Diversity frames: Toward a mid-range theory in supplier diversity management

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DIVERSTY FRAMES: TOWARD A MID-RANGE THEORY IN SUPPLIER DIVERSITY MANAGEMENT

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A dissertation submitted in partial fulfillment of the requirements for the

Doctor of Philosophy in Hotel Administration
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December 2004
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Diversity Frames: Toward a Mid-Range Theory in Supplier Diversity Management

is approved in partial fulfillment of the requirements for the degree of

Ph. D. in Hotel Administration

Examination Committee Chair

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ABSTRACT

Diversity Frames: Toward a Mid-Range Theory in Supplier Diversity Management

by

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Dr. Anthony F. Lucas, Examination Committee Chair
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The recognition that diversity is a visible facet of our global society is generating discourse among leaders in business, government, and civil society alike. In view of demographic changes affecting the labor and product supply markets, plus the value being placed on an emergent customer base, diversity rhetoric is shifting from “the right thing to do” to “the smart thing to do.” With emphasis on the business case, organizations are adopting a culture of “inclusion”. Executives tout diversity initiatives as business imperatives that are integral to the company’s mission, but express a need for a more efficacious approach to diversity management. Understanding this contemporary phenomenon in the hospitality supply chain is addressed in this dissertation.

Grounded theory using case studies is the methodological strategy used to gain insight into “how” and “why” buyers procure goods and services. It presents a systematic approach for interpreting the underlying assumptions, expectations, and knowledge buyers have regarding supplier diversity initiatives. Organizational buying behavior and social-cognitive theories provide structure to the investigation of buyers’
frames of reference regarding their task-processes and task-practices as they relate to minority-owned, woman-owned, and disadvantaged business enterprises (MWDBE) spend. The primary data gathering method for interpreting buyers’ “diversity frames” is in-depth interviews. The data are coded and triangulated with data collected from observations, informal conversations, company documents, and archival materials. During the iterative analysis process of constant comparison—a grounded theory technique—four diversity frames emerged. Each is derived from the decision-making process of conscious (C) and/or unconscious (U) thoughts (T) and actions (A), buyers form in making sense of selecting underrepresented vendors. These dimensions are designated: Enablers (CT/UA), Espousers (CT/CA), Conformers (UT/CA), and Conservators (UT/UA). Cross-case analysis on task performance reveals congruence in task-process and incongruence in task-practices. These findings provide grounds for building theory on organizational buyers’ thought/action processes. Based on these results, hypotheses are generated for future testing. Having knowledge of buyers’ diversity frames and understanding their similarities and differences may be the necessary link for developing strategic sourcing strategies to manage the successful implementation and adoption of supplier diversity initiatives.
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DEDICATION

~To my most beloved Mother~

You brought joy and comfort to my life.

May your spirit never die.

~To my devoted Father~

You continue to shower me with unconditional love.

I cherish you both with all my heart.

As parents, you have left an indelible mark on me

through your strength of character

and examples of faith, hope, and charity.

You taught me that life is not about finding oneself,

but rather it is about creating oneself.

Thanks for all that I have learned from you.

This gift of life’s lessons has been my richest

and most valued education.
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CHAPTER 1

INTRODUCTION

If we cannot now end our differences, at least we can help make the world safe for diversity.

— John F. Kennedy
Thirty-Fifth President of the United States

Overview

There is a profound shift taking place in the corporate mindset. While organizations in both the private and public sectors are under constant pressure to improve their return on investments (ROI), emphasis is placed on creating a culture of inclusion. This is in recognition of the inevitable changes affecting business practices as a consequent of the considerable evolution in the demographic mix of the population. Diversity in the workplace is touted as not only “the right thing to do” but also “the smart thing to do.” According to Gandz (2001), diversity initiatives help organizations “identify and capitalize on opportunities to improve products and services; attract, retain, motivate, utilize human resources effectively; improve the quality of decision-making at all organizational levels; and reap the many benefits from being perceived as a socially conscious and progressive organization” (p.2). He purports that there is increasing evidence that such an emphasis on diversity is manifested in bottom line improvement and shareholder value maximization (Gandz, 2001). However, there is a lack of empirical research to support these claims. Moreover, investing the firm financial and
human resources to manage diversity programs can be a costly and contentious proposition, particularly when no comprehensive assessment measures exist.

To efficaciously manage diversity programs, theories for grounding research must be generated, strategies for implementation and adoption developed, and metrics for evaluative and benchmarking purposes standardized. Albeit a need for research exists, undertaking such a study is difficult in that it raises sensitive issues that may be difficult to discuss with candor. The legal climate and potential for litigation make organizations reluctant to share experiences or data. Additionally, due to the complexities in quantifying business performance in the context of diversity initiatives, metrics and other evidence linking diversity to the bottom line are not easily enumerated. Having experienced these challenges, I was fortunate to have found an organization that eventually overlooked these barriers to entrée and provided me with the opportunity to undertake this research in diversity management.

Before theories, strategies, and metrics are formed, an understanding of the key stakeholders’ interpretation of corporate diversity policy is needed. Insights into these organization members’ knowledge, assumption, and expectations are critically important to the success of such new initiatives. Justifiably, this dissertation addresses diversity issues as they relate to the supply chain by extending research into the cognitions of corporate purchasing personnel in the hypercompetitive hotel-casino-entertainment industry. It presents a systematic approach for analyzing the underlying assumptions, expectations, and knowledge buyers have regarding supplier diversity policy. The argument that understanding buyers’ cognitive structure is essential for effective diversity management is presented. Further, where incongruence in buyers’ frame of
reference exist, either within or among buying centers, difficulties and conflict in the implementation and adoption of diversity initiative occur. In consequence, the effectiveness and outcomes deviate from those envisioned by the program architects, thereby requiring intervention to optimize the initiative’s value and maximize its benefits.

Qualitative case studies are used to investigate the contemporary phenomenon of supplier diversity initiatives. The aim is to gain insights into buyers’ sensemaking when confronted by the additional complexities in the sourcing process incurred during the implementation and adoption of supplier diversity policy. Setting the boundary within the firm buying centers, purchasing personnel are queried using unstructured interviews on how and why they procure products. With their diversity frames as the unit of analysis, the data generated from transcribed interviews are triangulated with evidence obtained from observations, documentations and other pertinent archival materials. Buyers’ behaviors are analyzed for the emerging of patterns and themes within identified buying groups. Next, cross case analysis is conducted between the buying centers to establish a chain of evidence on the underlying assumptions, expectations, and knowledge buyers have regarding diversity. Further, to address issues of validity, the data generated from transcribed interviews are triangulated with evidence gathered from observations, company documentations and other pertinent archival materials.

In the traditions of Max Weber and Albert Bandura, the framework of this study is based on interpretive sociology and socio-psychology, respectively. I take an interpretive philosophical stance and use socio-cognitive theory to investigate purchasing personnel’s propensity to increase spend with underrepresented vendors. An
interesting and useful analytic perspective can be developed for anticipating and interpreting buyers' actions, which are not easily obtained with other theoretical lenses.

This dissertation is comprised of eight chapters. The first chapter presents the aim of the study. The second chapter surveys the salient literature on organizational buying behavior and social cognitive theory. The third and fourth chapters present the research design with both general and detailed information on the case study strategy. The fifth chapter summarizes the data generated through interviews, observations, and archival materials. The sixth chapter develops an emergent model that accounts for the observed patterns in the data. The dissertation concludes with a summary and discussion of the study's implications for supplier diversity management.

It is hoped that this dissertation will be useful in the following ways: first, to broaden the vision of research on organizational buying behavior in the context of supplier diversity initiatives; second, to act as a catalyst for building strategic sourcing strategies for managing diversity; and third, to test the hypotheses generated in this study for future research on fundamental processes and practices underlying organizational buyer behavior in the hospitality supply chain.

Aim of the Study

Phenomenon of Interest

Once viewed as a social responsibility, corporate diversity initiatives are now touted as a business imperative integral to the mission of the organization. Many contemporary corporations maintain diversity departments which institute (a) outreach programs to attract a workforce that is more reflective of their customers, (b) training
programs to instill an appreciation for our multiracial-multicultural-multiethnic society, (c) educational programs to support students seeking careers in management, and (d) supplier diversity programs to increase spend among minority-owned business enterprises (MBE), women-owned business enterprises (WBE), and disadvantaged business enterprises (DBE)—collectively known as MWDBE. Billions of dollars are spent to operate and manage these programs, yet, there are no standardized metrics that can be applied directly to evaluate their successful execution. Further, there is little evidence of improved business performance, financial results, or accountability (Hansen, 2003).

To ensure that these investments add value to the enterprise and make the greatest impact on real business benefits, the proper infrastructure must be in place. This entails not only tactical procedures, but also the measurable strategic processes and networks. Whether financial, non-financial, or a combination of the two, the metrics must align with the company’s overall business strategies. In addition to the enterprise operational and structural perspectives, these strategies must connect to the perspective of the organization members and their interpretations of diversity policy. Having an understanding of these stakeholders’ cognitive structure can provide insight on their decision-making process. Over time, persuaded by facts, influence, and increased awareness, diversity managers will be equipped to make smarter decisions on diversity investments leading to more accountability for the outcomes.

The diversity literature is replete with human resources research concentrating on the workforce while only a handful of studies are linked to purchasing initiatives for underrepresented vendors. Drawing from my interest in strategic sourcing, I am
motivated to investigate diversity from a supply chain perspective. My research delves into supplier diversity policy implementation and adoption strategies employed by organizational buyers, also referred to as corporate purchasing personnel (CPP). I employ the case study strategy to study various buying groups within a Las Vegas-based hospitality organization known for championing diversity. Data obtained through interviews, observations, and supporting documentation are used to describe and analyze the actions of CPP to gain insight into their interpretations of diversity. These interpretations, or what I call "diversity frames," are based on buyers' assumptions, expectations, and knowledge of diversity policy. Such cognitive frames of reference can offer an analytic perspective for explaining and anticipating CPP actions and sensemaking when situations of MWDBE spend apply. Understanding diversity frames should prove beneficial for devising corporate diversity implementation and adoption tactics, its management strategies, and its metrics.

Defining Supplier Diversity Initiative

In its most literal form, "diversity" is defined as differences and the term encompasses a wide range of attributes that can make individuals alike or unique, such as age, culture, disability, education, ethnicity, job function/experience, personal style, physical appearance, and religion (Duffy, 2003; Kahn, 2002). In the context of organizational management, diversity may connote an important strategic position. For example, in the procurement function, ISM's Glossary of Key Purchasing and Supply Terms defines diversity as "inclusive of all similarities and differences of all individuals, organizations, and suppliers, as well as the ways to address the opportunities and challenges that arise from those differences and similarities" (Scheuing, 2000).
Correspondingly, supplier diversity initiative (SDI) is defined as an organization's effort to include different categories of vendors in its sourcing processes. During these processes, diversity practitioners implement strategies to address the complexity of conducting business in an environment where employees and customers can express their differences and similarities along multiple characteristics. These practitioners focus on recognizing both the obvious and the less obvious differences in developing various approaches to diversity management. To expand on the definition, this research examines SDI in light of the way private corporations and government agencies articulate it, which is to say that SDI is defined not by what it is but by what it does.

Corporations implement aggressive supplier diversity programs that require all suppliers who wish to do business as underrepresented vendors to be a certified minority-owned, woman-owned, or disadvantaged business concern. Businesses eligible for MWDBE status must have the majority (51%) interest and be controlled and operated by people who are either African American, Asian American, Hispanic American, Native American, non-minority women, disabled veteran, or other disadvantaged business owners. In some instances, second- and third-tiered vendor programs are promoted by buying firms. This is where the supplier or contractor agrees, as a condition of being awarded a contract, to aggressively hire and subcontract with preferred minorities. To that end, SDI is a strategy that encourages supply, service, and construction contracts from MWDBE wherever possible.
Perceived Justification for Studying this Phenomenon

Forty years have passed since the U.S. Congress voted on the Civil Rights Act of 1964, to which today's diversity policies trace their beginnings, but a review of the popular press and scholarly literature revealed that U.S. firms have made only slight progress toward promoting diversity (Cox, 2001). As Cox and Nkomo (1990) indicated fourteen years ago, there is a significant need to focus on the implementation and study of diversity management initiatives. Harrison, Price, and Bell (1998), who examined the impact of surface-level (demographic) and deep level (attitudinal) diversity on group social integration, suggested that an emphasis should be placed on underlying psychological characteristics. Rather than researching the most commonly studied forms of diversity, which relate to differences in age, sex and race, these authors called for more theoretical and empirical research on diversity management (Harrison, et al., 1998). Ivancevich and Gilbert (2000) declared, “There is a need to develop new theoretical and practical approaches that are incorporated in public and private organizations” (p. 83). They also emphasized that because emotions and cognitive thinking processes are involved in the study of organizations and their members, researching human behavior is a much more complex process than the study of most physical and biologic phenomena.

Lawson and Price (2003) purported that considering the level of complexity in implementing a company-wide diversity policy, success depends on persuading hundreds or thousands of groups and individuals to change the way they work—a transformation people will accept only if they can be influenced to think differently about their jobs. This, in effect, is a mind-altering experience and it may require a
fundamental organizational change in culture. Organization members may need to adjust their practices or to adopt new ones in line with their existing mind-sets in order to adopt and make routine new initiatives (Lawson & Price, 2003).

While overarching factors such as demographics, globalization, high-speed information exchange, and the evolution of business practices are stimulating cultural changes in corporations worldwide, they are also giving rise to corporate diversity becoming a core competency for firms in the United States. The corporate giants in the hospitality industry, specifically those in the hotel-casino-entertainment segment, are no exception. In 2000, American Gaming Association (AGA) member companies met to discuss the idea of forming a Diversity Task Force. Industry leaders set out to develop an approach to diversity that created inclusion in all business relationships and job categories within gaming. The task force reported on advancements made in the area of workforce diversity. To make headway in the area of procurement, a separate Purchasing and Contract Subcommittee was formed. The initial focus centered on outreach, training, and certifying disadvantaged and minority- and women-owned suppliers and vendors (Fahrenkopf, 2003).

The industry is beginning to recognize that new diverse market influences business, yet, adopting policies and taking action on building a diverse supply base has been slow in coming (Cox, 2001). Don Barden, a Detroit businessperson spoke on the state of diversity in hotel-casinos with David Strow of the Las Vegas Sun after his recent acquisition of the Las Vegas Fitzgerald’s Casino. Barden, an African-American, stated:
Certainly in the past couple of decades (in gaming), diversity and equal opportunity have been practically ignored, in terms of contract opportunities and upward mobility in management. It's been almost non-existent in the industry. Gaming companies, particularly MGM MIRAGE and Station Casinos Inc., have made public efforts to change this, [...]

Barden inferred that diversity is a focus for his company as well. Nonetheless, he said that the entire gaming industry (including his own company)

[...] is not yet doing enough. The important thing is for people to have the right attitude, and the willingness to do it. That's what's emerging now...

Everyone's realizing there is a tremendous need for diversity (Strow, 2002).

Barden and other industry leaders agree that a need for supplier diversity exists and they voice their support of equal access and opportunity; however, there is little empirical evidence on performance results and even less indication on the effectiveness of diversity initiatives.

Academe has yet to recognize the significance of supplier diversity management nor has it displayed a sense of urgency in researching this phenomenon. The few studies found in the literature are limited in scope. The focus of those which have explicitly sought to understand supplier diversity management was on public policy issues surrounding minority business development (Bates, 1985; Bates & Williams, 1996; Levinson, 1980), comparisons between minority and non-minority firms (Bates & Furino, 1985; Enz, Dollinger, & Daily, 1990; Giunipero, 1980; Scott, 1983), or relationship building between corporations and small minority-owned companies (Auskalnis, Ketchum, & Carter, 1995; Cooper, 1999; Dollinger & Daily, 1989; Pearson,
Fawcett & Cooper, 1993). The conclusions from these investigations generally provided perfunctory approaches for managing diversity. This may be due to the lack of documented financial data or performance results relating minority suppliers spend, thus making it difficult to determine what works and what does not. Consequently, there are no comprehensive diversity design and structural models for companies to follow (Hansen, 2003).

Empirical works addressing the contemporary organizational structure primarily focus on the firm’s size, network, technology, and environment. Attention is also given to ways these domains directly determine organizational design. However, it has been argued that size, technology and environment do not have a direct effect on structure. Rather they affect structure through the mediation of the organization members, who perceive and enact them in various ways and then translate them into structure decision (Bartunek, 1984). Advancing this idea, Bobbitt and Ford (1980) proposed that one of the factors shaping structure is organization members’ “interpretive schemes” and the expression of these in “provinces of meaning.” This dissertation research adopts the notion of interpretive schemes as the unit of analysis to gain insight into buyers’ sensemaking of diversity policy.

Having an understanding of organizational buying behavior is essential in order to manage supplier diversity programs effectively; yet, no compelling research has presented evidence of how and why buyers buy in the context of MWDBE spend. In this dissertation, I hope to bridge this gap and add to the scholarly literature on supplier diversity management. By investigating diversity policy implementation and adoption
practices, I can provide insight to both the academics and the practitioners on buyers’ frames of reference and sensemaking relating to this phenomenon.

The Contextual Milieu

Evolution in the Business Environment

The 21st century brings with it a new era in the evolution of organizational life and structure. Today’s hypercompetitive exigencies of speed, global responsiveness, and the need to innovate, force organizations to make significant transformations. To effectively compete, or even survive, in environments that are complex and turbulent, requires organizations to frequently undertake a process of dramatic, and often drastic, strategic change (Gioia, Thomas, Clark, & Chittipeddi, 1994). Many companies are adjusting their traditional practices by incorporating new functionality to their business models (Zrimsek, & Marcus, 2002). Contemporary firms are implementing Enterprise Resource Planning (ERP), Customer Relationship Management (CRM), Knowledge Management (KM), and Supply Chain Management (SCM) systems to gain the competitive advantage leading to an increased ROI (Santos, 2001). These global changes affect the external elements of the organization—its products, services, activities, and overall structure. On a more fundamental level, they affect an organization’s intrinsic way of operating—its values, mindset, even its primary purpose (Schwandt, Marquardt, & Beene, 1999).

While today’s hypercompetitive milieu adds new and different challenges and complexities to organizations, most firms do not lose sight of the basics. They continue to monitor supply and demand while concentrating on eliminating waste and growing market share. Currently, many top executives and prognosticators portend that growth
opportunity lies within the diversity marketplace. Their indicators point towards an emerging minority population segment for it is where the new money is—and will be (Aronson, 2002).

The Emerging Marketplace

According to the 2000 census, of the 281.4 million persons now comprising the United States population, approximately 26% are minorities. By the year 2050, nearly half of the population will be people of color (Appendix A). That is equivalent to a projected growth of 90% within the minority population over the next 50 years (U.S. Census Bureau, 2000). Based on these rapidly evolving demographics, it comes as no surprise that the changing face of the American populace is now a critical factor in today’s global economy.

During the last decade, the economic status of America’s minority population also changed significantly. United States Census Bureau’s data on aggregate money income for the minority population showed an increase of 43%, from $0.7 trillion in 1990 to $1.0 trillion in 1998. This growth was more rapid than that for the non-minority population. As a result, the minority share of the total aggregate money income grew from 16% to 19% during this period. This nearly one-fifth growth in income translates to an increase in buying power. According to Selig Center for Economic Growth Report, The Multicultural Economy 2003: America’s Minority Buying Power, in 1990, the combined buying power of African Americans, Asians, and Native Americans was $456 billion. Ten years later, it was $991 billion. By 2003, minority buying power reached nearly $1.1 trillion. Furthermore, the projections expect this trend to continue. The indicators show minority purchasing power will surpass $1.5 trillion by 2008 (Appendix
B). The combined buying power of these three groups accounted for 10.7% of the nation's total buying power of approximately $4.3 trillion in 1990. By 2008, it will account for 14.3% of the forecasted $10.6 trillion. This is a 3.6% gain in combined market share which equates to an additional $381 billion (Humphreys, 2003). These staggering numbers have captured the attention of many company executives. For the competitive-minded businesses, minorities comprise their principal sales growth market. The financial implications—built on improved performance, competitiveness, and profitability as an outgrowth of this trend, serve as fodder that is revolutionizing business practices (Hart, 1997). Likewise, many minority communities have gained an appreciation of their purchasing power and influence in America's commerce. They are leveraging this newfound influence as evident by the profusion of fledgling business enterprises.

_Escalating Business Enterprises_

The purchasing power phenomenon is concurrent with an escalation in minority-owned and women-owned businesses (U.S. Census Bureau, 2001). In 1997, there were over three million minority-owned businesses employing over 4 million persons and generating nearly $600 billion in business revenues. These companies accounted for 14.6 percent of the 20.8 million nonfarm U.S. businesses (Appendix C). Although these businesses experienced a 168% boom in their growth rate during over a 10-year period, their receipts represented only 3.2 percent (U.S. Census Report, 2001).

A popular misconception is that all minority-owned businesses are "small" businesses. The existence of the Minority Business Round Table (MBRT) dispels this myth. Invited members of MBRT are principal executives of firms operating in a wide
range of industries and posting sales that range from $53 million to more than $2 billion while employing between 80 and 4,000 people in their respective companies (Minority Business RoundTable, 2004. §Background, ¶2).

Given the present awareness of minority buying power, as well as the enlightened insights about micro-inequities, corporations are embracing an emerging inclusiveness movement to bring everyone to the diversity table (Aronsom, 2002). They are moving toward establishing policies to attract communities that have been traditionally underserved by the business sector. Their decision to emphasize diversity is no longer a reaction to the pressure from governmental and activist groups, or to their ideals derived from a sense of social responsibility. It is a practical choice (Anonymous, 1995; Benham, 2001; Dozbaba, 2000). James Rector, publisher of Profiles in Diversity Journal, states, “Companies are getting bigger in their thinking about diversity—talking more about inclusiveness and broadening their definitions.” (Aronsom, 2002. §Field, ¶2). Moreover, benchmarking has shown that company diversity increases marketing opportunities, advances creativity and innovation, enhances recruitment and retention, boosts productivity, raises shareholder value, builds up customer loyalty, and strengthens employee commitment and morale (Aronsom, 2002).

Institutionalizing Corporate Diversity

Business communities have debated the legitimacy of the connection between corporate social practices and financial performance. It has become increasingly accepted that the corporate objective of maximizing shareholder value requires not only superior competitive performance but also being good corporate citizens. Having a business culture that fosters social responsibility of community, diversity, environment,
ethics, financial responsibility, human rights and safety, also adds value and goodwill to the firm and its reputation (Roberts, 2004).

