emerge and are refined in an ongoing manner.

Our second managerial contribution relates to the mechanism through which purchasing managers’ core competencies during supplier collaboration affect firms’ outcomes. As noted by Kraaijenbrink et al. (2010), the critical underlying mechanism for capability building must be understood. The core competencies of purchasing manager during supplier collaboration allow for implementation of a value-creating dynamic managerial capability – market orientation. The purchasing manager’s market orientation dynamic capability is organizationally embedded, nontransferable and firm-specific resource, and its purpose is to improve the innovative performance of the purchasing manager’s firm during supplier collaboration. We can observe a sequentiality, first the purchasing managers’ core competencies during supplier collaboration are developed, which then helps deploy resources, usually in combination, using organizational processes, to affect a desired end, i.e. innovative performance during supplier collaboration. The above identified core competencies of purchasing managers during supplier collaboration and possessing the market orientation dynamic capability allows firms to have sustained competitive advantage (Barney, 2012).

7. Conclusion and limitations

We essentially focused in this study on how incorporating managerial emotional, communicational, relational and cognitive competencies into the resource-based view can affect our understanding of firm behavior and outcomes. During some of our interviews we discovered that certain competencies are more nuanced and could be considered as threshold competencies in the beginning of the careers of purchasing managers but can evolve over time and in certain context and become core competencies. Examples of such nuanced competencies are as follows: information management; negotiation, firmness in communication, technical know-how; legal skills; and intercultural knowledge. Our findings suggest that information management is not merely a basic skill but can progressively evolve into a central competency as professionals advance in their careers. This includes the ability to gather, analyze and leverage data effectively, which becomes increasingly critical in strategic decision-making. Negotiation skills were identified as an initial threshold competency, but they can develop into a core strength over time. Proficiency in negotiation is essential for procurement managers, and it becomes even more refined and strategic as they gain experience. The capacity to communicate assertively and with clarity is often seen as a foundational skill. However, our research underscores that this trait becomes even more integral as professionals climb the career ladder, particularly when dealing with complex and high-stakes interactions. Technical skills are pivotal, especially at the entry level. Yet, as purchasing managers progress in their careers, they might find themselves adapting and deepening their technical expertise to align with industry advancements and changing demands. Legal skills are traditionally viewed as a threshold competency.
However, our interviews revealed that these skills can evolve into a core competency, especially for those dealing with complex contracts and international transactions.

In a globalized business environment, intercultural competence is essential. This competency may initially be perceived as a threshold skill but can develop into a critical asset for managing international supplier relationships and expanding market reach. Our study sheds light on how these competencies, initially seen as entry-level thresholds, transform into core competencies with experience and evolving contexts. This dynamic evolution underlines the complex nature of purchasing managerial abilities and their impact on firm behavior and outcomes. Moreover, in future studies, we could approach firm identity and culture as resources and study their implications.

One of the limitations of this study is that our theoretical frame cannot be applied to nonlucrative organizations. During our interview with a procurement manager of an international nonlucrative organization (who had also worked as procurement manager in for-profit private companies before), we realized that since the objectives are very different between for-profit and not-for-profit organizations that the set of competencies of purchasing managers are not the same. In future studies, we could compare the set of competencies of purchasing managers between for-profit and not-for-profit organizations. Another challenge that we faced was in fact related to the grounded theory research methodology that we had identified for this study. In a grounded theory the investigator needs to set aside, as much as possible, theoretical ideas or notions so that the analytical substantive theory can emerge. We tried to overcome this challenge, by creating a team of two co-authors coming from different domains (marketing and supply chain) and, hence, having different theoretical ideas and notions that guided our thinking and hence allowed us to keep our theoretical influences in check and perform an objective analysis.

Notes

1. Coding the data for its major categories of information. (Cresswell and Poth, 2018, pg. 85).
2. From open coding, axial coding emerges in which researcher identifies one open coding category to focus on (called the core phenomenon) and then goes back to the data and creates categories around this core phenomenon. In axial coding, the investigator assembles the data in new ways after open coding. (Cresswell and Poth, 2018, pg. 85 & 87).
3. In selective coding, the researcher may write a “story line” that connects the categories. Alternatively, propositions or hypotheses may be specified that state predicted relationships. (Cresswell and Poth, 2018, pg. 88).
4. Authors could reveal the names of the interviewees in strict confidence to the reviewers and editor of the journal if need be.
5. We provide generic information on the interviewees as most of them wished to remain anonymous. We can disclose their identity and provide the transcripts of interviews to the Editors and Reviewers for publication purpose. For the sake of the interviewees we would request discretion.

References


Glaser, B.G. and Strauss, A.L. (1967), The Discovery of Grounded Theory: strategies for Qualitative Research (Grounded Theory), Aldine, Chicago, IL.


Further reading


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