When organizations recognize that they must be diverse because their customers are diverse, they are positioning themselves to attract the emerging minority market. Diversity initiatives in the workforce, as well as the supply chain are becoming an integral part of these corporations' business strategies. In addition to the push to hiring a multi-ethnic, multi-racial workforce, their mission statements now reflect procurement opportunities for MWDBE (Wheeler, 1995).

For a diversity policy to become effective, it requires consistent and visible sponsorship from the highest levels of the organization. With the leadership commitment from top management to identify, develop, and build ongoing business relationships with MWDBE, the level of awareness and the consideration directed toward these supply firms are gradually increasing (Wheeler, 1996). Yet, the reality for MWDBE is that actual progress continues at a sluggish pace (Anonymous, 2001). Organizations may explicitly recognize supplier diversity as an important issue and then make a cursory attempt to implement the initiatives, or ignore it altogether. According to a study conducted by the Center for Advanced Purchasing Studies (CAPS), only 3.5% of supply dollars are estimated to have gone to minority business enterprises in the 19 industries with the largest representation of minority subcontractors (Fredette, 2001).

Qualitative Research Method and its Justification

Like other hypercompetitive firms in this new economy, the hospitality industry exists in a temporal-context dimension that can be characterized as volatile and chaotic. To survive in such a state of flux, organizations must be adaptive, fleet, and nimble
Consequently, researchers trail behind practitioners in proposing changes or in evaluating methods for developing new systems. Rather than presenting the initial basis for novel ideas, researchers usually learn by studying the innovations established by practitioners (Benbasat, Goldstein, & Mead, 1987). To capture the knowledge and document the experiences of practitioners in situ, one strategy employed by researchers is the case study. Given that my study follows this logical path, I am undertaking the case study approach using qualitative methods.

The basis for using qualitative research methods can be related to Max Weber’s idea that meaning is socially constructed by individuals in interaction with their world. The world, or reality, is not a fixed, single, agreed upon, or measurable phenomenon. To the contrary, there are multiple constructions and interpretations of reality that are in flux and that change over time. Understanding how individuals experience, interact with, and make meaning of their social world is considered an interpretive qualitative approach (Weber, 1947). It is this understanding (interpretive stance) that forms the overarching theoretical perspective of case study research (Merriam, 2002).

The case study is a systematic way of gaining an understanding of a contemporary phenomenon in a bounded, integrated system (Feagin, Sjoberg, & Sjoberg, 1991; Stake, 1995; Merriam, 1998; Yin, 2003). The qualitative case study is inductive and the outcome is descriptive. Its theoretical frame is consistent with the ideology of understanding the world of lived experience from the perspective of those who live it (Locke, 2001). In addition, the epistemological orientation of the interpretive paradigm suggests that knowledge is socially constructed through discourses in interpretive communities (Orlikowski & Baroudi, 1991; Piantanida & Garman, 1999).
ontological point of view in this mode of inquiry permits the researcher to interpret the complex phenomenon (Merriam, 2002). Ontological beliefs relate to the essence of the phenomena under investigation by viewing the empirical world as subjective and thus existing only through the action of humans in creating and recreating it (Orlikowski & Baroudi, 1991).

By concentrating upon a single phenomenon (the case), this approach seeks to describe the phenomenon in depth. Its underpinnings are based on the logico-inductive approach with a phenomenon-context nexus; not the positivistic, hypothetico-deductive approach that concentrates on outcome expectations and statistical variances found in quantitative methods. Furthermore, given the interpretive position, the validity of an extrapolation from individual cases depends not on the representativeness of such cases in a statistical sense, but on the plausibility and cogency of the logical reasoning used in describing results from the case, and in drawing inferences and conclusions from those results.

I use the claim purported in purchasing texts, such as those authored by Cavinato and Kauffman (2000), Dobler and Burt (1996), and Monczka, Trent, and Handfield (2002), that supply management is a key component in corporations’ strategic plans and today’s purchasing professional is at the core of decision-making, to argue that when instituting change in the form of SDI, the buyers’ perspectives should be the basis of inquiry. Using the buyers’ perspectives allow for the anticipation, explanation, and evaluation of different experiences and consequences in policy implementation.

My objective is to make sense of organizational buying behavior (OBB) in the context of SDI. In this investigation on buyer’s cognitive structures in terms of
assumptions, expectations, and knowledge governing their decision-making process toward MWDBE spend, I focus on their actions, reactions, and interactions in their respective milieu. Data are collected from members of different buying groups to compare and contrast their interpretations of diversity and the influences that affect their decision-making process. The primary data gathering method is recordings of unstructured structured interviews with representative individuals from various buying centers. Data from observations and documented sources are recorded to triangulate the evidence (Ellram, 1996; Stake, 2000; Yin, 2003).

To provide guidelines to conduct the study and increase the reliability of the case study findings, a case study research protocol is developed based on an extensive review of the literature and refinement made after the original and polit case studies. The research protocol, as found in Appendix E, contains an overview of the case study project, field procedures, case study questions, and a framework for the case study report.

The copious amounts of data generated from the qualitative methods of data collected are analyzed using a progressive data reduction technique of open, axial, and selective coding (Miles and Huberman, 1984; Yin, 2003; Ellram, 1996; Strauss and Corbin, 1990). Open coding groups case study data addressed in each research question. Axial coding makes connections among categories and summarizes issues related to diversity frames into themes. Selective coding integrates the research findings into a framework that provides insights into an overall theory of SDI. Validity and reliability are addressed throughout the entire study by using multiple sources of evidence, having key informants review the draft case study reports, conducting pattern-matching and explanation building, and using the case study research protocol. During the process, I
anticipate discovering critical elements that shape organizational changes associated with the implementation and adoption of SDI.

Assumptions and Biases

There are several assumptions and biases influencing this study. The theory-based assumptions include: (a) organizational buying behavior (OBB) of purchasing personnel is explained using socio-cognitive theory; (b) OBB needs to be examined in light of the social-contextual milieu in which it occurs; and (c) diversity frames guide OBB, and the social world influences what is valued. Assumptions related to qualitative research data collection methods are: (a) interviewees’ perspectives are meaningful, knowable, and can be made explicit; their perspectives affect the success of the project, (b) the observed buying behaviors are typical, and (c) documentations and artifacts are complete, accurate, and authentic (Westat, 2002).

There are two fundamental biases. A characteristic of qualitative research is that the researcher is the primary instrument for data collection and data analysis, (Merriam, 2002), there is inherent bias in the human instrument. However, since understanding buyers’ actions towards MWDBE spend is the goal of this research, there are also advantages of using the human instrument for collecting and analyzing data. As the researcher, I am able to be immediately responsive and adaptive; expand my understanding through nonverbal, as well as verbal communication; process information (data) immediately, clarify and summarize material; check with respondents for accuracy of interpretation; and explore unusual or unanticipated responses. Merriam (2002) stated that the human instrument is not without its shortcomings which might have an impact on the study; nonetheless, rather than attempting to eliminate these biases or subjec-
activities, it is important to identify and monitor them as to how they may be shaping the collection and interpretation of data.

The other bias is towards using qualitative methods. Given that research in SDI is in its embryonic stage and that a lack of empirical research exists, the reliability and validity of the literature published has yet to be tested. Quantitative methods have been inadequate in explaining the variation and in guiding the understanding of SDI. Denzin and Lincoln (2000) posited that one must first gain an understanding of the world of lived experience form the viewpoint of those who live it, and then theory will be generated through inductive reasoning. Not until there is a grounded understanding of the variables, definitions, or propositions that research should consider hypothetical, deductive evaluations.

Research Question and Proposition

“How” and “Why” Buyers Buy?

Although the role of organizational change in affecting buyer’s performance has been well documented, no study could be found on the process involved in promoting awareness, acceptance, and institutionalization of supplier diversity initiatives. To gain an understanding on the locus of organization buying behavior in the context of MWDBE spend and get to the crux of their actions, I address this issue with the simplest of questions. “How buyers’ buy?” and “Why buyers’ buy?” Expanding on these two basic questions, I ask what the influences on buyers’ behavior are. How do they make sense of diversity initiatives? What knowledge, expectations, and assumptions do they have regarding diversity policy? What SDI features do they consider the most salient? What processes do they use in their decision-making? What changes do they perceive in
themselves as a result of the implementation adoption of supplier diversity policy?

Through these queries, I hope to offer suggestions as to how hospitality organizations determine their readiness and organize themselves to ensure optimal value from their supplier diversity initiatives.

While cursory observations into this query may submit a linear progression from the implementation of the policy to the adoption of the initiative, a more probing examination may entail a complex web of interactions between macro-level and micro-level factors influencing the CPP decision-making process. In addition to the political, economical, social, and technological (PEST) forces of today’s business environment, and buying criteria—price, technical and production capabilities, quality specification, delivery schedules, past performance, and warranty—buyers must balance interactions among the initiators of the policy, the within buying group and the between buying group members, the corporate environment, and their own assumptions, beliefs, norms, experiences, expectations, and knowledge. Probing into these frames of reference may provide insight into the buyers’ roles and of the constraining and facilitating factors that affected their ability to integrate MWDBE spend into their procurement practices.

Propositions

My interest in studying the implementation and adoption of SDI is to investigate whether and how the adoption of SDI changes the nature of work and the pattern of social interactions, and with what intended and unintended consequences. The two organizational elements (1) buyer’s cognitions or mental models about diversity and their work and (2) the structural properties of the organization such as buying centers
and the policies, norms, and reward systems existing within them, seem especially relevant in influencing the adoption of SDI. Hence, I propose that:

P1. Where congruent diversity frames exist, organizations are not likely to experience difficulties and conflicts around the implementation and adoption of SDI.

P2. Where buyer's mental models do not understand or appreciate the collaborative nature of diversity, such initiatives will be interpreted and used as if they were practices that are more familiar.

P3. Where the premises underlying SDI (shared effort, cooperation, collaboration) are counter-cultural to an organization's structural properties (competitive and individualistic culture, rigid hierarchy, etc.) SDI will be unlikely to facilitate collective use and value.

P4. Conversely, where the structural properties do support shared effort, cooperation, and collaboration, it is likely that SDI will be adopted.

Limitations and Delimitations

Research Limitations

Although extensive analyses and validity and reliability assessments are done with the case study data, there are several limitations of the research. The first limitation of this qualitative case study is using only one corporation to investigate the phenomenon. Given that the site itself limits the transferability of its findings, this study makes no claims of generalizability. However, studying a corporation with multiple operations of similar core policies, mission and values, in addition to having a cultural orientation towards diversity and strategic commitment to inclusion reduces the number of extraneous variables.
The second limiting factor is the temporal issue of not having a full-time presence to observe the buying firm members in situ. Since I, as the researcher, am the observer, critical incidents may be missed.

Another research limitation is the access to and assessment of financial data in a non-aggregate form. The confidentiality of proprietary data limits the comparison of MWDBE spent over time, both within and between buying centers.

The fourth limitation is the inability to conduct case comparison between hotel-casinos. This is due to the uniqueness of the initiative in this segment of the hospitality industry. Additional insights into SDI and its management may be obtained in future research by examining different industries, such as the supplier diversity implementation and adoption with other service-oriented firms, as well as other entertainment–hotel–casinos as they develop and employ their own diversity policy.

A limitation lies in the informants, not only in the selection of the purposeful sample, but also in the informant’s compliance to provide accurate accounts of their performance. Finally, qualitative studies are subjective and therefore expose to alternative interpretations (Patton, 1990).

Research Delimitation

This study does not look at diversity policy as an entity in and of itself. It seeks to look at OBB towards SDI and the organization members’ decisions that lead to MWDBE spend. This study researches only the buyers in the case organization. Their influencers, who represent those organization members associated with the buying center, are not included in this study. They include the requisitioners and users of the products; MWDBE and non-minority supplier; organization members external to the
procurement function; and external supporters of MWDBE programs. By dint of their association, organizational stakeholders' contributions are recognized; yet, their exclusion from the actual study may obscure some mitigating factors that influence results.

Relevance for Hospitality Industry

Why are supplier diversity programs important? What significance do they hold with the hospitality industry? In addition to the “sense of fairness” proclaimed by many corporations, there are two basic motivations. The first involves its numerical component. Shifting demographics are changing customer profiles. Ethnic minorities and women represent the most changed segments regarding increased buying power. These emergent markets are said to be loyal and supportive to those who support them and their communities. Therefore, capturing these untapped markets can have significant economic impact and perceived benefit generated from the potential increase in revenue and goodwill.

Diversity programs are also important for legal and taxation matters. In some municipality, state, or other designated governing jurisdiction, operating licenses are issued with compliance clauses specifying that a portion of a firm’s procurement dollars must be allotted for MWDBE spend. In certain jurisdictions, tax incentives are provided to corporations that engage in commerce with underrepresented vendors. For those firms awarded government contracts, mandates to allocate a percentage of the contract to an underrepresented business enterprise are enforced. They are held accountable for reporting to the appropriate governmental agency on the amounts awarded to minority-
owned, women-owned, or small disadvantaged businesses. Another numerical component, and one with greater.

Another motivation involves the idea of inclusiveness. It is important for organizations to encourage and support diversity behavior so that all organization members, including those with diverse backgrounds, are valued, challenged, acknowledged, and rewarded. Such behavior is said to manifest in increasingly higher levels of fulfillment and productivity (Rosenzweig, 1998).

Ultimately, the results of the research will include an initial understanding of organizational buying behavior regarding the implementation and adoption practices from the buyers’ perspective. Using a socio-cognitive approach to study supplier diversity may provide some guidance as to the most appropriate management strategies for developing and implementing diversity programs in the hospitality supply chain. It may also provide insights into buyers’ diversity frames, thus practices and processes can be tailored to specific procurement situations. These actions can reduce uncertainties and lead to improved MWDBE spend. Organizations may then understand and, subsequently allocate dollars towards the implementation of appropriate strategies for designing, managing, and measuring effective supplier diversity programs.

This chapter introduces this dissertation with an overview and the aim of the study. Chapter 2 provides how the study evolved. For the benefit of readers, several key terms used in this dissertation are defined in the following section.
Definitions of Supplier Diversity Terminology

The following provides descriptions of some of the terms and acronyms frequently used when discussing supplier diversity initiatives.

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
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<tbody>
<tr>
<td>Affirmative Action</td>
<td>A positive action designed to eliminate the effects of past discrimination (vs. diversity programs which recognize that a shift in the demographic).</td>
</tr>
<tr>
<td>Bid Preference</td>
<td>Policies that allow a minority firm to bid a certain percentage higher than a non-targeted firm and still be considered the lowest bidder</td>
</tr>
<tr>
<td>Business Imperative</td>
<td>Issue considered as vital to the growth and development of the organization.</td>
</tr>
<tr>
<td>Certified MWDBE</td>
<td>Identified as bona fide minority-owned, woman-owned, and disadvantaged businesses by a certifying organization that sets stringent standards to assure legitimacy. Certification also aids buying organizations to report expenditures, as well as vendor utilization rates. These are measures of performance and progress in evaluating a minority supplier development program.</td>
</tr>
<tr>
<td>Certifying Organizations</td>
<td>Agencies that provide MWDBE certification. Three of the more recognized organizations are:</td>
</tr>
<tr>
<td></td>
<td>-- National Minority Supplier Development Council (NMSDC) certifies minority-owned businesses (male and female) through its regional purchasing councils.</td>
</tr>
<tr>
<td></td>
<td>-- Women’s Business Enterprise National Council (WBENC)</td>
</tr>
</tbody>
</table>
certifies women-owned businesses (all ethnicities).

-Women's Business Ownership Corporation (WBOC)
certifies women-owned businesses (all ethnicities).

| Disadvantaged Business Enterprise (DBE) | Usually refers to a business concern that is at least 51 percent minority ownership, sometimes includes disabled and residents of economically depressed areas; depending on governing legislation, may or may not include white women. Five federal agencies do include non-minority women as part of their DBE definition: Department of Transportation, Department of Energy, NASA, RTC (Resolution Trust Corporation) and USAID (Agency for International Development.) |
| Diversity | Differences among people with respect to age, class, ethnicity, gender, physical and mentally ability, race, sexual orientation, spiritual practice, and any other human difference. Diversity is inclusive of the similarities and differences of all individuals, organizations, and suppliers, as well as the ways to address the opportunities and challenges that arise from those differences and similarities. For the purposes of this study, diversity is defined as all suppliers who wish to do business as underrepresented vendors must be certified minority-owned, woman-owned, or disadvantaged business enterprises. |
| Inclusiveness | Providing equal opportunities in the procurement process, regardless of race, gender, or other human differences; equal access. |
In-reach The term coined to go with outreach, describes the process of reaching inside the organization to train, educate, and indoctrinate those on whom business diversity initiatives depends for its success. In-reach is the program’s internal marketing function. In-reach activities consist of training and motivational activities for both purchasing and using department staff.

Maverick Spend Off-contract and non-preferred supplier spend.

MBE Classifications Minority persons, male and female, as defined according to the United State Census Bureau, include the following:

- **African Americans**: U.S. citizens or lawfully admitted permanent residents having an origin in any of the black racial groups of Africa.

- **Hispanic Americans**: U.S. citizens or lawfully admitted permanent residents of Mexican, Puerto Rican, Cuban, Central or South American, or other Spanish or Portuguese cultures or origins

- **Asian Americans**: U.S. citizens or lawfully admitted permanent residents who originate from the Far East, Southeast Asia, the Indian subcontinent, or the Pacific Islands.

- **Native Americans**: U.S. citizens or lawfully admitted permanent residents who originate from any of the original peoples of North America and who maintain cultural
identification through tribal affiliation or community recognition.

<table>
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<tr>
<th>Minority</th>
<th>Term used to represent the combined population of people who are Black, American Indian, Eskimo, Aleut, Asian, Pacific Islander, or of Hispanic origin (who may be of any race). Equivalently, the minority population comprises all people other than non-Hispanic Whites (who are termed the “non-Minority”).</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minority-owned Business Enterprise (MBE)</td>
<td>A company that is at least 51 percent owned, managed, and controlled by one or more minority persons. This can include a publicly owned business that has at least 51 percent of its stock unconditionally owned by one or more minority persons and whose management and daily business is controlled by one or more such individuals.</td>
</tr>
<tr>
<td>MWDBE</td>
<td>The collective group of minority-owned (MBE), woman-owned (WBE), disadvantaged (DBE) business enterprises that are historically underrepresented in commerce.</td>
</tr>
<tr>
<td>Outreach</td>
<td>The term used to describe the actions of reaching out into the community to identify qualified targeted firms and encourage them to become part of the institution’s supplier base. Outreach is the business diversity initiatives’ external marketing function.</td>
</tr>
<tr>
<td>Set-asides</td>
<td>Policies that set aside and reserve a certain percentage of awards for minority firms.</td>
</tr>
<tr>
<td>Social Responsibility</td>
<td>A framework of measurable corporate policies and procedures and resulting behavior designed to benefit the workplace and, by</td>
</tr>
</tbody>
</table>
Strategic Sourcing

An organized and collaborative approach to leveraging targeted spend across locations with select suppliers that are best suited to create knowledge and value in the customer-supplier interface; the decision-making process developed for reducing supplier spend, managing risk, complying with industry regulations, and selecting vendors with whom to do business and how much business.

Supplier Spend

The allocation of a company’s monetary resources for the procurement of goods and services required by the firm to operate as a going concern.

Supplier Diversity Initiative (SDI)

An organization's effort to increase the market opportunities for MWDBE that supply goods and services to the firm.

Woman-owned Business Enterprise (WBE)

A company that is at least 51 percent owned, managed, and controlled by one or more non-minority women. This can include a publicly owned business that has at least 51 percent of its stock unconditionally owned by one or more females and whose management and daily business is controlled by one or more such individuals.
CHAPTER 2

EVOLUTION OF THE STUDY

_The capacity to exercise control over the nature and quality of one's life is the essence of humanness._

— Albert Bandura, Theorist

Rationale

The horrific events on September 11, 2001, attacked the United States in a way that had never before experienced. These atrocities affected every spectrum of the country. They not only dramatically shook the psyche of the country but also spurred a downward spiral in the economy. The events of WorldCom, Tyco, and Enron followed closely behind to add insult to an already injured and vulnerable nation. Fraudulent P&L statements combined with an inordinate executive compensation lead to massive destruction of the nation’s financial markets. While the unethical behavior of these companies’ top executives shook the moral confidence of investors, the accounting improprieties by Arthur Anderson resulted in a loss of faith in accounting firms. With the passing of the Sarbanes-Oxley Act of 2002, these contemptible SEC violations triggered CEOs, CFOs and CIOs to become even more vigilant of their corporate governance. Corporate executives are finding it crucial for their organization members to have a firm understanding of the strategic corporate goals so that they hold fast to the corporate mission and ethical standards.
During the late 1990s, the economy was growing at a rapid pace; companies had room for more risky projects. However, in today’s uncertain and highly competitive economy, companies are trying to do more with fewer resources. Despite the added operational pressure and continuous streamlining efforts, major corporations remain committed to their supplier diversity mission of expanding procurement opportunities to MWDBE. Whether the reason is complying with government contractual obligations, yielding to pressure from activist groups, or being good corporate citizens, many companies continue to expend important human and financial resources.

The charge of implementing cost cutting and cost containment initiatives, as well as implementing supplier diversity initiatives, affects buying behavior by increasing risk in sourcing decisions. Some companies rationalize their position of developing closer business relationships with MWDBE based on the opinion that these relationships influence customer loyalty, resulting in an increased revenue and profit (Duffy, 2003).

To address this paradoxical phenomenon, this study explores the sensemaking behind buyers’ decision-making as it relates to MWDBE spend. The aim is to provide an understanding of sourcing behavior dynamics. It may lead to substantive theory that rationalizes buyers’ actions, reactions, and interactions when confronting decision rules, conflicts, and ambiguities relating to MWDBE spend.

This chapter provides background information on organizational buying behavior. Also presented is the discourse on supplier diversity; specifically, a contextual perspective drawing from historical, experiential, research, and theoretical views is offered.
Contextual Perspective

*Historical Context*

*Executive and Legislative Actions*

*Federal development.*

The year was 1968, a year of intense turmoil. Strident debates about the Vietnam War were sweeping across college campuses and village greens; Kennedy and King were assassinated and dozens of cities erupted in defiant race riots. This wave of rebellious events shaped the country’s political climate and dramatically affected the legislative agenda.

In reaction to the escalating civil unrest and the growing minority political power, President Lyndon Johnson signed the Civil Rights Act of 1968. Shortly after, the Small Business Administration (SBA) established a program to channel federal purchases to socially or economically disadvantaged owners of small businesses. This action is viewed as the beginning of minority business development.

During the Nixon Administration, a series of Executive Orders (Exec. Order) were passed in response to the emerging evidence that minorities were more disadvantaged in business enterprise than in almost any other aspect of economic life. Exec. Order 11458 (1969) established The U.S. Office of Minority Business Enterprises (OMBE) within the U.S. Department of Commerce to activate federal resources earmarked for aiding minority businesses. Exec. Order 11625 (1971) designated the Secretary of Commerce with the authority (a) to implement federal policy in support of minority business enterprise programs, (b) to provide technical and management assistance to disadvantaged businesses, and (c) to coordinate activities among all federal...
departments to aid in increasing minority business development. That same year, the Federal Procurement Regulations, Title 41, Public Contracts and Property Management of the Federal Procurement Regulation was amended. This action revised all federal contracts in excess of $5,000 by including a clause that encouraged contractors to utilize MBE on a best effort basis (Swearingen & Plank, 1997). Resulting from this triplet of executive actions, a number of public sector affirmative action programs emerged promoting the participation of self-employed minorities in public contracting and purchasing activities (Wainwright, 1997).

In 1974, the amended Public Law (P.L.) 93-400–The Office of Federal Procurement Policy Act, as amended, created The Office of Federal Procurement Policy (OFPP). Located it in The Office of Management and Budget (OMB), OFPP executes government-wide procurement policies "...which shall be followed by executive agencies..." in procurement activities. In 1976, Congress ratified the Local Public Works Capital Development and Investment Act (LPW), designed to reduce nationwide unemployment in the economically depressed construction industry. Emerging from LPW was the Public Works Employment Act (PWEA) of 1977, requiring a minimum of 10% of federal construction contracts be awarded to minority businesses. The Commerce Department's Economic Development Administration (EDA) acquired the primary responsibility for overseeing these “set-asides”.

In 1977, immediately after taking office, President Jimmy Carter requested The Office of Federal Procurement to revise its regulations awarding contracts, notably one revision that required prime contractors to include a plan that involved MBE and small businesses. Federal departments were also directed to double their purchases of goods
and services from MBE from $1.1 billion to $2.2 billion within a two-year period. In 1978, P.L. 95-507 was enacted, which under Section 221, directors of federal agencies were required to establish with the SBA each fiscal year, a set of realistic procurement goals on contract reserves for minority businesses. Bidders for federal contracts, in excess of $500,000 for goods and services and $1,000,000 for construction, were mandated to submit a plan that included percentage goals and the utilization of minority businesses prior to the contract award date. President Carter issued Exec. Order 12138 (1979) which created a National Women's Business Enterprise Policy, requiring each federal government agency to take affirmative action to support WBE. These Exec. Orders and P.L.'s were a catalyst for steadily increasing and strengthening minority and women business development by setting in motion the set-aside requirements.

In December 1982, President Ronald Reagan endorsed the Minority Business Development Agency established in 1969 as The Office of Minority Business Enterprise and renamed in 1977. Mr. Reagan pledged that his administration would support the creation of 60,000 minority businesses and the expansion of 60,000 existing firms over the next decade. He also promised to provide these firms approximately $1.5 billion in credit assistance and $300 million in management and technical assistance (Heiman, 1983). President Reagan signed Exec. Order 12432 (1983) which directed all federal agency with substantial procurement or grant-making authority, to develop specific goal-oriented plans to increase MBE spend. The Federal Acquisition Streamlining Act of 1984 established 5% increase goal for small and disadvantaged businesses and 5% increase goal for women-owned businesses. The Appropriation Bill of 1987, Section 1207, the Department of Defense required 5% increase in contracts and subcontracts.
awarded to small and disadvantaged minority businesses during a two year period ranging from 1987 through 1989 (Hartmann, 1988).

In 1988, President George H. W. Bush proposed a presidential order that would end all affirmative action programs and hiring guidelines. Later, Congress enacted P. L. 100-656, the Business Opportunity Development Reform Act of 1988, which created The Commission on Minority Business Development and charged it with reviewing the operations of all Federal programs that promoted the development of minority business. In 1991, The Commission issued a final report, which presented its findings on capital, subcontracting, certification, entrepreneurial development, international trade, and perception regarding minority businesses. It recommended that an additional assessment be made by an independent body (U.S. Department of Commerce, 1992). During this period, Congress enacted P.L. 100-535 to address similar issues on women’s business interests.

In 1994, President Bill Clinton signed House Bill 4263 that became P.L. 103-355. This law raised contracts reserves designated for small businesses that reporting revenue of under $25,000 to enterprises with revenue up to $100,000. An increased to $2 billion per annum, allocated to meet a 5% minority contracting, only applied to contracts with the Department of Defense, not civilian agencies. This law also specified that a 10% price differential could be appropriated to increase MBE spend.

In 1995, Mr. Clinton upheld his position on affirmative action by announcing his Administration’s policy of "mend it, don’t end it." In 1997, the U.S. House Judiciary Committee voted 17-9, on a bipartisan basis, to defeat legislation aimed at dismantling federal affirmative action programs. In his continued support of affirmative action, Mr.
Clinton signed P.L. 106-50—The Veterans Entrepreneurship and Small Business Development Act of 1999, which provided financial assistance to service-disabled veterans.

Today, with approximately eight million small businesses in the United States employing more than half of the country's workforce, the current Administration recognizes that supporting America's small and disadvantaged businesses is critical to ensuring continued job creation and stability. Accordingly, President George W. Bush made tax relief for America's small business a key component of his economic program; as a result, twenty-five million small businesses will receive tax benefits ranging to $75 billion in the year 2004.

*State and local municipalities developments.*

State and local governments implemented MBE contracting programs, which were usually less formal and more loosely structured than federal programs. While federal programs efforts were to assist fledgling businesses to a point where they could compete in the mainstream, the general intent of the state and local programs was to qualify for federal grants. The state and local programs were directed exclusively toward minority-owned businesses or to all small businesses alike to report the increased dollar amount of contracts awarded to already competitive minority-owned businesses (Anderson, 1995). LaNoue (1992) alleged the covert actions of state and local programs when he stated,

Nearly uniform in group coverage, the programs varied in their methods. Some emphasized race-neutral techniques such as training, funding, and bonding opportunities, improved publicity about contracts and smaller subcontracts to
facilitate competition. Other programs began with set-asides or phased them in when race-neutral methods seemed ineffective or politically unsatisfactory (p. 12).

Anderson (1995) said that regardless of the approach used, most state and local programs generally included some combination of the following:

- quota, goal, or set-aside percentage
- identification of the groups of people included under the provisions of the program
- requirement that offerors must submit a subcontracting plan to the procurement authority that outlines the plans of the offeror to include minority businesses in the performance of the contract
- requirement that the subcontracting plan be a part of the contract submitted by the offeror
- waiver and exemption provision that delineates the conditions under which the program's stipulations will be forgiven
- geographical limitations if any
- certification procedure for minority business enterprises that makes them eligible to participate in the program
- identification of sanctions for offerors that do not comply with the goals of the program
- compliance monitoring mechanisms.

In the landmark Croson case, the Supreme Court decision addressed the legality of state and local programs, based on 14th Amendment equal protection rights (Anderson, 1995).
Judicial Actions

In the 1970s and 1980s, programs promoting and assisting businesses owned by women and certain minority group members proliferated at every level of government. During this period, these programs remained relatively uncontroversial and virtually unstudied. The Supreme Court opinions were favorable towards affirmative action policies. Case in point, *Fullilove v. Klutznick*, (1980), the Court ruled that Congress has the power to require federal funded state and local construction projects to reserve 10% of these resources to purchase goods or services from minority business enterprises, in order to remedy past societal discrimination.

As the composition of the justices evolved into a more conservative position, the Supreme Court acquired a different stance on affirmative action. In *City of Richmond v. J. A. Croson Co.* (1989), the Court struck down Richmond's minority contracting program and constitutionally legitimized the concept of “reverse discrimination.” In this case, the “strict scrutiny” standard for equal protection analysis of all affirmative action cases was instituted. The language stated that racially based business affirmative action programs established without *prior findings of discrimination* and "narrow tailoring" as to the specific identity of targeted businesses were unconstitutional. The ruling invalidated the inclusion of racial classifications in local public contracting programs unless they were used as temporary, narrowly tailored remedies for identified discrimination. Resulting from this decision, minority business programs, particularly those featuring set-asides and bid preferences, have become subject to constitutional scrutiny and conformance. The heightened evidential and procedural requirements,
imposed by the Supreme Court, limit the ability of the states and local municipalities to promote the development of minority businesses.

The *Croson* case provoked a flurry of litigation across the country. Case in point, is *Adarand Constructors, Inc. v. Pena* (1995) litigation on the "subcontractor compensation clauses" in federal agency contracts. These clauses routinely express that a general or prime contractor receive additional compensation for hiring subcontractors certified as small businesses owned and controlled by "socially and economically disadvantaged individuals." Based on the grounds of Fourteenth Amendment violation of Equal Protection Clause, the Count overturned the earlier *Fullilove v. Klutznick* (1980) decision, which used race-based presumptions in favor of some minorities in determining which individuals were so disadvantaged. It also extended strict equal protection scrutiny to what may be viewed as racial preferences in the government business contracting. This case and similar litigations have redefined the limits of using racial classifications in a multitude of public policy areas. As a result, many of minority business programs have converted to disadvantaged or small business programs (Cavinato & Kauffman, 2000; Monczka, Trent, & Handfield, 2002).

As government programs scale back racial-preference initiatives and eliminate set-asides, Corporate America is refocusing on opportunities that were previously overlooked and redirecting many purchasing departments to implement "minority-owned" business initiatives designed specifically to increase the amount of spend from these MBE (Dollinger & Daily, 1989; Pearson, et al., 1993). Viewed by some as "corporate do-goodism," nonetheless, these programs are becoming an entrenched, specialized part of the sourcing strategy of many companies. Diversity management is
gradually shifting from being the socially “correct thing to do” to the fiscally “responsible thing to do” (Purchasing, 1995). Yet, in many circumstances, attempts to meet federal requirements and voluntary efforts to aid in the economic development of minority, women, and small businesses have ended in disappointment and frustration for both parties (Bates, 1985; Dollinger & Daily, 1989; Pearson et al., 1993; Spratlen, 1978). Emphasizing the need for minority supplier purchasing programs to be managed carefully and strategically.

**Experiential Context**

**Performance Benchmarking**

The motivation for researching this topic stems from my work experience with an organization that provided application software technology for business-to-business (B2B) marketplaces. I established a relationship with a hospitality organization, which incorporated private marketplace solutions with supplier diversity functionality, into their buying firm’s electronic procurement (e-Procurement) system. During this period, I developed a teaching case study (Santos, 2001) and generated data that laid the groundwork for this dissertation research. I planned to conduct a benchmark study on buyer and minority supplier relationship via Internet exchange. A common practice in supply management, benchmarking is a means to measure how an organization is performing in comparison to other organizations. The assessment of these metrics provides organizations with indicators they might use in their continuous improvement efforts. It also presents supply managers a view of the common or best practices of others and allows them to gauge where they stand and where they might want to be. It is closely associated with numbers that offer supply managers a glimpse at how their
organizations “measure up” to others (Siegfried, 2004). I wanted to create such a common denominator by which other firms within the hospitality industry could use as the standard measure for supplier diversity programs.

Since diversity management is relatively new to hospitality, I turned to other industries with established programs that had achieved world-class status on supplier diversity. The knowledge gained from these industries would facilitate in developing a strategic sourcing baseline for supplier diversity in hotel-casinos. To become familiar with best practices and SDI benchmarks, I studied these firms’ specific tactics and the strategies they employed. Additionally, I became an active member of the Institute of Supply Management (ISM). This organization, previously known as the National Association of Purchasing Managers (NAPM), provides valuable resources on issues related to sourcing management. I also attended professional conferences, seminars, and symposiums on supply chain management and met the industry leaders in supplier diversity. These individuals represented some of the most influential corporations ranging from aerospace, automotive, consulting, IT, and telecom. I presented papers on supplier diversity in the hospitality industry at the North American Research/Teaching Symposium on Purchasing and Supply Chain Management. These experiences heightened my interests in strategic sourcing, electronic commerce, and supplier diversity management; they provided the impetus for this research.

*Strategic Sourcing*

Sourcing, also called purchasing or procurement, is the entire set of business processes by which companies acquire raw materials, components, goods, services, and other resources from suppliers to execute their operations. Strategic sourcing is “an
organized and collaborative approach to leveraging targeted spend across locations with select suppliers that are best suited to create knowledge and value in the customer-supplier interface" (Resources Connection, 2002). When the organization’s requirements are aligned with the supply market, the effectiveness and efficiencies in the sourcing process and structure are maximized. The buying firm realizes a reduction in total costs of purchased materials, goods, and services, and consequently maintains or improves levels of quality, service, and technology (A.T. Kearney, 2004). Moreover, the relationships built with suppliers focus on information sharing, thus leading to a united sense of fair competition. A.T. Kearney applies the following guiding principles when working on strategic sourcing consulting projects (2004).

1. Define the total value of the relationship between supplier and buyer.

2. Develop solutions based on a deep understanding of the supplier’s economics, business dynamics and industry trends.

3. Utilize differentiated buying tactics in order to optimize the economic relationship to both the buyer and supplier.

4. Embed changes in the organization so not only a near-term, measurable performance improvement is achieved, but also the ability to continuously improve.

Just a decade ago, purchasing managers strived to have an impact within their organizations. Senior executives didn’t view the purchasing function as strategic and other organization members considered buyers as tactical negotiations and keepers of contract terms and conditions. Purchasing managers digressed into a procedural,
bureaucratic role of tracking requisitions and approval, becoming a complacent liaison between the requisitioners and the suppliers (Slaight, 2004).

Organizations operating in today’s hypercompetitive environments and dealing with a relative high degree of uncertainty, cannot allow purchasing to be managed in isolation from the other elements of their overall business systems. In the oft-cited article, *Purchasing must become supply management*, Kraljic stated that to become supply management, greater integration, stronger cross-functional relations, and more top-management participation are essential, and that buying firms must minimize their supply vulnerabilities and make the most of their potential buying power (Kraljic, 1983).

According to him, the four-stages that organizations undergo to formulate sourcing strategies are:

1. **Classification** - classify all its purchases in terms of profit impact and supply risk.
2. **Market Analysis** - analyze the supply market for materials.
3. **Strategic Positioning** - determine overall strategic supply position.

This approach is used for “collecting marketing and corporate data, forecasting future supply scenarios, identifying available purchasing options, as well as for developing individual supply strategies for critical products,” (Kraljic, 1983, p. 112). In Exhibit 1, Kraljic presented a 2X2 matrix, to define strategic sourcing positions based on the importance of purchasing (value) and the complexity of supply market (risk). An organization can extract key information based on its strategic sourcing position and apply it to analyze its strengths and weaknesses, assess areas of threats and
opportunities, and then develop strategies and counterstrategies vis-à-vis key suppliers (Kraljic, 1983).

<table>
<thead>
<tr>
<th>Complexity of supply market</th>
<th>I Purchasing management</th>
<th>III Sourcing management</th>
<th>IV Strategic management</th>
</tr>
</thead>
<tbody>
<tr>
<td>Procurement focus</td>
<td>Non-critical items</td>
<td>Bottleneck items (e.g., electronic parts, outside services)</td>
<td>Procurement focus Strategic items (e.g., scarce metals, high-value components)</td>
</tr>
<tr>
<td>Key performance criteria</td>
<td>Functional efficiency</td>
<td>Cost management and reliable short-term sourcing</td>
<td>Time horizon Variable, depending on availability vs. short-term flexibility trade-offs</td>
</tr>
<tr>
<td>Typical sources</td>
<td>Established local suppliers</td>
<td>Global, predominantly new suppliers with new technology</td>
<td>Item purchased Mainly specified materials and reliable short-term sourcing</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Supply Production-based scarcity</td>
</tr>
<tr>
<td>Time horizon</td>
<td>Limited, normally 12 months of less</td>
<td>Variable, depending on availability vs. short-term flexibility trade-offs</td>
<td>Decision Authority Decentralized but centrally coordinated</td>
</tr>
<tr>
<td>Item purchased</td>
<td>MRO, commodities, some specified materials</td>
<td>Item purchased Mainly specified materials and reliable short-term sourcing</td>
<td></td>
</tr>
<tr>
<td>Key performance criteria</td>
<td>Long-term availability</td>
<td>Key performance criteria</td>
<td>Long-term availability</td>
</tr>
<tr>
<td>Typical sources</td>
<td>Established local suppliers</td>
<td>Typical sources Established global suppliers</td>
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<td></td>
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<td></td>
<td>Supply Natural scarcity</td>
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<td>Decision Authority Centralized</td>
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</tbody>
</table>

Figure 1. Stages of Purchasing Sophistication.¹


A.T. Kearney developed a seven-step approach to strategic sourcing (Slaight, 2004). It extends the Kraljic model by focusing on a continuous improvement process.
through (a) measure and report, (b) capture earnings, and (c) ensure compliance. The object is to foster buyer-supplier relationships, as opposed to exercising exploitive tactics employed in earlier models. Dolan and Fedele (2004) of The Gillette Company and Brichi and Massih, (2004) of ChevronTexaco used an adaptation of the A.T. Kearney's Model in developing their supply diversity programs (Figure 2). In their versions of the model, benchmarking appears as the last step in the strategic sourcing process—the step that was of interest to me. Hence, I proposed using a similar model in my benchmarking study on supplier diversity.

Figure 2. The 7-Step Strategic Sourcing Process.²


The essence of performance, metric-based benchmarking is measurement. Herein lies the dilemma. Indicators used by hotel-casinos are based on statements that are not quantifiable. The industry defines diversity in terms of equal access to opportunities; nonfinancial performance measures are used to describe industry successes.
Having no such hard data, I had to revise my research plan. I revisited the strategic souring model and delved deeper into the literature. The dearth of research on supplier diversity strategic sourcing signified that I must commence this study with step one—profiling the sourcing group. The purpose in profiling is to gain a clear understanding of both internal spend and external market. Current literature and economic indicators provided information on external conditions, yet lacked situational details on internal spend. In the tradition of naturalistic inquiry, I must “go into the field” to investigate not only the process and structure of the purchasing function, but also buyers knowledge, assumptions, and expectations regarding diversity spend.

Research Context

An abundance of literature infused with information on diversity policy and programs exists. However, the vast majority of these publications was primarily anecdotal, and at best, conceptual. The paucity of empirical research on diversity management was evident and the relatively few papers that were published focused on workforce diversity. Only a modicum of journal articles examined supplier diversity. This virtually unstudied phenomenon indicated to me that there existed a need for supplier diversity management theory.

One of the few studies on minority business enterprises was by Giunipero (1980). His pioneering work explored the factors that contribute to building successful corporate minority business programs. Based on the findings, he indicated that a formal policy statement on the company support of MBE program should be communicated throughout the organization and that personnel should be knowledgeable on purchasing procedures for inclusion. Supplier diversity programs could further be reinforced by a
commitment to specify goals for MBE spend, training programs for personnel, and the
development of long-range plans to increase corporate purchasing goals (Giunipero, 1980).

Dollinger and Daily (1989) investigated the relationships between buyers and suppliers from minority businesses based upon the administrative costs of doing business, also known as transaction costs. They examined how these suppliers and purchasing personnel identified impediments that contribute to either the success or failure of these programs. A ranking of perceived business values revealed that minority businesses are challenged with a higher set of transaction costs. Explanations for this fact were corporate bureaucracy, performance standards, opportunistic behavior, perceived hostility from the corporate purchasing personnel, and business uncertainty. The findings indicated that transaction cost could be lowered by improving communication with minority vendors, implementing an internal corporate monitoring process, distributing information regarding corporate purchasing procedures, and offering financial, technical, and managerial advice. These researchers also discovered that at the corporate level, individuals responsible for the implementation [and adoption] of supplier diversity programs were less supportive in developing minority business than their corporate counterparts. They proposed that these individuals might face higher transaction costs because of the difficulty in finding qualified minority suppliers. The authors suggested that these programs could be improved by reducing transaction costs, simplifying corporate bureaucracy, improving negotiation processes, communication, and payment schedules (Dollinger & Daily, 1989).

The Center for Advanced Purchasing Studies (CAPS), the research arm for ISM, initiated a similar investigation on relationships between CPP and women-owned

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businesses. The results suggested that certain variables exist which inhibit the exchange process between women-owned businesses and corporate buyers. These variables include undercapitalization, a hostile corporate environment, a lack of communication between the firms, higher transaction costs for WBE, and the inability to supply the necessary materials. The findings also indicated that CPP's lack of confidence in the business enterprise's ability to provide technical and managerial support. In contrast, there was a perception by the WBE that sourcing personnel are unaccommodating in scheduling meetings to discuss the firm's ability to supply products or services. The researchers recommended that organizations should assume a more proactive role of social responsibility towards these businesses. These programs could be improved by establishing training and educational programs, creating certification guidelines, disclosing bidding awards, and furnishing a list of materials with supply procedures. (Ketchum, Olson, Campbell, & Aquayo, 1990).

Enz, Dollinger and Daily (1990) examined the role of value orientations and its influence on the exchange relationship between minority suppliers, non-minority businesses, and corporate buyers. Their study compared minority and non-minority businesses' organizational values and examined value similarity between the minority and non-minority businesses, as well as the corporate customers. The six categories of organizational values under investigation included: collectivism, duty, rationality, novelty, materialism, and power. Based on a sample of 252 small businesses, the findings revealed a difference in value orientations held by minority and non-minority owned businesses. The results also indicated that minority firms shared value similarity with their corporate customer. Thus,
value similarity should provide an added advantage in enhancing these exchange relationships (Enz, et al., 1990).

Lowry (1992) discussed the internal and external environmental factors that MBE may encounter. He theorized that the different perceptions of environmental factors that often affect the MBE and CPP are due to communication barriers. He further stated that the two parties could improve communications and strengthen relationships using focus groups, supplier training, articulation of procurement goals, and initiation of joint ventures (Lowry, 1992).

Louvering (1992) applied the "Minority Business Opportunities for Purchasers and Supplies" model (MIBOP) he developed to formulate a program that combined cooperation, professional skills, communications, and ‘feelings of trust’ between the corporate firm and the minority supplier. In this MIBOP model, the liaison officer provided a bridge between management, organizational functions, buyers, and suppliers (Louvering, 1992).

Pearson, Fawcett, and Cooper (1993), studied the barriers that inhibit the formation of strong distribution channel relationships with MBE and the different approaches used to overcome these challenges. The study found that the CPP and the MBE generally agreed on the approaches to building better relationships and both groups believed that MBE must become more proactive and involved. Yet, CPP acknowledged that satisfaction of set-aside goals was a negative factor. They noted these mandated statistics put an extra burden on them to meet corporate goals, rather than building long-term relationships. Additionally, there was disagreement on the barriers that adversely affect the buyer/supplier relationships; MBE perceived the majority of the barriers at higher levels than CPP. The results denoted that despite the tendency to blame the other group for the
historic lack of cooperation, CPP and MBE believe that both sides must change their practices to overcome existing barriers. Recommendations from the study included (a) easing of pressure by management to meet set-aside goals, (b) sharing of information between the firms, (d) providing assistance to undercapitalized firms, and (d) improving the quality of these programs. This study illustrated that CPP and MBE are making an effort to build a positive exchange relationship based upon mutual commitment and trust (Pearson, et al., 1993).

Moore (1994) presented implementation strategies for minority business programs. These included planning, identifying potential suppliers, providing educational programs, having definitive measurable standards, and establishing open communication. He stated that these programs could be measured by overall contribution to customer service, quality assurance, corporate citizenship, and profitability (Moore, 1994).

The results of a study by Auskalnis, Ketchum, and Carter (1995) indicated that top management’s commitment to diversity programs is essential and building successful minority business programs must become ingrained in the business culture. Additional success factors included appointing a corporate minority coordinator, tracking purchases, attending trade fairs, and offering business counseling services. The authors recommended that procurement goals should be included as part of the personnel performance review (Auskalnis, et al., 1995).

Upon reviewing the myriad of purchasing literature, Swearingen and Plank (1996) projected that the success of supplier diversity programs hinges on adding value to business. MBE should obtain an understanding of how buying decisions are determined, as
well as a comprehension of governmental purchasing practices (Swearingen & Plank, 1996).

Krause, Ragatz, and Hughley (1999) research objective was to ascertain supplier's relationship quality as a function of sales volume, percentage of supplier sales with the firm, and length of time doing business with the firm. Their results revealed that sales volume yielded different opinions about the positive attributes of the firm’s minority development program. Smaller MBE were less positive than larger firms in areas including communicating information, advertising bid information, and reducing the number of suppliers. Smaller suppliers were affected to a greater degree by marketplace changes. The examination of sales percentage indicated that some smaller suppliers were getting orders that were considered small. The length of the relationship was affected given that some of these small “short-termed” MBE were being considered as a second tier supplier. These findings had implications for supplier relationship quality since they illustrated that the firm must use its suppliers in a manner that conforms to its current business strategy (Krause, et al., 1999).

Carter, Auskalnis, and Ketchum (1999) used 12 case studies, a focus group, and a mail questionnaire to ascertain key factors that contribute to successful purchasing practices. They found that the most important indicator for successful SDI was top management's support. Other essential factors included communicating with the companies, maintaining a system that monitors minority purchases, and rewarding employees for their efforts in seeking out these businesses. They also discovered that neither set-aside goals, nor government influenced the success of these programs. This study is consistent with Auskalnis, et al., (1995) and Giunipero (1980), in that the results have continued to underscore the recurring theme that the

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success of these minority businesses programs is dependent upon top managerial support, not from forced goals or governmental regulation.

In my survey of the extant literature, I found that the majority of the studies centered on buyer-supplier relationships and the success factors needed in building supplier diversity programs. In addition to obtaining company-wide support as exemplified by top management’s commitment, other overarching recommendations included developing open lines of communication, sponsoring a mentoring program, developing limited partnerships, and training corporate personnel. However, to date, researchers have not explored the role sourcing personnel has in selecting a minority, woman, or small-disadvantaged supplier as the preferred vendor. In the next section, I present the theory of organizational buying behavior found in the literature on the management, psychology and sociology of organizations.

Theoretical Context

To function in today’s hypercompetitive business milieu, corporations must possess an understanding of their firms’ buying behavior. However, developing an understanding of the complexities regarding buyers’ intentions, communications, and decision-making processes may be difficult to achieve. First, it must be recognized that the organizational transactions differ from individual consumer transactions in that “normally, multiple individuals are involved; buying decision rules or standards may be applicable; and purchases occur as a result of derived demand.” (American Marketing Association, 2004). It is often a multiphase-multiperson-multidepartmental-multiobjective process. The process frequently presents purchasing personnel with a
complex set of issues and situational factors that directly or indirectly influences buying behavior (Johnston & Lewin, 1996).

Overall, organizational buying behavior (OBB) literature asserts that it is people who make sourcing decisions. It also recognizes that personal principles and beliefs play an important part in their actions. People, as buyers, do not always seek to maximize the benefits of the organization, but at times, seek to maximize benefits for themselves. To rationalize this behavior, OBB scholars refer to several psychology and social psychology theories that provide a basis for understanding the factors involved in the buyer's decision-making process.

The Psychology and Social Psychology Perspectives

Mid-range theories.

Some mid-range theories under psychology and social psychology umbrellas germane to the study of OBB include Behavior Choice Theory, Expectancy Theory, Reasoned Action Theory, Planned Behavior Theory, Role Theory, Social Cognitive Theory, Social Influence Theory, and Social Judgment Theory. While each theory has its own unique constructs that interlaces psychological and sociological factors, there are commonalities that link them together. The following presents a brief overview of each theory specifying key factors that can be used to make comparisons among them.

Behavior Choice Theory. The theory of behavior choice suggests that buyers undergo a complex process of multiple product selection alternatives to arrive at their decisions of how they will purchase goods, services, and technologies. The determinants presented in this model are self-orientation (degree of personal benefit), company
orientation (degree of company benefit), offensive strategies (maximize gain), and defensive strategies (minimize loss) (Glasser, 1998).

**Expectancy Theory.** Vroom's Expectancy Theory (1995) deals with motivation and management. He suggested that an individual's performance is based on his or her personality, skills, knowledge, experience, and abilities; his or her behavior results from conscious choices among alternatives whose purpose is to maximize pleasure and minimize pain. Individuals have different sets of goals and can be motivated if they believe that: (a) there is a positive correlation between efforts and performance, (b) favorable performance will result in a desirable reward, (c) the reward will satisfy an important need, and (d) the desire to satisfy the need is strong enough to make the effort worthwhile. The model used to determine the motivational force is:

\[
\text{Motivation} = \text{Valance} \times \text{Expectancy (Instrumentality)}
\]

where *valence* refers to the emotional orientations people hold with respect to outcomes [rewards]; *expectancy* suggest that people have different expectations and levels of confidence regarding their capabilities; and *instrumentality* is the perception that the reward fulfilled (Vroom, 1995).

**Reasoned Action Theory.** The Theory of Reasoned Action postulates that *intention* is a direct determinant of behavior. Knowing a person's intention to perform a specific behavior is difficult, hence, the theory specifies two conceptually independent factors that, interacting together, and each weighting for its relative importance, determine intention. They are (1) the compilation of the cognitive, psychological components of attitude and (2) the subjective norms of the social environment (Fishbein & Ajzen, 1975).
Planned Behavior Theory. To account for the limitations of the Theory of Reasoned Action, Ajzen added *perceived behavioral control* to the theory and named it the Theory of Planned Behavior. Perceived behavioral control is the perceived ease or difficulty of performing a behavior. Such beliefs are related to the personal perception of the presence of requisite resources or opportunities. Perceived behavioral control is developed from a culmination of an individual's experiences, second hand information about the activity to be performed, the experience of friends regarding the behavior, and self-efficacy. This model proposes that there are barriers that interfere with behavioral control. These are both intrinsic factors (e.g., skills, abilities, knowledge, and adequate planning) and extrinsic factors (e.g., time, opportunity, and cooperation of others). Buyers will make decisions depending upon their individual's skills and knowledge regarding the procurement process, as well as skills for overcoming specific barriers (Ajzen, 1988).

Role Theory. This theory maintains that people behave within a set of norms or expectations of others due to the role in which they have been placed or they place themselves. There are two key roles governing how decisions are made. Buyers make autonomous decision (decide alone) or they make them as a buying unit (group of participants decide). This theory also takes into consideration the risk factors involved in OBB. Buyers must balance the probability of an outcome and the importance or costs associated with it. In doing so, they must evaluate the financial and economic risks, the performance risks, and the social and ego risks. These risks may be reduced through information and commutation, as well as loyalty and trust.
Social Cognitive Theory. The social cognitive theory purports that there are three self-regulatory mechanisms influencing behavior. These are perceived self-efficacy for outcome attainment, outcome expectations, and personal goal setting. The social cognitive theory then conceptualizes the interaction between personal behavior and the environment, which is a result of psychosocial functioning and self-determination (i.e., cognition-determining behavior). Individuals’ beliefs of self-efficacy are internally focused and central to the buying decisions. Outcome expectations, the second self-regulatory mechanism are the material consequences, social consequences, and self-reactions (Bandura 1986).

Social Influence Theory. This theory can be conceived as a bargaining mechanism with the goal of changing others behaviors, especially when the other person’s evaluative orientation toward the item or idea is weak. Its implications suggest that one’s power of influence and persuasion can help when there is a need to move others to adopt a new attitude, belief, or action. Conversely, possessing this power can help to resist the influence attempts of others. This theory can be conceived as a bargaining mechanism with the goal of influencing behaviors, especially when the other person evaluative orientation toward the item, idea, etc., is weak (Sherif, Sherif, & Nebergall, 1965).

Social Judgment Theory. This human judgment model is used in situations that are typically in settings where cognitive conflicts exist. These conflicts occur under conditions of uncertainty when disagreement exists amongst persons trying to reach consensus. The persuasion occurs at the end of the process when a person understands a message then compares the position it advocates to the person’s position on that issue.
This is dependent on the person’s most preferred position or anchor point; judgment of the various alternatives; and level of ego-involvement with the issue (Sherif, et al., 1965).

**Organizational Buying Behavior Theory**

Drawing from the transactional bases of psychology and social psychology, the research in OBB presents various conceptual and empirically tested models used to capture the complexities of the dynamic and interactive process occurring in sourcing decisions. Correspondingly, they provide insights into the process and motivations of buyer purchases and vendor selection. Many of the recent models are built or adapted from the early works Robinson, Faris, and Wind (1967), Webster and Wind (1972) and Sheth (1973). These three works laid the conceptual foundation for the study of OBB (Johnston & Lewin, 1996).

*The three original conceptual models.*


**Robinson, Faris, and Wind (RFW) Model.** Known as the BUYGRID Model (Figure 3), RFW describe two domains of the organizational buying process: buyclasses

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and buyphases. There are three buyclasses for organizational purchases: new task purchase, modified rebuy, and straight rebuy. Within each buyclass are eight buyphases representing the sequence of activities often performed in an organizational buying situation. The buyphases are need recognition, need definition, need description, seller identification, proposal solicitation, proposal evaluation and selection, ordering procedures, and performance review. Of all the OBB models, the BUYGRID Model has been the most enduring (Hass, 1995).

<table>
<thead>
<tr>
<th>BUYCLASS</th>
<th>New Task Purchases</th>
<th>Modified Rebuy</th>
<th>Straight Rebuy</th>
</tr>
</thead>
<tbody>
<tr>
<td>BUYPHASE</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Anticipation recognition of need and a general solution</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>2. Determination of characteristics and quantity of needed item</td>
<td></td>
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</tr>
<tr>
<td>3. Description of characteristics and quantity of needed item</td>
<td></td>
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</tr>
<tr>
<td>4. Search for and qualification of potential sources</td>
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<tr>
<td>5. Acquisition and analysis of proposals</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>6. Evaluation of proposals and selection of supplier(s)</td>
<td></td>
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</tr>
<tr>
<td>7. Selection of an order routine</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8. Performance feedback and evaluation</td>
<td></td>
<td></td>
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</tbody>
</table>

Figure 3. The BUYGRID Model. Adapted from Robinson, et al., (1967)

Webster and Wind Model. Webster and Wind (1972) defined organizational buying in the following terms, “[…] organizational buying is a decision-making process carried out by individuals, in interaction with other people, and within the context of a formal organization. The organization is influenced by a variety of forces in the environment” (p. 2). Drawing from this definition, they developed a “General Model”
that presented an enclosing view of organizational behavior (Figure 4). This model enabled one to appraise the relevance of specific internal and external forces that influenced the sourcing decisions; thereby, permitted a greater understanding of the basic processes of organizational buying behavior. These factors are environmental, organizational, social/interpersonal, and individual influences. A brief discussion of each follows.

**Environmental Influences**: These include the PEST factors, which are physical (geographic, climate, and ecological), economic, social (political, legal, and cultural) and technological issues. The four distinct ways in which the PEST factors affect OBB are by: (1) defining the availability of goods and services; (2) defining the general conditions facing the buying organization; (3) determining the values and norms guiding inter organizational and interpersonal relationships between buying organization and outer organizations; and (4) influencing the information flow into the buying organization.

**Organizational Influences**: According to Leavitt’s scheme, organizations are multivariate systems composed of four sets of interacting variables: tasks, structure, technology, and actors. Tasks can be defined into five stages (identification of need, establishment of specifications, identification of alternatives, evaluation of alternatives, and selection of suppliers) and four domains (the organizational purpose, the nature of demand, the extent of programming, and the degree of decentralization). The formal organizational structure consists of subsystems of communication, authority, status, rewards, and workflow; all of which have important task and non-task domains.
Figure 4. "General Model" of Organizational Buying Behavior.  

Technology influences both what is purchased and the nature of the organizational buying process itself. Technology defines the physical plant, facilities, equipment, and information systems of the organization, and these, in turn, place significant constraints upon the alternative buying actions available to the organization.

**Social/Interpersonal Influences.** Organizational purchase decisions are usually made through a buying center. There are several roles within a buying center. These include: the *initiator* who starts the sourcing process; the *gatekeepers* who control information into and out of the buying center; the *influencers* who make recommendations; the *deciders* who make final decisions; the *controller* who controls or sets the budget controls; the *purchaser* who actually makes the purchase; and the *users* who actually use the product. Buying centers usually display one dominant power base in purchasing decisions as a consequent of their domains. For example, the number of layers of management involved (vertical domains); the number of departments involved (horizontal domains); the members who come and go (time fragmentation); the degree to which purchasing tasks and roles are defined by written documents describing policies and procedures (formalization); and the members within an organization that support using the vendor and the proposed products (champions or advocates).

Given that buying center members’ behavior reflects the influence of others’ goals and personalities, as well as leadership within the group, structure of the group, tasks performed by the group, and organizational and environmental factors, it may be beneficial to understand interpersonal interactions driven by the three aspects of role performance, which are role expectation, role behavior, and role relationship.

**Individual Influences.** The organizational buyer’s personality, perceived role set,
motivation, cognition, and learning are the basic psychological processes which affect
the individual's response to the buying situation and marketing stimuli provided by
potential vendors.

**Sheth Model.** Sheth (1973) developed an integrative model of industrial buyer
behavior to describe and explain a multitude of industrial buying decisions via an
illustration of netting of variables and relationships (Figure 5). He claimed that
organizational buying includes three main aspects: (1) the psychological world of the
individuals, (2) the determinants of joint versus autonomous decisions, and (3) the
process of joint decision making, and named the user, purchasing agent, and engineer as
the personnel who are involved in the buying process. Having different expectations,
backgrounds, types of information sources, perceptual distortions and satisfaction with
past purchases, Sheth suggested that since these individuals often decide jointly, it is
important to consider the differences of their psychological world accurately.
Accordingly, it is important to investigate the decision of joint decision-making. Sheth
(1973) stated,

This includes initiation of the decisions to buy, gathering information, evaluating
alternative suppliers, and resolving conflict among the parties who must jointly
decide. Conflicts can always appear, if decisions have to be made jointly, but they can be
healthy if the genesis of the conflict is known and a rational problem the decision
process are able to influence other members, but "bargaining and politicking are non-
rational and inefficient methods of conflict resolution; the buying organization suffers
from these conflicts" (p. 54).
Figure 5. An Integrative Model of Industrial Buyer Behavior.4


Extending the original models.

Constructed during the early stages of OB theory development, Robinson, et al. (1967), Webster and Wind (1972), and Sheth (1973), conceptual models provide the general categories of constructs expected to influence purchasing personnel's buying behavior. However, these three descriptive macromodels fail to capture all of the concepts, variables, and relationships needed to consistently predict complex sourcing behavioral outcomes (Anderson & Chambers, 1985). Upon the critical review by other scholars (Johnston, 1981; Johnston & Spekman, 1982; Wind & Thomas, 1980), a call
was made for a more structured research approach that captured the complexity of buying decisions. Since this call, additional models were added to the extant OBB literature. A synopsis of two of the more popular ones follows.

**Reward - Measurement Model.** Anderson and Chambers (1985) developed a model based on the assumption that organizational buying behavior is essentially a form of work behavior (Figure 6). This model is informed by expectancy theory by way of its system of intrinsic rewards (given to one's self) and extrinsic rewards (given by organization) used to motivate buyers. They claimed that an individual's motivation to engage in purchasing related behavior could be significantly affected by the nature of the organization's reward and measurement system. This motivation is based on the degree of value attached to reward (valence) combined with the perceived probability to obtain the reward (Anderson & Chambers, 1985).

![Figure 6. The Motivational Model.](image)

The "Risk Continuum" Model. Based on a meta-analysis of the extant OBB literature over a 25-year period, Johnston and Lewin (1996) formed their version of an integrated model on buying behavior (Figure 7). Their model of nine constructs—environmental, organizational, group, participant, purchase, seller, conflict/negotiation, informational and process or stages, broadly representing the variables found in the

Figure 7. The "Risk Continuum" Integrated Model

original three models. This continued the ideal of purchase risk as suggested by Robinson, et al. (1967), Webster and Wind (1972) and Sheth (1973). Purchase risk, which is a function of the: (a) importance of a particular purchase, (b) complexity associated with the purchase, (c) uncertainty of the purchase, and (d) need to reach a decision quickly, was augured to be the source of much of the variation in OBB. In addition to these constructs, Johnston and Lewin (1996) observed that the amount of risk could be influenced by additional factors. Their model included four new factors, which they identified as important antecedents or consequences in organizational buying behavior. Two of the emergent factors—buyer-seller relationships and communication networks, operated at the interfirm level. The other two—role stress and decision rules, operated at the intrafirm level (Johnston & Lewin, 1996).

Towards an understanding of OBB in the context of supplier diversity.

Based on my review of the extant literature, most research studies on strategic sourcing and supplier diversity are positioned from the interfirm level involving dyadic relationships between buyers and suppliers. However, to gain an understanding of OBB during the implementation and adoption SDI, I take the alternative approach using the intrafirm perspective. I borrow from the literature in information systems (IS) where implementation and adoption research is more advanced than that in hospitality.

IS researchers take into consideration the perceptions and values of designers and users as part of their investigations into the social aspects of information technology (Hirschheim & Klein 1989; Kling & Iacono 1989; Markus 1983). Citing Bostrom and Heinen (1977), many of the social problems associated with system implementation were due to designers’ conceptual framework. Dagwell and Weber (1983) and Kumar
and Bjørn-Andersen (1990) examined the influence of the values of the designers and the views of users on systems development, while Boland (1978; 1979) demonstrated that the frames of reference held by system designers influenced the type of system designed. Whereas Ginzberg (1981) studied how users' expectations of a pending information system significantly shaped their attitudes toward it.

Given that cognition and micro-level processes are essential for understanding the organizational impact of new IS technologies, OBB research might benefit from a socio-cognitive approach for examining role frames of reference plays in diversity policy implementation. This perspective may be well-suited to gain insight on CPP’s interpretations of diversity, and to understand their acceptance and adoption of SDI.

Identifying and agreeing on the requirements for implementing and the subsequent adoption of diversity programs can be characterized by ongoing sensemaking among organization’s members, and it can be chaotic, nonlinear, and continuous. Not only are there multiple stakeholders whose various ways of understanding requirements must be taken into consideration and reconciled, but their ideas may change. In this sensemaking process, CPP develop particular assumptions, expectations, and knowledge regarding the initiative, which then serve to shape subsequent actions toward it. While these interpretations are rarely brought to the surface and reflected upon, they nevertheless are influential on how buyers think about and act toward SDI (Orlikowski & Gash, 1994). By examining these taken-for-granted notions, valuable insight into how and why SDI are implemented and adopted is obtained. Using a socio-cognitive perspective, propositions aimed at generating a theory on organizational buying behavior in the context of supplier diversity are formulated. Having conceptual and methodological
frameworks to examine the interpretations that buyers develop on diversity policy should be beneficial for researchers studying the role of SDI in organizations, as well as for practitioners managing it.

The next section provides the discourse on social cognitive theory with details on the cognitive structure found among groups of individuals. The concept of diversity frames of reference and the notion of congruence to describe the nature and extent of differences among frames are presented.

Social Cognitive Theory

The underlying tenet held by researchers interested in how individuals cognitively process information and how their information processing affects behavior, decisions, and performance is based on Social Cognitive Theory (SCT) (Davidson, 2002). The premise of this theory is that reality is socially constructed through human beings’ interpretations of experience and action and their social negotiation of meaning (Bandura, 1977, 1986; Weick 1979). As illustrated in Figure 8, SCT explains human behavior in terms of triadic, dynamic, and reciprocal interaction of personal factors, behavior, and the environment (Bandura, 1977; 1986). Embedded in each of these key constructs of an individuals’ behavior is Bandura’s concept of personal agency, which Farmer (1997) describes as “the capability within each individual that gives a person a shaping influence over his or her attitudes and feelings, as well as the ability to anticipate outcomes, and to plan ahead” (p. 6). This aspect of the SCT emphasizes optimism for change for the better that is within an individual’s control (Farmer, 1997).
Although, the SCT model depicts behavior as dynamic, reciprocal interactions of the three determinants, it does not imply that all sources of influence on it are of equal strength. The SCT recognizes that some interactions are influenced by forces that are stronger than others and that these interactions may not all occur simultaneously. Also, they will differ based on (a) the individual, (b) the particular behavior being examined, and (c) the specific situation in which the behavior occurs (Bandura, 1989).

The personal factors-behavior interaction involves the bi-directional influences of a person’s thoughts, actions, and emotions on behavior. A person’s beliefs, expectations, self-perceptions, goals, and intentions give shape and direction to behavior; while, the behavior the person performs affects his or her thoughts and emotions. The SCT also accounts for biological personal factors, such as sex, ethnicity, temperament, and genetic predisposition and the influences they have on behavior (Bandura, 1977, 1986, 1989).
In the personal factors-environment interaction, human expectations, beliefs, and cognitive competencies are developed and modified by social influences and physical structures within the environment. These social influences may convey information and activate emotional reactions through such factors as modeling, instruction, and social persuasion. Additionally, the social environment may cause humans to evoke different reactions due to their physical characteristics, such as age, size, race, sex, and physical attractiveness (Bandura, 1977, 1986, 1989).

In the behavior-environment interaction, people are viewed as both products and producers of their environment. A person's behavior may determine the aspects of their environment to which they are exposed, and behavior is, in turn, modified by that environment. A person's behavior may affect the way in which he or she experiences the environment through selective attention. Humans choose persons with whom they interact and the activities in which they participate, based on learned preferences and competencies. The type of behavior, ranging from convivial to aggressive may create a collaborative or a hostile environment. Thus, behavior may determine which of the many potential environmental influences may occur, as well as which forms they develop. Whereas, the environment may determines the form of how one's behavior is developed and activated (Bandura, 1977, 1986, 1989).

Inherent within the notion of reciprocal determinism is the concept that people have the ability to influence their destiny, while at the same time recognizing that people are not entirely free agents. Humans are neither driven by inner forces nor automatically shaped and controlled by the environment. Humans function as contributors to their own motivation, behavior, and development within a network of reciprocally interacting
influences. Also, within the SCT perspective, humans are characterized in terms of five basic capabilities—symbolizing, vicarious, forethought, self-regulatory, self-reflective, which provide them with the cognitive means used in determining their behavior (Bandura, 1986; 1989).

The SCT’s strong emphasis on one’s cognitions suggests that the mind is an active force that constructs one’s reality, selectively encodes information, performs behavior on the basis of values and expectations, and imposes structure on its own actions (Jones, 1989). Through feedback and reciprocity, an individual’s own reality is formed by the interaction of the environment and one’s cognitions. In addition, cognitions change over time as a function of maturation and experience (i.e., attention span, memory, ability to form symbols, reasoning skills). It is through an understanding of the processes involved in one’s own construction of reality that enables human behavior to be understood, predicted, and changed (Bandura, 1977; 1986, 1989).

The SCT upholds the behaviorist notion that response consequences of a stimulus mediate behavior. It contends that behavior is largely regulated antecedently through cognitive processes. Therefore, response consequences of a behavior are used to form expectations of behavioral outcomes. It is the ability to form these expectations that give humans the capability to predict the outcome of their behaviors, before the behavior is performed. While the purpose of SCT is to understand and predict individual behavior, and to identify methods in which behavior can be modified or changed, its fundamental tenet is that an individual's knowledge about an informational domain is cognitively structured and reinforced through experience and interaction. Research findings suggest that these socio-cognitive structures provide templates for problem solving and
evaluation, focus attention on information consistent with existing structures while
masking inconsistent information, and filling information gaps with information that
conforms with existing knowledge structures (Fiske & Taylor, 1984; Markus & Zajonc
1985).

**Concept of cognitive frames.**

A major premise of SCT is that individuals act on the basis of their
interpretations of the world, consequently enacting particular social realities and provide
them with meaning (Weick, 1979). Cognitive scientists suggest that how individuals
make sense of and act within their milieu is tied to their cognitive frames or mental
models (Abelson 1976; Fiske & Taylor 1991). At the most basic level, a cognitive frame
is defined as an "abstract representation" of things or events (Weick, 1995). On a more
complex level, it is "a built-up repertoire of tacit knowledge that is used to impose
structure upon, and impart meaning to, otherwise ambiguous social and situational
information to facilitate understanding" (Gioia, 1986, p. 56). They are developed over
time through experience, vicarious learning, and direct communication from others
(Bandura, 1986; Fiske & Taylor 1991), and their development is path dependent. As
individuals interact with their environments and build cognitive frames, they use their
mental models to make sense of future interactions. Thus, the past shapes the template
for understanding the future (Bogner & Barr, 2000).

Furthermore, cognitive frames affect each factor of a sensemaking process (Daft
& Weick, 1984). In Galambos, Abelson, and Black’s study (as cited in Bogner & Barr,
2000), cognitive frames “influence what is noticed by making some stimuli more salient
than others; they provide rules and relationships that influence the interpretation of what
is noticed, and they suggest what actions should be taken by which individuals” (p. 213). Frames aid in the process of, "generating a clear and adequate formulation of what the problem 'is', of creating from a set of incoherent and disorderly events a coherent 'structure' within which both current actualities and further possibilities can be given an intelligible 'place' "(Shotter 1993, p. 150). When confronted with stimuli, cognitive frames enable managers to "comprehend, understand, explain, attribute, extrapolate, and predict" (Starbuck & Milliken, 1988 p. 51).

Sharing of frames.

Though essentially an individual-level concept, as suggested by SCT, researchers have posited the existence group-level cognitive structures of shared knowledge, assumptions, and expectations that function in a similar way as individual cognitive structure (Fiol, 1994; Gioia, 1989; Porac, Thomas, & Banden-Fuller, 1989). As interactions occur among a number of different individuals within a given social grouping, a set of core beliefs or commonly shared ideas and concepts begin to take on an existence of their own, independent of the individuals that created them. These "shared belief systems" make coordinated activity possible by providing a common framework for noticing and interpreting new stimuli and for coordinating appropriate action (Gilbert 1989).

The literature in organization behavior espoused the idea of shared cognitive structures. Orlikowski and Gash (1994) cited several works that conveyed this notion but using different terms, such as: “cognitive maps” (Bougon, Weick, & Binkhorst, 1977; Eden, 1992), “frames” (Goffman, 1974), “interpretive frames” (Bartunek & Moth 1987), “interpretative schemes” (Giddens, 1984), “mental models” (Argyris & Schon, 1978;
Shutz, 1970), "paradigms" (Kuhn, 1970; Sheldon, 1980), "scripts" (Abelson, 1981; Gioia, 1986), and "thought worlds" (Douglas, 1987; Dougherty, 1992). Daft and Weick (1984), Dutton and Jackson (1987), Kiesler and Sproull (1982), Orlikowski and Gash (1994), and Porac and Thomas (1990) used the shared cognitive frame concept to reflect how organization members make sense of and assign meaning to their environment, organization, and tasks. Weick (1979) stated that cognitive frames implicitly guide individuals (a) to organize and shape their interpretations of organizational phenomena, (b) to give them meaning, and (c) to take action. Extending this idea, Gioia (1986) noted that organization members construct definitions of reality that serve as vehicles for understanding and action and they express their assumptions, knowledge, and expectations symbolically through language, visual images, metaphors, and stories.

Typically operate in the background, cognitive frames have variable contextual and temporal domains that shift in salience and content, and are structured more as webs of meanings than, as linear, ordered graphs (Gioia, 1986). Shared frames also have facilitating effects when they structure organizational experience, allow interpretation of ambiguous situations, reduce uncertainty in condition of complexity and change, and provide a basis for taking action. Conversely, frames are constraining when they reinforce unreflective reliance on established assumptions and knowledge, distort information to make it fit existing cognitive structures, and inhibit creative problem solving (Gioia, 1986). Orlikowski and Gash, (1994) referred to the notion of "psychic prisons" from Bolman and Deal, who pointed out that frames can inhibit learning because people "cannot look at old problems in a new light and attack old challenges with different and more powerful tools—they cannot reframe" (Bolman & Deal, 1991, p. 4).
Socio-cognitive research indicates that the strong effect of group or departmental membership, which influences the particular systems of knowledge, meaning, and norms to which members are exposed, as well as creates differences in interests and orientations among communities (Dougherty, 1992; Gregory, 1983; Shibutani, 1962; Van Maanen & Schein, 1979). The literature on social information processing (Salancik & Pfeffer, 1978), power (Pettigrew, 1973; Pfeffer, 1980), specialization (Burns & Stalker, 1961; Daft & Lengel, 1986; Lawrence & Lorsch, 1967), and organizational cultures (Gregory, 1983; Riley, 1983; Pettigrew, 1979, Schein, 1985; Strauss, 1978) further suggests that assumptions, knowledge, and expectations are shared among individuals in close working relationships, and that social interaction and negotiation over time creates opportunities for the development and exchange of similar viewpoints (Isabella, 1990).

A shared frame can take different forms. Weick and Bougon (1986) suggested three: an assemblage connecting individual frames through common domains; a composite of group members orchestrating a collective cognitive view through discussion; and an average, signifying the intersection of frames held by individuals in the group (p. 112). Wittgenstein (1953) offered the concept of family resemblances, where individuals share frames if some core cognitive elements (assumptions, knowledge, and expectations) are similar. I adopt Wittgenstein’s notion for buying firms operating in the context of SDI, and propose that in addition to individual frames of reference, CPP share knowledge, assumptions and expectations through their interactions with each other. I posit that these shared frames regarding diversity policy occur at two levels: among individuals within their respective buying center, and among
buying centers within the organization. Also, I propose that some buying group members, through socialization and training, attempt to instill the use of particular cognitive structure in others, especially in new members.

_Diversity frames._

Most discussions on social cognition emphasize strategy, innovation, or change management. Orlikowski and Gash (1994) articulated a contrasting perspective that focused on cognitive structures derived from a domain of knowledge and experience. In their research on information technology (IT), they introduced the concept of technology frames of reference and defined it as "that subset of members' organizational frames that concern the assumptions, expectations, and knowledge they use to understand technology in organizations. This includes not only the nature and role of the technology itself, but the specific conditions, applications, and consequences of that technology in particular contexts" (Orlikowski & Gash, 1994, p. 178). Bijker (1995) extended this definition by incorporating elements (e.g., goals, key problems, users' practices, tacit knowledge, technology artifacts), which overlap frame domains (e.g., technological strategy motivation, criteria for success, ease-of-use, training). Given the extent that diversity policy constitutes a core component in today's businesses, I propose building on the concepts hypothesized by these IT researchers. Now that aspects of organization members' mental models identify diversity as part of the company mission, I plan to focus on CPP's cognitive structures derived from their interpretations on diversity, namely their diversity frames, and the role their knowledge, assumptions, and expectations play in organizations. The social nature of diversity frames can provide a useful analytic lens to investigate how CPP come to understand
diversity policy and a starting point to investigate the circumstances that facilitate or constrain SDI implementation and adoption.

*Congruence of frames.*

There are usually a number of critical social groups within an organization whose actions will significantly influence the process and outcome of a new policy. Based on the dynamics of the various groups, their interpretations of the policy are dependent on their interaction with it. Hence, these interpretations are shaped and constrained by the groups’ purpose, context, power, knowledge base, and the policy itself (Pinch & Bijker, 1987). In the case of supplier diversity initiative, I proposed that CPP, by dint of their membership in specific buying groups and the different roles and relationships they have with sourcing products, would tend to share their group’s diversity frame. Such group frames are unlikely to be shared to the same extent across different buying groups and are even less likely to be shared by organization members outside the procurement function.

An alignment of cognitive structures on key elements or categories is more likely to exist when frames are congruence. Congruent means related in structure (i.e., common categories of frames) and content (i.e., similar values on the common categories). The concept is analogous to that of cognitive consensuality (Gioia & Sims, 1986; Isabella, 1990), which Finney and Mitroff (1986) define as “a reasonable amount of implicit agreement among organization members as to the appropriate meaning of information or events” (p. 320). Frame congruence would imply similar expectations, assumptions, or knowledge regarding the role of diversity in business processes. Conversely, incongruence implies important differences in expectations, assumptions, or
knowledge about some key diversity aspects. I propose that where incongruent frames exist, organizations are likely to experience difficulties and conflicts around implementing and adoption of SDI.

To extend the organizational buying behavior literature in the area of diversity frames warranted the need to understand the nature of SDI in situ (Eisenhardt, 1989; Yin, 2003). This is in concordance with scholarly work such as Bonoma (1985), Stake (2000), and Yin (2003) who recommend the use of case study for exploratory, descriptive, and explanatory investigations of complex phenomena to achieve in-depth understanding of behavioral phenomena which provide the richness of information for theory building.

A general overview of the case study research strategy is presented in the Chapter 3. The subsequent chapter describes the qualitative methodologies application used to conduct this study.
CHAPTER 3

RESEARCH METHODOLOGY: GENERAL

_We all should know that diversity makes for a rich tapestry, and we must understand that all the threads of the tapestry are equal in value no matter what their color._

— Maya Angelou, Poet

Introduction to Case Study Research

Up to the mid 20th century, qualitative inquiry was the primary method used in performing social research. During that period, management research used the case study approach (Gummesson, 2000). In today’s research arena, the hegemony of quantitative analysis overshadows qualitative inquiry. With this dominance favoring deductive methodologies in the social sciences, the use of the case study as a research strategy remains minimal (Bürca & McLoughlin, 1996). Consequently, the extant literature is replete with experimental or quasi-experimental designs, in comparison to that of case study research, which is "primitive and limited" (Yin, 2003). Many researchers purport that one research strategy should not be emphasized to the exclusion of others; it should be based on the appropriateness of the strategy in addressing the research problem given within the parameters established by the goals and objectives of the study (Denzin & Lincoln, 2000; Ellram, 1996; Tellis, 1997; Yin, 2003). Accordingly, Brotherton (1999) suggests that researcher should adopt case study strategy, when appropriate, to address the challenges in hospitality management.
Yin (2003) states that empirical research does not advance when treated as a mechanistic or data collection endeavor, but only when it is accompanied by theory and logical inquiry. The basic tenet for the qualitative case study approach is based on the interpretive perspective. Interpretivism asserts that reality, as well as our knowledge thereof, are social products and thus incapable of being understood independent of the social actors (including the researcher) that construct and make sense of that reality. The world is not created of a fixed constitution of objects, but rather as “an emergent social process—as an extension of human consciousness and subjective experience” (Burrell & Morgan, 1979, p. 253). The purpose of interpretive research is to understand how members of a social group through their participation in social processes enact their particular realities and endow them with meaning, and to show how these meanings, beliefs, and intentions of the members help to constitute their social action (Denzin & Lincoln, 2000; Orikowski & Baroudi, 1991; Yin, 2003). According to Gibbons’ essay (as cited in Orikowski & Baroudi, 1991), the interpretive perspective attempts “to understand the intersubjective meanings embedded in social life ... [an hence] to explain why people act the way they do (p. 3). Interpretive studies assume that people create and associate their own subjective and intersubjective meanings as they interact with the world around them; thus researchers attempt to understand phenomena through assessing the meanings that participants assign to them. In contract to the postivist’s a priori “descriptive” studies of fixed relationships, possibility of an “objective” of “factual” account of events and situation, interpretive studies seek instead a relativistic understanding of the phenomena. The intent is not to seek generalization from the setting to a population (statistical generalization), but rather to understand the deeper structure
of a phenomenon, which it is believed, can then be used to inform other settings (theoretical generalization). The criteria used in classifying interpretive studies are evidence of a nondeterministic perspective where (a) the intent of the research is to increase understanding of the phenomenon within cultural and contextual situations; (b) the phenomenon of interest is examined in its natural setting and from the perspective of the participants; and (c) researchers do not impose their outsiders’ a priori understand on the situation (Orikowski & Baroudi, 1991, p. 5).

Given its ontology, epistemology, and methodology, I subscribe to the interpretive paradigm core beliefs. These three abstract principles guiding human beings to make sense of their nature of reality; the relationship between the known and the unknown; and how to gain knowledge of the unknown, plus the types of queries posed and the assumptions made in this dissertation, meet the criteria for selecting the case study approach as the most appropriate (Denzin & Lincoln, 2000).

Chapter 3 presents a general review of case study research, whereas Chapter 4 provides how the case study strategy is applied in this research.

Rationale for Using Case Study

Researchers make methodological choices based on their axiology or values, ontology, and epistemology. However, all researchers approach their subject using explicit or implicit assumptions regarding the reality of the world and the way it may be investigated (Burrell and Morgan, 1979). To avoid introducing personal biases and preconceived notions, it is essential that these assumptions be recognized and communicated when determining a research strategy.
The *raison d'être* for qualitative case study research lies with the idea that meaning is socially constructed by individuals interacting within their world. Case studies do not represent the world, but rather the circumstance. Such reality is not the fixed, single, agreed upon, or measurable phenomenon as purported in positivist, quantitative research. Multiple constructions and interpretations of the phenomenon, which are complex, dynamic, and temporal, exist. Qualitative case study researchers are interested in understanding what those interpretations are both in content and context. Queries on the "how" and the "why" are the bases for this inquisition. Investigating how individuals experience and interact with their social world, and interpreting the meaning it has for them can provide constructive insights into the infrastructure, operations and management of a hospitality organization; insights which otherwise could not be generated by quantitative research methods.

**Background on Case Study**

Case study research is marked by periods of intense use and periods of abandonment. Its earliest use can be traced to Europe, predominantly to France. The emergence of this methodology in the United States is closely tied to The University of Chicago Department of Sociology (Platt, 1992). From the early 1900's until 1935, The Chicago School was preeminent in utilizing case study research by studying the various aspects of immigration of different national groups the located in Chicago (Hamel, 1993). Issues of poverty, unemployment, and other conditions deriving from immigration were well suited to the case study methodology, by giving special attention to completeness in observation, reconstruction, and analysis of the cases under study (Zonabend, 1992).
Research such as these on the plight of groups, made sociology most strongly associated with the case study approach (Platt, 1992). However, during the period leading up to 1935, researchers in other disciplines raised several issues with the use of case study as a research method. This coincided with a movement within sociology, to make the field more scientific in the sense of providing quantitative measurements to the research design and analysis. In the midst of methodological conflict between those who were championing the scientific method, primarily Columbia University professors, and The Chicago School and its supporters, the denigration of case study as a research methodology resulted. In retrospect, the basis of case study criticisms was directed more towards the immaturity of sociology as a discipline rather than the actual methodology. This resulted in the use of quantitative methods and the decline in the use the qualitative case study (Hamel, et al., 1993).

In the 1960s, some researchers realized the limitations of quantitative methods, which promoted revitalization on the qualitative approach. Glaser and Strauss (1967) developed the notion of "grounded theory." This along with some well-regarded studies accelerated the renewed use of case study methodology. Today, there is a resurgence of case studies. Contemporary literature contains examples of numerous applications of this research strategy.

**Definition of Case Study**

The concept of case research is not well defined. According to Yin (2003, p.13), "the case study is an empirical inquiry that investigates a contemporary phenomenon within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident. Alternatively, Stake (2000) considers the case study not
to be a methodological choice but a choice of what is to be studied. He states that whatever methods chosen, the researcher can study the case analytically or holistically, organically or culturally, entirely by repeated measures or hermeneutically, and by mixed methods. Feagin, Orum, and Sjober (1991) define a case study as an in-depth, multifaceted investigation, using qualitative (quantitative or both) research methods, of a single social phenomenon. They suggest four common features that are characteristic of this approach.

1. Study of people in natural settings. The case study enables the investigator a basis to ground the observations.

2. Holistic studies of complexes of action and meaning. The case study attempts to capture people as they experience their natural, everyday circumstances; it can provide the researcher empirical and theoretical gains in understanding larger social complexities of actors, actions, and motives.

3. A sense of time and history. The case study enables a researcher to examine and chronicle the patterns of everyday life events as they evolve and change in a societal phenomenon or setting.

4. Theory generation. The case study is valuable for generating and refining theory, as well as suggesting complexities for further research by suggesting new interpretations and concepts or reexamining earlier concepts and interpretations in major and innovative ways.

Ragin (1992) maintains that a case may be theoretical or empirical or both; it may be a relatively bounded object or a process; and it may be generic and universal or specific in some way. Yin (2003) expounds that not only does a case study have a
discrete identity in terms of both the centrality of the phenomenon under investigation and the context within which this is to be studied, but these two elements are inextricably linked. Brotherton (1999) concurs. He says that it is this phenomenon-context nexus that is fundamental in defining what constitutes a case study.

Furthermore, case studies are multi-perspectival analyses. This means that the researcher takes into account not only the voice and perspective of the actors, but also of the relevant groups of actors and the interaction among them. This concept is a salient point in the characteristic that case studies holds for it can give a voice to the powerless and voiceless (Feagin, et al., 1991). According to Yin (2003), the common link in case study research is that this form of inquiry

...copes with the technically distinctive situation in which there will be many more variables of interest than data points, and as one result relies on multiple sources of evidence, with data needing to converge in a triangulating fashion, and as another result benefits from the prior development of theoretical propositions to guide data collection and analysis. (pp. 13-14).

The case study approach can address the general questions typically used to support the four primary objectives of research—description (who, what, where), exploration (how, why), explanation (how, why), and prediction (who, what, where). Each of these objectives can be applied to a single- or multiple-case design, either at one point in time or over a certain period (Ellram, 1996; Yin, 2003).

The single case study is usually chosen when (a) the case represents a critical test of existing theory, (b) the case is a rare or unique event, (c) the case serves a revelatory purpose, or (d) the case is used as an exploratory device. In a longitudinal case study, the
same case is studied at subsequent points in time, which should provide insights into the
causality between variables (Weerd-Nederhof, 2001). Single case study is also
appropriate for the revelatory case, for which the researcher to obtain access to a
phenomenon that was once unattainable. Single case designs require careful
investigation to avoid misrepresentation and to maximize the researcher’s access to the
evidence. The study can be holistic or embedded. Embedded studies occur when the
same case study involves more than one unit of analysis.

The multiple case study design is appropriate when the evidence is considered
more compelling (Yin, 2003, p. 45). Cases are selected on the basis of theoretical
reasoning and follow replication logic that is selective and has relevance to the
investigation. In addition to each case being analyzed, a cross-case analysis is
performed.

Regardless of the type, whether descriptive, exploratory, explanatory, or
predictive; single or multiple; holistic or embedded; general or specific; or any
combination of the above, ultimately, the researcher is responsible for selecting the
approach that is the most appropriate to design an effective strategy for a given situation of
case study research (Brotherton, 1999).

Data Collection

The case study provides a rich picture of what is happening, as seen through the
eyes of many individuals and can help explain changes that might otherwise not emerge
from the data. Functioning as the instrument, the researcher calls upon the many sources
of evidence to capture such data. These data sources are categorized into six types:
interview, direct observation, participant-observation, documents, archival records, and physical artifacts; each with their own advantages and disadvantages (Appendix E). Given the depth of information conveyed by informants, the interview is regarded as one of the most important data sources.

Forms of interview are unstructured (open-ended), semi-structured (focused), and structured. In an open-ended interview, key informants are asked to comment on specific events, in the process, they may offer solutions or provide insight on the phenomenon under investigation. In the focused interview, informants are interviewed for a brief period to answer a set of questions while using probing techniques for qualification and expansion. The structured interview is similar to a survey; the questions are detailed and developed in advance. In all the interview methods, multiple informants are used to corroborate the reliability and validity of the data. Also, the interview data are used in verifying the evidence acquired from the other sources (Stake, 1995, Tellis, 1997, Yin, 2003).

Direct observation is used for providing additional information about the phenomena being studied. This data collection technique ranges from casual observations to more formal activities in which protocols are used to measure and record behaviors. The reliability is strengthen when more than one observer is engaged in the process (Stake, 1995, Tellis, 1997, Yin, 2003).

Participant-observation involves the researcher as an active member in the study. As such, this method provides some unusual opportunities for collecting data. Conversely, being actively involved, the researcher can alter the course of events as part
of the group, which can become problematic to the study (Stake, 1995, Tellis, 1997, Yin, 2003).

Any document that is germane to the investigation can serve to corroborate the evidence from other sources. Letters, memoranda, agendas, administrative documents, and newspaper articles are useful for making inferences about events. Caution must be taken because documents can present bias information thus generation erroneous data. This is another criticism of case study research (Stake, 1995, Tellis, 1997, Yin, 2003).

Archival evidence can be service records, organizational records, lists of names, survey data, and other such records. The investigator must be careful in evaluating the authenticity before using them. Even quantitative records should be questioned for accuracy (Stake, 1995, Tellis, 1997, Yin, 2003).

Lastly, the perspective of the researcher can be broadened as a result of the discovery of physical artifacts. Tools, instruments, or some other physical evidence, which may be collected during the study as part of a field visit, can be used to towards the understanding of the phenomena.

Given these many sources of evidence, it is important to bear in mind that not all sources are relevant for all case studies (Yin, 2003), and that each case will present different opportunities for data collection (Tellis, 1997). The researcher should be capable of managing all of them.

Yin (2003) cites three principles to guide the case study data collection process. The use of these multiple sources follows the first of three principles. Multiple sources of evidence in case study research strengthen the methodology. Any pieces of information that is pertinent to the investigation obtained from one source can serve to
corroborate the evidence from other sources. The rationale for using multiples sources, also know as triangulation, is to reduce the likelihood of misinterpretation of the phenomenon. Thus, triangulated data serve to clarify meaning by identifying different ways the phenomenon is being viewed. This is achieved by comparing independent data sources to establish the convergence or non-convergence of similar or dissimilar phenomena.

The second of Yin’s principles is to create a case study database for organizing and documenting the massive quantity of data collected for the case study. The third principle is to maintain a chain of evidence thus allowing an external observer—the case reader, to trace the steps in the study and to follow the derivation of any evidence. Maintaining a chain of evidence also serves to increase reliability (Yin, 2003).

Case study data collection process is more complex than the collection processed used in most other research approaches. The researcher as bricoleur must have a methodological versatility not necessarily required when employing other strategies (Denzin & Lincoln, 2000). The researcher also must follow certain formal procedures to ensure quality control during the data collection process for accurate analysis (Yin, 2003).

Data Analysis

Yin (2003) purported that data analysis is the least developed and most difficult phase in case study research. To produce an analysis of the highest quality, he suggested four principles researchers should follow. They are:

1. Show that the analysis relied on all the relevant evidence
2. Include all major rival interpretations in the analysis
3. Address the most significant aspect of the case study

4. Use the researcher's prior, expert knowledge to further the analysis.

Yin declared that at the outset, there must be an analytic strategy, which can lead to conclusions. He presented two. One strategy is to rely on theoretical propositions of the study followed by an analysis of the evidence based on those propositions. The other is to develop a case description, a framework *per se*, for organizing the case study. The original objective of the case study can help to identify various causal links that can be analyzed (Yin, 2003).

Yin stated that a major mode of analysis is pattern-matching. First, a proper reduction of the extensive data collection must occur, which consists of examining, categorizing, tabulating, testing, or otherwise recombining the sources of evidence to address the initial propositions of the study. For descriptive study, the predicted pattern must be defined prior to data collection. In explanatory cases, he recommended using contrasting explanations as pattern-matching. This requires the development of rival theoretical propositions; but the general concern remains, as in descriptive cases, the degree to which a pattern matches the predicted one (Yin, 2003).

Along these same lines, Stake (1995) indicates that coding the data and identifying the themes at the analysis stage are important. He recommends categorical aggregation and suggests developing protocols for this phase of the case study to enhance the quality of the research.

To facilitate analysis, Miles and Huberman (1984) suggest rearranging the data arrays, placing the evidence in a matrix of categories, creating flowcharts or data displays, tabulating the frequency of different events, and using means, variances and
cross tabulations to examine the relationships between variables. To accomplish this, the
data must be coded.

**Data Coding**

Case study data are analyzed primarily through coding. There are several coding
processes the data undergo. Open coding, the first data coding process, refers to the
method used to break down, examine, compare, contrast, and categorize the data. Axial
coding, the second process, makes preliminary connections among the categories
developed in open coding. Lastly, the selective coding process is used to integrate the
theory into a cohesive whole (Ellram, 1996; Miles & Huberman, 1984).

Coding evolves from a descriptive level to a more abstract level. The process
includes categorization, abstraction, comparison, domainalization, integration, iteration,
and refutation (Spiggle, 1994). In essence, substantive codes developed early in the
research are re-evaluated and are grouped into categories. As connections and patterns
are observed among the categories, more abstract theoretical categories are developed,
leading to the core variable. The core variable then ties the categories together in a
logical manner (Glaser & Strauss, 1976). The core variable explains how actors in the
social world deal with the problematic area.

**Sampling**

Purposive sampling, a nonprobability sampling strategy, is used in case study
research. A purposive sample is illuminative, that is, that will provide appropriate data
given the evaluation's purpose. The aimed is to generate insights into key evaluation
issues and program effectiveness, not to make empirical generalization from a sample to
a population.

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The power of purposive sampling lies in selecting information rich cases for in-depth analysis related to the central issues being studied. The selection is made by human choice rather than at random, thus, it involves an element of judgment. The researcher strategically and purposefully selects specific types and numbers of cases appropriate to the evaluation’s purposes and resources. Case study samples can include program participants, staff, organizations, communities, cultures, events, and critical incidences. Only small numbers of cases, generally six to ten, are necessary for understanding human perceptions, problems, needs, behaviors and contexts.

Validity and Reliability

Whether quantitative or qualitative, good research design requires external validity, internal validity, construct validity and reliability (Ellram, 1996). Traditionally, a major issue pertaining to case study research has been its validity. This concern is partially due to misunderstandings regarding (a) the rigorous, systematic methods of true case study research and a “one shot case study” research design criticized by Campbell and Stanley (1966), a confusion that has largely rectified in Campbell’s later writings (Campbell, 1975, 1994), and (b) the object of generalization, which in case studies is to the theory itself (analytic generation), as opposed to a general population (statistical generalization). Establishing generalizability of results applies to the notion of external validity. It reflects how accurately the results represent the phenomenon studied, as well as deals with knowing whether the results are generalizable beyond the immediate case. External validity is addressed during the design phase and is achieved through the use of replication logic using cross case comparisons. It usually is not problematic in case study research.
Internal validity is of concern when trying to establish causal relationships, a situation in explanatory case studies. It is gained through systematic comparisons and the gradual movement from the particular to the general (McCracken, 1988). The typical problem of "inferences" is managed using pattern-matching. In contrast, construct validity, which establishes correct measures for the concept studied, is especially problematic in case study research. It is a source of criticism because of potential investigator subjectivity. Yin (2003) proposed three remedies to counteract this. They are (a) using multiple sources of evidence (triangulation), (b) establishing a chain of evidence, and (c) having a draft case study report reviewed by key informants. Likewise, the examination of early finding by multiple academics lends validity to the study.

To demonstrate that the operations of a study is reliably and can be repeated with the same results is achieved through systematic study. One of the most important systems is the development of the interview protocol. The case study protocol is a systematic means in the form of a research plan that contains the procedures and general rules that should be followed. Yin (2003) explained that the protocol is a major component in supporting the reliability of the case study research. Created prior to the data collection phase, it is essential in a multiple-case study, and desirable in a single-case study.

**Reporting the Case**

The case report is a compilation of case representations (Stake, 2000). To bring the results and findings to closure, the researcher needs to discriminate between what is to be included and the copious amount of evidence that will not appear in the report, but stays in the case study database (Rowley, 2002).
The case study report contains many of the features and structure of reports in general such as (a) clear and logical organization, (b) cohesion across the whole report, and (c) evidence that gives credibility to case study research findings and recommendations. Specifically, Yin (2003) offers six alternatives for compositional structure. They are: linear-analytic, comparative, chronological, theory-building, “suspense,” and unsequenced structures. Effective analysis of the results will assist in providing a structure.

“Case study research is guided by the assumption that people do, in fact, order and make sense of their environment... Reality is a social construct” (Hutchinson, 1986, p. 113). By using case study approach and generating a report on the findings can give the case study participants a better understanding of how they interact and create their world. Reporting also provides valuable insights to academics, policymakers, practitioners, funders of research, or anyone with an interest in the phenomenon.
CHAPTER 4

RESEARCH METHODOLOGY: APPLIED

Although theory without experiment is empty, experiment without theory is blind.

Paul Thagard, Professor of Philosophy

Blumer (1969) stated, “If one wants to understand the action of people it is necessary for him to see their objects as they see them” (p. 51). Therefore, to “see” supplier diversity as buyers “see” it, I use interpretive case study methodology to research their decision-making processes in the context of MWDBE spend. In interpretive studies, the researcher-as-instrument assumes that reality is socially constructed through human sensemaking and interaction affording her to understand better the complexities of sensemaking within cultural and contextual situations (Orlikowski & Baroudi, 1991). The complexity of SDI and its multi-faceted nature affecting multiple domains of an organization, namely the strategy, internal structure, processes, and performance, justifies using the case study approach. Further justifications include:

1. Supplier diversity is a contemporary phenomenon in a real-life contest (Brotherton, 1999; Yin, 2003).
2. The situational context is unique (Brotherton, 1999; Yin, 2003).
3. The research questions ask “how” and why” (Yin, 2003).
4. There is a dearth of theoretical literature (Eisenhardt, 1989; Yin, 2003).
5. The appropriateness for inductive and theory building when in embryonic stage (Brotherton, 1999; Eisenhardt, 1989).

6. There is no existing causal model (Eisenhardt, 1989; Yin, 2003).

7. The investigator does not have control over the events (Yin, 2003).

Through the case study inductive process, buyers' perspectives are viewed in the context of their diversity frames, thereby gaining insights into how they make sense and assign meanings in the social process of the supplier diversity policy.

Research Site

Headquartered in Las Vegas, Nevada, the site selected for this case study is one of the world's leading and most respected hotel-gaming-entertainment companies. Its 2003 10-K Form reported a portfolio of brands which included 14 casino resorts stretching across the United States and abroad, with approximately 43,000 employees to support them (“U.S. SEC Form 10-K,” 2003). Moreover, it is widely recognized as a company committed to diversity by fostering diversity in all aspects of the organization. The CEO asserts that diversity is a business imperative, critical to the success and growth of the organization. For the past four years, it was named one of “America’s Most Admired Companies” by Forbes Magazine and it outscored its competitors in the “Most Admired” Hotels–Casinos–Resorts category. Further details on the case site are presented in Chapter 5.
Research Design

The multiple case design is the most appropriate due to the complexity of SDI and its impact on all of the organization's buying center. Six in-depth case studies are used to develop an in-depth understanding of sourcing practices and the influences that affect buying decisions in the context of MWDBE spend.

Methodology Steps

Figure 9 provides an overview of the steps adapted from Yin's case study methodology. It is used to ensure replication and external validity, to address the issue of bias in the investigation (Yin, 2003).

Figure 9. Methodology Steps Adapted from Yin (2003)
Step 1: Select a phenomenon (SDI) and list all its characteristics and concepts. This is accomplished by using a deductive process to conduct an exploratory investigation of the literature for factors that support the understanding of buyers’ behavior toward SDI. Focusing on diversity frames, this study utilizes strategic sourcing, OBB, and social cognitive theories to develop preliminary propositions related to the implementation and adoption of SDI. This facilitates the research protocol design and the data collection phase.

Step 2: Investigate the factors that support the understanding of buyers’ behavior toward the implementation and adoption of SDI. Here multiple cases are selected and data collected.

Step 2a: Using an inductive process, the three pilot cases are analyzed to modify the research protocol. Any new factors may be identified during this step. In addition, patterns in the data may be observed through cross case analyses.

Step 2b: Six additional cases are analyzed to further refine the propositions and develop a theory towards an understanding of buying behaviors with respect to their diversity frames.

Step 3: The main case studies are analyzed for patterns in the data and triangulated with other sources of evidence for validation.

Step 4. Once identified, significant patterns may result into theoretical propositions on SDI.
Unit of Analysis

To gain insight into buyers' sensemaking of supplier diversity policy, this study investigates the influences on buying decisions from their perspectives (Figure 9). Set within the boundary of the organization's strategic buying centers, the case study unit of analysis is the buyer's cognitive structure or diversity frame. The underlying knowledge assumptions, and expectations buyers have regarding diversity within their buying group and between buying centers are explored to gain a thorough, holistic understanding of SDI.

Figure 10. Unit of Analysis Illustrating Case Boundary Adapted from Bandura (1986); Webster and Wind (1972)

The Sample

A purposeful sample of six buying firm members in corporate purchasing and on-property locations representing strategic sourcing segments are selected based on
their experience and willingness to voice their opinions and detail the characteristics that are important to the context of this study. I do not attempt to obtain an empirically "representative" sample. Rather, I seek out buyers with different opinions and contrasting perspectives; those that have demonstrated support of MWDBE spend, as well as buyers known to be outspoken or critical of SDI.

Collecting the Data

Qualitative research methods were selected for this study because I had no a priori knowledge of the findings and I wanted to generate data rich in detail and embedded in context. Access to the research was negotiated through the company's CEO. Subsequent meetings held with key organization members from both the diversity and purchasing departments, in which I ascertained their willingness to in the study. I requested my key contacts to identify buyers who matched the sample profile and to serve as key informants. These purposefully selected buyers, who agreed to be interviewed, were my primary source of data. I also asked my contacts for permission to participate in any events and activities related to SDI, as well as requested any documentations and records that are germane to the study. These secondary data served as supporting evidence for the case.

Primary Data Collection Methods

Unstructured interviews with key informants, purposefully selected to contribute opinions and characteristics associated with the context of the study, were the primary data collection methods. I asked the informants to participate in one or two interviews of approximately one hour at a location of their choosing. To ensure reliability, I followed the case study protocol as a reference for the interviews (Appendix D). I asked each
buyer basic questions regarding “how” and “why” they procured products. I employed an open-ended query format to generate data on the decision-making process from the buyers’ perspectives. I asked buyers to describe the structure of their buying groups and how they were linked to other organization members. Next, I asked them to describe the sourcing process and indicate what facilitates and hinders it. I posed questions on the company’s mission, goals and objects, followed with how they influenced the buying process. Upon reaching a comfort level, I broached the subject of SDI, if it did not arise during the discourse prior to this time. I probed for opinions and perspectives on MWDBE spend, with informants supportive of diversity initiative, as well as with those who have yet to develop MWDBE a vendor base. I wanted to understand what influences their decisions to purchase or not to purchase from MWDBE. I look for contrasting commentaries to support the research propositions and to determine how and why decisions were made.

Each interview was preceded by my stating that I am studying the procurement process to gain an understanding of what occurs from the buyer’s perspective and that all interviews are kept anonymous. The informants were asked to participate in one or two interviews of approximately one hour at a location that they select; ideally, face-to-face. The interviewee were asked to complete a background form for demographic data and purchasing experience information. The interviews were audio-taped and then transcribed. Transcripts were to be reviewed by the informants. In addition, analytic memos and contact summary sheets discussing setting, buyers’ attitude and demeanor, and content were noted for each interview.
Secondary Data Collection Methods

Prior to the interviews, data on the company's performance and literature regarding SDI were gathered. Additional secondary sources of evidence were collected to provide support to the rich, thick data generated from the key informant interviews and enhance the construct validity of the study. These secondary data sources were direct observations of meetings, training sessions, trade shows, and seminars; documentations from website, reports, announcements, news clippings; and archival records of organizational chart, purchasing organizational chart, list of products. Any relevant artifacts were also included in the database of SDI evidence.

Methods of Analysis

The research framework guided the data categorization, abstraction, comparison, domainalization, integration, iteration, and refutation for this interpretive case study. A general overview of the single case analysis follows. In-depth analysis is provided in subsequent chapters. A synopsis of the cross-case analysis presents the process used to move the analysis towards building theory.

Single Case Study Analysis

Analysis of transcribed interviews began with assigning codes to the volume of data which emerge from the informants' descriptions of their buying behaviors. Codes were inductively generated using the "grounded" approach of Glaser and Strauss (1967) and from the literature on related studies (Miles & Huberman, 1984). Further, all interviews and transcripts were reread searching specifically for codes that emerge from later interviews. As patterns or themes were identified, domainalization (Strauss &
Corbin, 1990) was performed, accompanied by recoding for the developed domains or properties of a given theme (Maxwell, 1996).

Matrices were constructed from the data and are used to identify patterns, comparisons, trends, and paradoxes. Further questions and possible routes of inquiry were devised to answer the questions that emerge from matrices. Periodic review of all the collected data, as well as all the analytic memos, followed by summary construction and formulation of yet to be answered questions were performed throughout the study.

Meetings were held with colleagues, knowledgeable on qualitative research and/or the research site, to summarize the status of the research and to discuss emerging themes, concepts, and explanations (Maxwell, 1996).

In the final phase of data analysis, each interview was reread with the objective of writing individual short interview summaries. These summaries allowed me to see common threads that ran through interviews and thereby maintain the context for the quotes that were lifted out of the interviews and used as examples in writing up the research. I hoped to use computed-aided qualitative analysis software (CAQAS) to assist in the compilation of quotes for each code to appreciate trends, contrasts, and similarities.

Validation of data was achieved by triangulation (Denzin, 1970) of methods by comparing buyers’ perspectives, with observations, documentation, and other artifacts. Theoretical validation was achieved by regular presentation and discussion of emerging conclusions with colleagues familiar with the setting. Further validation was achieved by discussing my analyses and conclusions with the buyers.
After the interviewing 4-6 buyers with opposing perspectives on MWDBE spend from each of the strategic sourcing segments, I stopped the process, unless another important buying characteristic was identified that I have not already found. As this organization was a unique case in the hotel-casino industry, this study was limited to this one firm. While each property within the case organization has its own distinctive features, a common culture exists among them. This homogeneous quality helps reduce any extraneous variability that might exist when other corporations were to be included in the study. Therefore, there should be no validity threat to my study by having the buyers selected from the same organization.

Cross-Case Analysis

Once I begin to develop an understanding about how and why the buyers buy, based on the single case analysis and triangulated with the secondary data, I began the cross-case analysis process. The first step was the construction of a conceptual framework (Miles & Huberman, 1984) containing the dominant themes of how these buyers make sense of SDI and how they come to select MWBDE vendor. Each theme is domainalized (Strauss & Corbin, 1990) or broken into factors and graphically displayed, illustrating the relationships between them.

Patterns and themes were sought by construction of cross-case displays and matrices. Plausible explanations and metaphors emerged as the variables were related, split, and factored (Miles & Huberman, 1984). The goal was to build a logical chain of evidence (Yin, 2003) leading to the construction of a conceptually coherent theory by checking for rival explanations and looking for negative evidence. To check for theory
validation, informants were asked for feedback on the developing theory once data
collection is completed and the preliminary report is written.

Validity Issues

Will I interview enough buyers? Will I bias the data by who I interviewed? In
addressing these concerns, I intentionally try to interview buyers who have different
perspectives and opinions of the SDI. I interview buyers who are from: (a) all strategic
sourcing segments, (b) different buy classes, and (c) opposing views of SDI. In essence,
I try to seek out buyers who influence others and are influenced by others in their
sourcing decision-making process. Thereby I try to obtain rival views on SDI
implementation and adoption.

How will I know what buyer say is true and not just what I want to? To make
buyers comfortable being honest with me, I assure them their anonymity and interview
them in a location they select. I also try to convey the value of their contribution to the
research and that the outcome may prove beneficial in accomplishing their job
responsibilities through improved processes and procedures. I use my presence in the
interview session, as well as in the work setting, in meetings, and trade fairs, as a student
learner trying to understand a new subject. Through my participation in these activities, I
can substantial their claims. Further collaboration with them, via discussing my
observations and my conclusions, will also help increase my confidence in the
validity of this study.
Ethical Issues

As with all research involving human subjects, the study is not guaranteed free from risk and there exists the potential of harming the research participants. This holds true for studying buyers' behaviors in the context of SDI. Researching issues related to race, gender, ethnicity, and disabilities, are considered sensitive matters, and the buyers risk my discovery that their diversity frames are not what they perceived them to be and may fear repercussions from the organization. In addition, different degrees of fear may exist as determined by the buyer's strategic position within the buying firm. Members in the strategic buying centers (high risk–high value) may have less to fear from examining their behaviors members in the critical, leveraged, and especially the tactical buying groups (low risk–low value). To minimize this fear of risk, each organization member is presented with a confidentiality statement prior to the investigation (Appendix F). It assures those who agree to participate of their anonymity and that consequence of the study is to gain an understanding of the buying experience in anticipation for improving the process.

In summary, using the qualitative case study research methodology to investigate the contemporary phenomenon of supplier diversity policy implementation and adoption was most appropriate. This approach affords the researcher to gain an understanding of how and why buyers buy in the context of SDI. Studying organizational buying behavior from the buyer's perspective through the investigation of their diversity frames provides valuable insight into the congruence and incongruence of their assumptions, expectations, and knowledge regarding supplier diversity policy. This information can be used to generate hypotheses and develop theory effective diversity management. It is
hoped that the results of this study will increase awareness of SDI and establish the
importance of empirical research in this area, with the anticipation for continual
improvements in diversity management by both practitioners and academic researchers.
Before proceeding to the analysis and findings, a synopsis of the case study
organizations is presented in the next chapter.
MGM MIRAGE: THE CASE STUDY ORGANIZATION

With MGM MIRAGE being so large, each property operates autonomously, diversity is the only thing that binds us together.

— Kenyatta Lewis, Supplier Diversity Manager
MGM MIRAGE

To analyze the research questions, ‘how’ and ‘why’ buyers buy in the context of supplier diversity initiatives, required that I find a suitable candidate firm which would consent to serve as the research case. To qualify, this company must be one that does not underestimate the value of diversity and also risks the necessary currency to integrate it into its infrastructure. Based on recommendations from local business and political leaders and purchasing professionals, added with my experience as a market research intern with a B2B marketplace software provider that specialized in hotel-casino procurement, I knew that MGM MIRAGE, the first in the industry that voluntarily championed diversity, would be a fitting organization for this study. Restricting the research to a single corporation enabled me to control for industry-related variations. It also facilitated access to detailed information about the company and its contexts. On the other hand, to ensure that I collect a relevant mix of data, the informants would be purposefully selected from a combination of corporate and on-property sourcing personnel who are directly affected by the adoption and implementation of the company’s diversity policies and initiatives.
Company Background

A Brief History

Headquartered in Las Vegas, Nevada, MGM MIRAGE is renowned for its successful combination of quality entertainment, luxurious facilities, and exceptional customer service, supported by over 40,000 dedicated staff members committed to providing an unsurpassed guest experience. The public traded company (NYSE: MGG) engages in the development, ownership and operation of entertainment, hotel and casino resorts worldwide. The company began operations on May 31, 2000 after the completion of MGM Grand Inc. $6.4 billion acquisition of Mirage Resorts Inc. Prior to the acquisition, MGM Grand had been in operation since the 1960's and was incorporated in 1989. Mirage Resorts (formerly Golden Nugget Companies, Inc.) had been in operation since the 1970's.

MGM MIRAGE acts largely as a holding company which owns and/or operates through subsidiaries, a number of hotel, casino, and entertainment resorts. Its portfolio of brands includes: Bellagio, Boardwalk, MGM Grand-City of Entertainment, The Mirage, New York-New York, and Treasure Island ("TI"), all located on the famed Las Vegas Strip. The company holds a 50% interest in the Monte Carlo, also on the Strip. Three resorts, Buffalo Bill's, Primm Valley Resort, and Whiskey Pete's, and two championship golf courses, all located on the California-Nevada border, plus Shadow Creek, an exclusive world-class golf course in North Las Vegas are included in the collection. Until January 2004, the Golden Nugget Las Vegas (downtown) and the Golden Nugget Laughlin (Laughlin, Nevada), were owned by the company. Outside of Nevada, MGM MIRAGE owns and operates Beau Rivage located on the Mississippi Gulf Coast and

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through its wholly owned subsidiary, the MGM Grand Detroit in Michigan. The company also owns a 50% interest in Borgata located in Atlantic City, New Jersey. Internationally, MGM MIRAGE holds a 25% interest in Triangle Casino in Bristol, United Kingdom. Currently it has entered into an agreement to sell the company-owned MGM Grand Australia in Darwin, Australia ("U.S. SEC Form 10-K," 2003).

As a premier entertainment–hotel–casino developer, owner, and operator, MGM MIRAGE continues expanding its presence. One of the latest masterstroke from the "father of the mega-resort," Kirk Kerkorian, the 87 year-old founder and director, who owns 57% of the common stock through his Tracinda Corporation, is the buyout of Mandalay Resort Group (Smith, 2004). The total value of this acquisition is $7.9 billion, including equity value of $4.8 billion, $600 million of convertible debentures, and $2.5 billion of assumable debt. If completed, the deal will create the world's largest gaming company with nearly 30 properties worldwide, nearing 70,000 employees, and annual revenues of roughly $7 billion ("U.S. SEC Form 10-K," 2003). Moreover, it would operate approximately half of the 74,000 rooms on the Las Vegas Strip, about 40 percent of its slots, and about 44 percent of its table games (Smith, 2004). There's more. A newsflash revealed MGM MIRAGE plans for constructing a new multi-billion dollar project on the Strip. Called Project CityCenter, the designs indicate the creation of an urban metropolis and signify the acceleration the evolution of Las Vegas into a sophisticated multi-domaiinal city. The 66-acre site master-planned urban complex represents the most significant privately funded project development in the country. The plans include hotel, casino, retail and residential space and private residence clubs. Phase one alone will add more than 4000 rooms to MGM MIRAGE's expanding empire. This
will create more than 7,000 construction jobs. On completion, the company will have an additional 12,000 new permanent positions; representing the largest single new employment opportunity in the history of Las Vegas. These new ventures afford MGM MIRAGE the opportunity to engage with even more diverse groups of internal and external stakeholders.

Commitment to Diversity

In delivering its charge of providing an “enticing blend of entertainment to every corner of the world,” MGM MIRAGE seeks to be the first and best. While pursuing this quest, the company acknowledges and values the contributions of all its stakeholders. This posture of inclusion was reaffirmed during hearings before the Nevada Gaming Control Board at the time when Mirage merged with MGM Grand. Opposition to the merger came from the activist leaders on Nevada’s Chapter of the NAACP when it beset the corporation by a high degree of criticism, alleging MGM Grand’s insensitivity to changing socioeconomic needs and subverting decision-making claiming inequities towards minorities in business and hiring practices. These allegations led to debate on the role of minorities in Nevada’s gaming industry and they brought attention to this issue. Since then, MGM MIRAGE has taken the unprecedented initiative to open the door of opportunity through its diversity program. Now, it serves as an exemplar on diversity in the hotel-casino industry.

Embracing diversity speaks to the social consciousness of the organization. While practicing responsible corporate citizenship, MGM MIRAGE is duty-bound to maximize the company’s value for its investors and shareholders and is held fiscally
accountable for its operating strategies. Institutionalizing diversity may appear inconsistent with this obligation. On the contrary, like most large global companies, MGM MIRAGE is aware of the shifting demographics, increasing buying power among ethnic minorities and women, and the escalation and dynamism of underrepresented business enterprises. Consequently, it has made diversity a business imperative and identified the need to have diversity play a bigger role in the company’s mission. This is evident in its mission statement which simply stated,

MGM MIRAGE is a leading and respected hotel and gaming company. Our mission is to design and operate an unmatched collection of resort-casinos and provide unsurpassed service and amenities to our guests. We believe that fostering diversity in all aspects of our company is a business imperative, which is critical to our continued success and growth. By being the best at what we do, we will provide opportunities for our employees, serve the communities in which we operate and maximize value for our shareholders (MGM MIRAGE, §Mission Statement, ¶1).

J. Terrence Lanni, Chairman and Chief Executive Officer, is the key driving force for the MGM MIRAGE Diversity Initiative and since its inception in 2000, every facet of the company has been impacted by his vision and commitment to diversity. The company has been investing, developing, and fostering diversity initiatives in the effort to bring the entire organization into alignment with the values of a diverse business culture. Now, it is becoming an intrinsic part of its culture. In a letter included in MGM MIRAGE 2003 Diversity Report, Lanni stated:
We continued to institutionalize diversity as a seamless part of the infrastructure of key business operations including recruitment, professional development, advertising and marketing, sales, public relations, purchasing, construction and philanthropy.

Enacted under Lanni's leadership and complemented by the talents of Punam Mathur, Senior Vice President of Corporate Diversity & Community Affairs, are several major diversity initiatives that structurally and culturally changed the organization. It began at the top with the Board of Directors creating the Diversity Committee to guide policy and overall strategic planning for the company's operations, such as minority training, hiring and recruiting efforts. This committee is chaired by former U.S. Secretary of Labor Alexis Herman. Also created was the Diversity Council. Accountable to the Diversity Committee and the company's Board of Directors, this is a multi-disciplinary team of 19 company senior managers whose charge is to devise and implement strategic diversity plans.

Executives and senior managers are not the only ones attentive to diversity issues. The efforts of Human Resources also include diversity education, professional development, and recruitment in all aspects of the employee's experience. Beginning at new-hire orientation, every employee is initiated into the culture and given knowledge on the importance of diversity. They are aware that MGM MIRAGE's comprehensive, innovative Diversity Initiative focuses on the inclusion. As a result of these training, development, and recruitment practices, a marked change in the composition of the workforce is evident in just three years. Over half of the workforce is minority. Albeit many of these jobs are service-related, such as housekeeping, banquets, laundry, and
ground maintenance, more than a fourth of the management positions are filled with women and people of color; more minorities are expected to enter into administrative positions.

Diversity education reinforces these efforts. A cohort of organizational members, known as Diversity Champions, is intensively and extensively trained in the culture of diversity. The legion of some 200 champions serves fellow organizational members as important links in the implementation and adoption of the Diversity Initiative. Over 4000 supervisors and managers completed Diversity Management training and nearly 1000 employees were involved in customized diversity training geared specifically to their functional groups. All front-line employees receive communiqués in the form of newsletters, bulletins, and posters prominently placed in employee areas.

In addition to its “in-reach” approach, MGM MIRAGE has undertaken a number of outreach efforts. For example, to forge relationships with vendors, which represent a cross-section of races, ethnicities, and genders, MGM MIRAGE has made supplier diversity an integral part of its corporate strategy. The company emphasizes that its Supplier Diversity Program is not a set-aside, nor a giveaway. Rather, it is described as a unique opportunity for underrepresented vendors to participate equitably in the procurement process, and to be included in all efforts to develop the capabilities of the businesses participating in the program. The level of MWBDE spend is only one of the indicators that MGM MIRAGE is a staunch advocate in support of underrepresented vendors. To illustrate, under federal government guidelines, the benchmark for spend with underrepresented businesses is 5%; however, contracts awarded to certified vendors
that qualified for the MGM MIRAGE Supplier Diversity Program surpassed that figure. In 2002, of the $680 million MGM MIRAGE spent for biddable goods, services, and commodities contacts, approximately $65.7 million, which equates to 9.56%, was spent with MWDBE. In 2003, 8.57% of its $766 million spend on biddable products was awarded to underrepresented vendors. Furthermore, construction projects awarded to MWDBE were up 61% in 2002. These companies received $13 of the $57 million, or 22.7% in construction contracts. The following year, 12% of the $308.6 million went to MWDBE. This increase is due in part to the company's attendance and sponsorship at outreach events, such as trade fairs, conventions, conferences, seminars, and luncheons with the MWDBE community. Continual efforts to cultivate under-representative vendors and provide them with procurement opportunities are enhanced by some of the company's best practices such as, a formal policy requiring that buyers include such businesses among candidates for all commodity purchases over $1,000, certification classes, mentoring, and financial assistance.

Also, the company focused on further internal infrastructure and process improvements related to the usage of goods and services from qualified MWDBE. Significant among these was the enhancement of the supplier diversity website upon which vendors can view a host of biddable commodities categorized by buying groups (Table 1). As a consequent of this website, MWDBE are empowered to register and gain access to bid solicitations by corporate and hotel-casino purchasing departments with greater ease.
<table>
<thead>
<tr>
<th>Categories</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gaming</td>
<td>Casino Equipment, Casino Supplies.</td>
</tr>
<tr>
<td>FF&amp;E</td>
<td>Artwork, Carpet, Drapery, Furniture, Glass/Mirror, Upholstery, Wall Coverings, Wood Flooring, Tile.</td>
</tr>
<tr>
<td>Operating</td>
<td>China, Glassware, Flatware/Holloware, Linen, Uniforms, Cleaning Supplies.</td>
</tr>
<tr>
<td>Supplies</td>
<td>Chemicals, Guest Room Amenities, Arcade Prizes, Food &amp; Beverage Disposables, Beauty Salon Supplies, Animal Care Supplies, Health Spa Supplies, Hotel Supplies, Kitchen Supplies, Photo Lab Supplies, Wedding Chapel Supplies.</td>
</tr>
<tr>
<td>Categories</td>
<td>Description</td>
</tr>
<tr>
<td>------------</td>
<td>-------------</td>
</tr>
<tr>
<td>Retail</td>
<td>Accessories, Apparel, Art, Cosmetics/Fragrances, Gifts, Jewelry, Lingerie, Logo Apparel, Men's Wear, Toys &amp; Games, Shoes, Souvenirs, Swimwear, Gifts/Specialty Items.</td>
</tr>
<tr>
<td>Construction</td>
<td>Concrete, Demolition, Drywall, Electrical, Landscaping, Life Safety, Mechanical, Millwork, Painting, Reinforced Steel, Structural Steel, Construction Equipment.</td>
</tr>
<tr>
<td>Contracting</td>
<td>Consulting, Staffing, Decorating, Advertising, Printing, Repairs &amp; Maintenance, Freight, Janitorial and more.</td>
</tr>
</tbody>
</table>

MGM MIRAGE promotes inclusion and continues to build its diversity expertise and strengthen its alliances with its diversity partners through its Diversity Relations Department. The League of Latin American Citizens, National Urban League, U.S. Hispanic Chamber of Commerce, Organization of Chinese American, and Women’s Business Enterprise Council represent just a few of the many organizations MGM MIRAGE partners with on both the national scene and in the regions where its properties are located.

MGM MIRAGE also defines itself in ways which improve the quality of life within the communities served. It provides significant financial support for numerous ethnic minorities, women, and other underrepresented groups that benefit local and national community efforts. One such example is the formalization of a long-term
recruiting partnership with the University of Nevada, Las Vegas College of Hotel Administration and a joint supervisory training program with Nevada Partners and the Culinary Union. To oversee these programs, the company launched a comprehensive Diversity Education Plan and created a Director of Diversity Education position. In addition, philanthropic contributions supported programs and organizations that advanced diversity priorities increased 25% and 10% respectively, from 2002. In 2002, the company launched the MGM MIRAGE Voice Foundation. This nonprofit philanthropic entity distributes 100% of employee donations to charitable organizations of designated causes in Nevada, Michigan, and Mississippi. MGM MIRAGE absorbs all the administrative costs. Minority and disadvantaged communities in those states received 40% of the $2.3 million donated by MGM MIRAGE employees in its inaugural year. In 2003, 56% of the donated dollars supported local programs in those communities. Although the Diversity Initiative has positively impacted the organization and the community far beyond what could have envisioned when it was first initiated, MGM MIRAGE continue the expansion of the Initiative and undertaking programs in areas such as professional development, advertising and marketing, and sales.

In an ongoing effort to institutionalize diversity into the infrastructure of its key business operations, MGM MIRAGE has received numerous commendations. Some include: Nevada Minority Business Council’s Supplier Diversity Program of the Year, Profiles in Diversity Journal’s International Innovation, Casino Management Association’s Visionary Award. The company has been recognized for its Diversity Initiative by the Urban Chamber, Hispanic Chamber, Asian Chamber, NAACP, and American Gaming Association. It was cited by Fortune magazine as one of “America’s
50 Best companies for Minorities" (Fortune, 2003.) These awards recognize innovations within the organization which have influenced and consequently delivered a positive outcome on diversity management, staff recruitment, and/or toward inclusiveness and improved equity in the workplace.

A Contentious Mission

Supplier Diversity Initiative is not without controversy. In uncertain economic times, revenue is more difficult to generate and companies often employ cost cutting initiatives to increase net income. Consolidating the supplier base is one such initiative. This action allows a company to work with fewer suppliers thus leveraging its ability to aggregate spend. It also leads to:

- improved communication which reduces variability in the supply chain
- improved performance by freeing buyer’s time on tactical purchases for more time on strategic issues
- decreased cycle times which is especially important for the hyper-competitive hotel-casino industry
- lower transaction and processing costs with the automation of the purchasing process, which decrease the amount of non-value added activities
- reduced maverick spending for off-contract, impromptu spending is said to be 10%-20% higher than purchases made under negotiated contracts
- enhanced reporting and auditing tools—an e-Procurement system will track all expenditures allowing a company to determine the spend to each supplier
- decreased prices
• improved compliance with approved suppliers increasing bargaining leverage
• better approval controls
• head count reduction
• better utilization of assets
• increased inventory turnover
• quicker ramp up for new employees
• faster response times (Lowry, 1992).

At a time when the trend in organizations is to decrease the vendor base and reap some, if not all, of these benefits, MGM MIRAGE is actively seeking to continually build its minority, women, and disadvantaged vendor base.

In some organizations, the “diversity is good for business” mantra has lost some of its appeal. This is exacerbated by the scarcity of empirical research attached to the effects or implications of SDI, as well as a need for metrics. According to a report on the effects of diversity on business performance, overall, racial and gender diversity did not have any resounding impact - positive or negative, and questioned whether an organization with a mixture of races, genders, and cultures really makes a difference to the bottom line (Kochan, Bezrukova, Ely, Jackson, Joshi, Jehn, Leonard, Levine, & Thomas, 2003).

Another dilemma is a perception that MWDBE connotes with some buyers. They are of the opinion that these firms lack the capability to meet demand or quality standards and are not price competitive. These obstacles lead to the buyers’ unwillingness to utilize these under representative business enterprises. Further, SDI is
sometimes regarded as an Affirmative Action program and forced upon buyers. Some non-minority vendors claim that it is reversed discrimination. There are also some activists who remain steadfast for confrontations. They assert that Nevada has an inhospitable reputation among minorities and charge that discriminatory practices persist in the state.

Albeit, a proliferation of controversy exists, MGM MIRAGE is very supportive of its supplier diversity efforts and it remains resolute in its commitment to developing ongoing business relationships with MWDBE.

Sustaining the Commitment

Starting at the top, with highly visible CEO involvement, MGM MIRAGE has established itself as a leader in diversity and this commitment has been recognized throughout its own company, the hotel-gaming industry, and other corporations worldwide. Commenting on MGM MIRAGE being cited among Fortune Magazine’s “America’s 50 Best Companies for Minorities,” Lanni stated:

We take tremendous pride in seeing our diversity efforts recognized in such a prestigious forum. While we are honored by this recognition, we are not satisfied that the job is done. Diversity has been a long journey we have taken, though we formally established programs in May 2000, and we were the first within our respective industry to do so. As we continue along this path, we deepen our resolve to continue to gain wisdom. Our commitment to diversity is centered on creating a culture that reflects diversity as a core value: diversity is who MGM MIRAGE is and not just what we do.
To sustain its commitment, MGM MIRAGE employs the following best practices: develop plans and set goals on a company-wide basis; expand communication networks both virtual and live; offer continuing education and training both internally and with the community-at-large; provide support and assistance, and periodic reporting on its progress.

During a conversation with Mark Stolarczyk, Vice President for Corporate Purchasing stressed that MGM MIRAGE is a profit-driven company and has a financial responsibility to its shareholder. He said the goal is to improve the bottom line and nothing jeopardizes that—not even the company’s Diversity Initiative. He continued by maintaining that diversity is a business imperative and the initiative is a critical component in the firm’s mission. Accordingly, in the company’s charge to drive continuously improving value of the supply chain while managing key risk areas of the business, supplier diversity, without sacrifice, must become assimilate into the structure and culture of this organization while it actively promote and practice responsible financial behavior.
CHAPTER 6

ANALYSIS AND FINDINGS

Without deviation from the norm, progress is not possible.

—— Frank Zappa, Rock Culture Icon

The Analysis

Getting Started

As discussed previously, this interpretive, theory building case study on diversity initiatives in the hospitality supply chain used a grounded theory approach and proceeded through the interplay of theoretical sampling, data collection and data analysis. In the tabula rasa stance on grounded theory, I initiated this study as close to this ideal as possible. Although I had a focus to help shape the initial research design, it was not supported with well defined a priori specification of constructs of what the new theory could describe or even what the problem in the specific research setting is. It was during the process of discovery that I began to build ideas and formulate questions. This occurred through in vivo observations and participation in the world of organizational sourcing.

Entering the Field

I conversed with anyone and everyone who I encountered that was linked to strategic sourcing or supplier diversity issues. I interacted with both buyers and suppliers
from a cross-section of companies that were Nevada-based, as well as from different parts of the U.S. I engaged in conversation with executives from various firms ranging from aerospace and automotive to technology and food manufacturing. I obtained insights from representatives of government agencies, such as the Small Business Association and Nevada Minority Business Development. The Asian Chamber of Commerce, Latin Chamber of Commerce, and Urban Chamber of Commerce shared their opinions with me. I solicited and received feedback from scholars who are renown for their work in supply chain management and case study research. This provided me the opportunity to cover a wide range of incidents, indiscriminate of their apparent relevance to the study. Through an iterative procedure of exploration, I determined that MGM MIRAGE would be the optimal case firm. It was first in its industry to make diversity a business imperative, yet it presented polar situations. In addition, by selecting this company, I could control for extraneous variations, given that policies are set by the corporation and shared across its properties.

In addition to being beneficial in the site selection process, the exploration stage helped me to develop an understanding of the dynamics and complexities of supplier diversity. I gained insight on the players involved, their roles, their motivations, how they interact, their awareness, the programs, the education, and the support structure. These details were not only instrumental in refining my research design but also in developing a research protocol. It brought a clearer focus to the study by defining the sample and the methods in which the data are gathered.

I restricted the inquiry to hotel-casino buyers. Sampling evolved, according to Glaser and Strauss' (1967) recommendations, from an initially broad sample of sourcing
personnel working in each of the four strategic sourcing segment (Kraljic, 1983), to a
more focused sampling approach during later field stages. First, I needed to gain access
and get “inside” the organization which was well-suited for this study—MGM
MIRAGE.

Establishing Contact

In March 2000, I participated in a class field trip of MGM Grand back-of-the-
house purchasing operations to observe the logistics involved in receiving product at the
dock, to storing them, and then delivering food and beverages to the appropriate outlets.
On that particular day, the Purchasing Directors from all the MGM Grand Inc.
properties, as well as Corporate Purchasing Managers, had convened to plan and
strategize on organizing a more efficacious procurement process while providing the
capability to better leverage the company’s buying power. The class was introduced to
the meeting attendees and mingled during a break in the session. After discussing my
interest in strategic sourcing with several of the Purchasing Directors, I was able to
observe the remainder of the meeting. The discussion focused on standardization of
product codes. This was a critical issue given that many of the properties had their
unique coding system and each code generated a separate product specification. This
situation would be exacerbated with the consolidation of the multitude of products
procured by the newly acquired Wynn’s properties—the Mirage, Bellagio, Treasure
Island, and Beau Rivage. Standardization of product codes and specifications would
certainly eliminate a great deal of redundancy in the procurement process.

This meeting drew my attention the complexities involved in sourcing in an
organization that operated in a matrix structure. The company maintained both
decentralized purchasing departments, wherein each property procured its own goods and services, and a corporate purchasing office that coordinates procurement policies and procedures set by headquarters. I also was introduced to electronic commerce and a company which provided e-Procurement application software to hotel-casinos. In January 2001, I joined that company as a market research intern. From this experience, I gain a deeper understanding of the mechanics involved in e-Procurement.

The next key opportunity I had with sourcing personnel of the company now known as MGM MIRAGE was during the aforementioned internship. Orientation/training seminars were jointly presented by MGM MIRAGE and this eCommerce firm, to front-line organization members who used software to perform their task. During the Q&A sessions, buyers raised questions on the software’s diversity functionality. As an outcome of these meetings, I requested to serve on the software diversity team. The purpose of this team was to address the concerns raised during the orientation and to work on improving the ease of use and functionality of the software. I conversed with buyers to keep abreast of their issues and worked on providing solutions for their concerns. This was a great learning experience.

From April 2000 to March 2001, I met with MGM MIRAGE buyers and supplier diversity managers; the current and potential vendors for the company; and the certifying companies and agencies that supported MWDBE. I attended opportunity fairs, company expos, seminars, training, luncheons, and any opportunity that presented itself. On March 8, 2001, I met Terry Lanni at a presentation where he spoke of his experiences and visions on the entertainment-gaming industry to the students and faculty at UNLV. Given my interest corporate diversity program, I asked him to address supplier diversity
policy at MGM MIRAGE. He later introduced me to Alan Feldman, Vice President of Public Affairs, which snowballed into meeting other key organization members. From that point forward, I met, observed, and interviewed key sourcing personnel. I began my collection of documents and artifacts on the company’s Diversity Initiative. Over the course of four years, I viewed television reports and accumulated annual reports, diversity reports, press releases, newsletters, magazine and newspaper articles, memos, and other pertinent information (Appendix G). Since its conception, I have been a party to the progress occurring in MGM MIRAGE diversity efforts. On April 20, 2004, at the third annual “Report on Diversity”, Lanni’s remarks confirmed my observations of the program’s growth and accomplishments. He stated:

2003 was another year of steady progress, solid accomplishment and national recognition for our Diversity Initiative. We made significant progress in 2003 toward our three key long-term priorities. Leadership across all operational functions is more engaged, focused and accountable, solidifying an infrastructure that will sustain our diversity imperative far into the future. Advancements and refinements to our business systems and processes are now beginning to reinforce and institutionalize our diversity commitment. Finally, and most noteworthy, the men and women of MGM MIRAGE are becoming more engaged and active in our Diversity Initiative (MGM MIRAGE, 2004, ¶2).

He added:

The plain fact is, to take our company to even greater heights in our ever-more competitive global industry, we cannot afford to ignore talent in whomever may demonstrate it. Thus, our goal in diversity is to include and accept qualified talent
in all of its myriad forms, not to exclude anyone. Applying diverse ideas, diverse opinions and diverse approaches to our many business disciplines can only boost our competitive advantage in the marketplace of the world (MGM MIRAGE, 2004, ¶3).

He then announced the plans.

In 2004, we plan to take another leap in the integration of MBE, WBE, and DBE into our construction projects. On selected projects, we plan to team up a minority general contractor with a majority general contractor through all phases of the project -- from concept and design through completion of construction. By partnering such companies together, we believe MBE, WBE and DBE contractors will more rapidly develop expertise in managing larger projects for our Company (MGM MIRAGE, 2004, ¶16).

During this event, I obtained support from Lanni to continue my research on supplier diversity initiatives at MGM MIRAGE. He introduced me to Punam Mathur, Senior Vice President of Corporate Diversity and Community Affairs, and advised me to coordinate the study with her. Following the presentation, the company sponsored its annual Diversity Supplier Expo. I was able to interact and confer with buyers across properties and buying groups on the Diversity Initiative and had the opportunity to interview several vendors who travel to Las Vegas to attend the Expo.

The most recent event, in which I had the opportunity to interact with MGM MIRAGE organization members, as well as with executives from leading worldwide gaming companies, was on October 7, 2004, at the American Gaming Association’s Opportunity Expo held during the Global Gaming Expo in Las Vegas. This event
provided a unique forum for MWDBE to engage in valuable one-on-one discussions and to display their products directly with purchasing decision-makers. To open the forum, a panel composed of several of the gaming executives spoke on several components of diversity. The session provided information from the historical perspective to business practices. Unbeknownst to me, the session was chaired by Putnam Mathur and serving on the panel was Mark Stolarczyk. Kenyatta Lewis, Supplier Diversity Manager, was also present. Between the session and the one-on-one meetings, I spoke with these individuals and arranged to meet for the purpose of discussing my research and fielding their suggestions. The subsequent meeting, held the following week with Stolarczyk, provided additional insights into the design and process of MGM MIRAGE’s Diversity Initiative. It also gave me the opportunity to present my plan and research protocol and request interviews with buyers that met the research criteria (Appendixes D, F). At the end of our conversation, he scheduled several interview rounds with key informants. Round one was with Stolarczyk and Lewis. These interviews provided pertinent information that I used in subsequent interviews with the key informants. This technique helped improve both internal and construct validity. The next round of interviews was with the corporate buyers. These interviews revealed insight on SDI from the buyer’s perspective. The following week I interviewed a purchasing director, who with Stolarczyk, purposefully selected the front-line buyers to participate in the final round of interviews. Through this network of contacts, gathered data from numerous informal interviews and meetings. I generated nine in-depth interviews of which six were with front-line buyers.
Key Informants

The research participants identified by the Corporate Vice President of Purchasing in collaboration with an on-property Purchasing Director, consisted of sourcing personnel having varied procurement responsibilities in different organizational structure positions. All were highly involved buyers who possessed a high degree of product knowledge. Hence, they were likely to have rather elaborate and complex mental models surrounding the procurement process. This provided a rich source of meanings from which to understand their perspectives of SDI and served as the foundation on which to demonstrate congruence and incongruence of their diversity frames. The composition of the selected interviewees is presented in Table 2.

Table 2
Key Informant Classification

<table>
<thead>
<tr>
<th>Group</th>
<th>Type</th>
<th>Code</th>
<th>Primary product purchased</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>Corporate Buyer</td>
<td>C-1</td>
<td>Food</td>
</tr>
<tr>
<td></td>
<td>Corporate Buyer</td>
<td>C-2</td>
<td>Non-Food</td>
</tr>
<tr>
<td>II</td>
<td>Property Buyer</td>
<td>P-1</td>
<td>Tabletop</td>
</tr>
<tr>
<td></td>
<td>Property Buyer</td>
<td>P-2</td>
<td>Horticulture</td>
</tr>
<tr>
<td>III</td>
<td>Hybrid Buyer</td>
<td>H-1</td>
<td>Print Materials/Stationery</td>
</tr>
<tr>
<td></td>
<td>Hybrid Buyer</td>
<td>H-2</td>
<td>IT/Special Project</td>
</tr>
</tbody>
</table>

Five of the six buyers were female with half being ethnic minorities. All but one was promoted through the ranks into their current positions. The one experienced a
lateral move. The length of time in purchasing varied from approximately two to ten years. The Group I (corporate) buyers were based in the company’s corporate purchasing office. They were responsible for bidding out and awarding corporate contracts on both food and non-food products commonly used among several, if not all, of the company’s hotel-casino properties. The effective period of these “long-termed” contacts was usually one year, depending on the seasonality of the item and market conditions. The Group II (property) buyers were located on-site in the hotel-casino. They ordered products from the vendors who were awarded corporate contracts. These buyers also posted request for proposal (RFP) and awarded contracts for property specific products. Contracts for property specific goods and services were usually short-term or one-time awards. Requisitions for these products were normally generated by the end-user or triggered when inventory drops below safety stock. On occasion, maverick spend occurred during these course of these buyers’ routines. The Group III (hybrid) buyers sourced products for the property, as well as for corporate. These buyers maintained offices at the hotel-casino property. Their functions were comparable to the property buyers, such that they posted RFP and awarded short-termed contracts, in addition to sourcing from the corporate vendor list.

Data Gathering

Employing a qualitative approach, data were collected using multiple methods (Eisenhardt, 1989; Miles & Huberman, 1984, Yin 2004). These included unstructured interviews, observations in the field, and the review of documents and artifacts. Of these methods, the primary source of detailed data was through in-depth, ethnographic-style
interviews with the key informants. The interview session were between one to two hours, using an open-ended, unstructured format.

I began with a brief introduction that included an overview of human subjects rights. Afterward, I obtained their consent to participate in the study. I opened the interview with general questions using the interview guide presented in the research protocol. (Appendix A). Initial questions reflected on the informant’s knowledge, regarding how they described a typical day, how they sourced product, what procedures they used, and how they selected vendors. During the course of the interview, I attempted to gain insight on buyers’ expectations and assumptions by asking probing questions such as why they chose one vendor versus another, what influenced their decisions, and how and why information was exchanged with their colleagues within their own property and across sister properties. If the informants did not broach the subject of supplier diversity within the first 20 minutes of conversation, then I initiated it within the discussion. To preserve details of the language used, the audio-taped interviews were transcribed within a 24 to 48 hours.

Expressions of social artifacts were made during the interview. The informants shared stories and rituals related to their tasks while symbolic evidence of diversity was displayed in their offices. These helped me gain a deeper understanding of the knowledge, expectations, and assumptions they had toward SDI.

To gain additional insights into the buyer’s world, observations were made during meeting and training classes, as well as with individuals at work over the course of the study. The field notes form these observations were used to verify or elaborate the interview data. While during my internship, I had access to the company’s electronic
marketplace which generated summary reports on transactions. More recent, I was privy to
this information during interviews with the purchasing executive and managers.
Additional data were obtained from MGM MIRAGE website. From the homepage, there
is a direct link into information about “The Company.” Hyperlinked to this is the Supplier Diversity page. From there, various links on Diversity Philosophy, Letter from the Chairman, What We Buy, Registering for the Supplier Vendor Program, Bid Opportunities, List of Properties, and FAQ, are easily accessed.

Reviewed materials included the company’s documents such as annual reports, diversity reports, promotional materials, education promotional materials, diversity materials, press releases, and internal newsletters. Other materials included articles in magazines, trade journals, and newspapers (Appendix G). As data collection progressed, and the quantity of data obtained from these multiple sources proliferated, it became necessary to organize and manage the volume of information.

Data Analysis

In data gathering, I collected copious amounts of information from multiple sources of evidence. In data analysis, I employed multiple levels of examinations to scrutinize the buyer’s stories and the field notes made from observations of actions and artifacts, by reading and sorting through bits of information to develop categories, themes, and domains. This technique of data decomposition and synthesis is a form of content analysis. To proceed with the analysis process, all oral and written discourse, and the recorded observation, needed to be properly prepared. This was primarily achieved by coding. The coding process, a part of the grounded theory framework developed by Glaser and Straus (1967), was employed. This "constant comparative
method" aided in developing categories of meaning clusters or constructs emerging from the data set. Three levels of coding were performed in the first phase of this study. Open coding was executed in the first level of analysis. This mainly involved the coding of the transcripts and field notes. During the second level of analysis, axial coding was performed. Here, the entire dataset was revisited through the lens of relational domains for the purpose of discovering higher-order connection between categories. The third level of analysis involved selective codes. This entailed looking for the themes in the data and any gaps in the dataset.

Level One Analysis

The initial analysis began with sorting the data into statements and actions, which evolved around sourcing tasks. It became apparent that the "statement" data related to standard operating procedures, such as the structuration of the soliciting bids and awarding contracts, the nature of the product, and the use of technology to procure goods and services. However, the "action" data, which related to social behavior and performance, such as communicating importance of and relationship building and networks, responding to work load and time demand, and handling of rushed orders and rejected shipments, were less obvious. Based on the analysis of the informants' observable and tangible cultural manifestations, my understanding of buyers' knowledge of SDI, began to take shape. Albeit, this knowledge was explicit and transparent, and common semantic relationships conveyed by the informant were in the form of attribution and conventional properties, I began to developed insight on the complexities of the interconnected layers within the observable level of culture (buyers' knowledge
and relationships with the requisitioners) and the dynamic relationships between the levels of culture (buyer-supplier relationships).

**Level Two Analysis**

The next step involved the reexamination of the interview transcripts and field notes to identify statements or actions that reflected (a) assumptions, knowledge, and expectations of SDI, (b) the implications for task performance, and (c) the company's operations as a whole. This second level of analysis was based on longer periods of observations and investigation of the structures and practices, including those that were not written rules. These were tacitly shared and understood values and norms. The semantic relationships conveyed by the informant at this level were functional, sequential, and spatial descriptions.

**Level Three Analysis**

Once I established a level of trust with the informants, insightful discussion ensued. Their discourse provided information regarding buying behavior patterns and rationale. This lead to a third level of data analysis, which challenged interpretations on evidentiary grounds from the data, revealing unconscious expectations and assumptions. The semantic relationships conveyed by the informants at this level were viewed as rationale, means-end, and cause and effect explanations.

**Triangulating the Evidence**

Throughout each level of analysis, evidence collected from multiple sources including observations, company documents, artifacts, and archival sources were used as supporting materials and helped establish a chain of evidence. This case study tactic should establish a stronger substantiation of constructions and hypotheses.
The Findings

Two task-related themes—task-process and task-practice—emerged from the informants’ decision-making “stories” which related to their interpretations of SDI and its role in MGM MIRAGE supply chain. Determined from attribution and conventional properties found in the semantic relationships, level one analysis also revealed that informants shared a common and explicit knowledge of their task-process, i.e., what can be written, encoded, and explained. The buyers interviewed had a general command of the explicit knowledge needed to perform their task. They described the nature of product specifications, product designs, steps in the sourcing process, pricing, quality, delivery, service, and so forth. Notably, explicit knowledge is transparent and is not obscured by organizational routines, practices, and culture. Hence, anyone with a comparable knowledge or skills base can understand and decipher it.

Two categories of explicit knowledge were revealed in the first level analysis. One was the “nature of SDI”. This referred to buyers’ images of the initiative and their understanding of the policies associated with it. The second category was “diversity tactics”. This referred to buyers’ understanding of how the initiative was to be incorporated into their daily routines and the likely or actual conditions and outcomes associated with such actions.

Revealed in both levels two and three analyses, was the task-practice theme. Unlike the level one analysis in which the transparent, explicit knowledge was relatively straightforward to determine, the advanced analyses required more thought and attention in uncovering the semantic relationships. Like the need for asking probing questions during the interviews in order to get the informants to express a deeper understanding of
their task-practice, I had to delve deep to into the analysis to obtain the meaning of the functional, sequential, and spatial descriptions. These were related to prioritization, time-on-task, exploration, evaluations, negotiations, determinations, reevaluations, etc. Then I had to delve even deeper to get the informants to reveal their justifications for their actions. The informants tried to rationalize their task-performance with means-end and cause-effect explanations. The informants spoke of the unwritten “know-how” and “know-why” they draw upon in performing their tasks. These are parts of the process that are embedded in their skills and routines. They use their tacit knowledge in approaching and solving problems, as well as creating ideas, suggesting improvements, and employing critical thinking skills.

This tacit knowledge is less transparent than explicit knowledge. Acquiring this type of knowledge is arduous. It has causal ambiguity in which the relationship between the thought/action and the outcomes is highly uncertain. This adds to the complexities of knowledge transfer. Consequently, most valuable knowledge is tacit. It is the tacit knowledge that emerged from the data generated during the informants’ interviews when they expressed their thoughts and actions used in performing their tasks in the context of SDI. Based on this determination, I moved toward building a mid-range theory in diversity management in the next phase of the study.

*Thought/Action Process Conceptual Model*

Each informant’s levels two and three analyses were reviewed and the categories generated from each informant’s data were analyzed across the cases. Comparing of the categories should identify common cross-case themes. Once these themes were determined, the data from each informant were reexamined and then coded using the
proposed themes. This iterative examination yielded a set of themes that were posited to constitute core domains of the informants. These core domains are my interpretations of the informants' thought and action processes that occur during their task performance and were derived from their embedded knowledge, assumptions and expectations of supplier diversity. These interpretations of SDI are their diversity frames. Figure 11 illustrates the four domains or the buyers’ diversity found in this study.

![Figure 11. The Thought/Action Process Conceptual Model of Diversity Frames](image)

These four domains—Enabler, Espouser, Conformer, and Conservator, were developed from my impressions, interpretations, and sensemaking of the data as derived from the replication logic posited by Yin (2003). To confirm or disconfirm emerging
categories and themes, I used the constant comparison technique to search for patterns within each informant’s interview followed with cross-case analyses. To accomplish this, I searched for similarities and differences within each case. Next, I coupled these similarities and differences across each of the informant’s analysis. Triangulating the information with the field notes data generated from observations and archival sources, I chose these four domains to represent different buyers’ cognitive models or frames of reference. These diversity frames were my interpretation of how and why key informants selected vendors using a thought and action process. These frames may suggest how buyers make sense of SDI when performing their tasks. Although I believe this to be a realistic account of the informants frames of reference, the four analytic categories identified here were intuitively but logically determined based on my subjective codes. Therefore, this is not an exhaustive list of all potential domains. Given the time-context sensitive nature of qualitative research, in various study contexts different domains may be evident. Furthermore, theoretical generalizations might be made only to the case firm and with caution. (See Appendix H for analytic categories of frame domains salient in SDI with illustrative quotations from key informants.)

Shaping Hypotheses

In performing the iterative process of constant comparison of the within-case and cross-case analyses, my perception of the four constructs materialized and the possible relationships between variables began to emerge. Hence, I began to compare systematically the emergent frame with the evidence from each case, including demographic information, in order to assess how well or poorly these data fit with case
data. A close fit is central to building theory because it takes advantage of the insights not reveals previously and yields an empirically valid theory (Eisenhardt, 1989).

Table 3

*Diversity Frames*

<table>
<thead>
<tr>
<th>Diversity Frame</th>
<th>Thought Process</th>
<th>Action Process</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Conservator</td>
<td>Unconscious</td>
<td>Unconscious</td>
<td>Characterizes the frame of reference a buyer has when s/he seeks to preserve long-standing established or customary pattern of thought, action, or behavior. The Conservator is a traditionalist with attachment to habitual and conventional practices. Is risk adverse.</td>
</tr>
<tr>
<td>(STATUS QUO)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The Conformer</td>
<td>Conscious</td>
<td>Unconscious</td>
<td>Characterizes the frame of reference a buyer has when s/he strives to be in compliant with prevailing standards or customs. The Conformer adapts or conforms her/himself to new or different conditions in an attempt to act in accordance to policies. Will accept systematic risk.</td>
</tr>
<tr>
<td>(SYSTEM)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Diversity Frame</td>
<td>Thought Process</td>
<td>Action Process</td>
<td>Description</td>
</tr>
<tr>
<td>-----------------</td>
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<td>-------------</td>
</tr>
<tr>
<td>The Enabler</td>
<td>Unconscious</td>
<td>Conscious</td>
<td>Characterizes the frame of reference a buyer has when s/he provides a MWDBE with the means or opportunity to be success in gaining and retaining business. The Enabler actively seeks out the underrepresented vendors without preconceived thoughts or judgments. This behavior is innate and a part of their nature. Accepts risk.</td>
</tr>
<tr>
<td>(INRINSIC)</td>
<td>(AUTOMATIC)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The Espouser</td>
<td>Conscious</td>
<td>Conscious</td>
<td>Characterizes the frame of reference a buyer has when s/he embraces the cause of the company and makes it her/his own. The Espouser serves as a facilitator who actively seeks out to support the underrepresented vendors, however, is restrained through conscious thought or forced reasons on the grounds of vindicating past wrongs or fulfilling a social contract. I suggest that this stratagem is rooted in</td>
</tr>
<tr>
<td>(SELF-DECEPTION)</td>
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</tr>
</tbody>
</table>
Based on these new developments in the analysis, I was able to generate hypotheses. This was accomplished by verifying the emergent relationships between constructs fit with case evidence, particularly the demographic data. The pattern I observed across the buyers' decision-making "stories" allowed me to draw inferences regarding their thought/action processes. During my examination of the similarities and differences between the four domains and the data, the analysis suggested frame differences existed due to job location (corporate versus on-property), job promotion (moving up the ranks), sex, and age. However, the most significant differences noted were between minority and non-minority. Based on these differences, I present four general propositions, each of which summarizes a set of inferences as a theme. These propositions resemble the original ones stated early on in the case study whose purpose was to lend focus to the type of data to collect and the structuration of the investigation. I then develop each proposition (P) into specific hypotheses (H).

P1. Where diversity frames are derived from conscious thought process and unconscious action process (UT/CA), buyers are not likely to experience neither difficulties in task performance nor internal conflict around the implementation and adoption of SDI.

The research suggests that the buyers identified as The Enabler, have an intrinsic justification for actively seeking out underrepresented vendors without preconceived
thoughts or judgments. They possess an innate sense of duty and obligation to provide opportunities to MWDBE. These thought/action combinations are possibly due their demographic characteristics combined with job opportunities that lead to career advancements. The profile of the Enablers is ethnic minorities working in the corporate purchasing who have advanced up the career ladder and shares the company’s vision of inclusion. The resulting hypotheses derived from this proposition are:

H1. Among buyers in hotel-casino organizations, there is a strong positive association between UT/CA and implementation and adoption of SDI.

H1.1. Buyers with UT/CA have unforced thoughts associated with task performance in the context of SDI implementation and adoption practices

H1.2. Buyers with UT/CA actively practice implementation and adoption of SDI.

P2. Where diversity frames are derived from conscious thought process and unconscious action process (CT/UA), buyers are likely to experience difficulties in task performance but have no internal conflict around the implementation and adoption of SDI.

The research suggested that buyers identified as the Conformer, have a “systems” justification for seeking out underrepresented vendors, however, they do so passively. Their mental models do not have deep understanding of the collaborative nature of diversity; but, they are team players and company policy dictates their actions. They possess a sense of duty and obligation to their employer. From this form of “loyalty”, they are willing to make accommodations in performing their tasks through conscious
thought. The profile of the Conformers is non-minorities working on-property who are grateful for their job. The resulting hypotheses derived from this proposition are:

H2. Among buyers in hotel-casino organizations, there is a tenuous positive association between CT/UA and implementation and adoption of SDI.

H2.1. Buyers with CT/UA have forced thoughts associated with task performance in the context of SDI implementation and adoption practices.

H2.2. Buyers with CT/UA passively practice implementation and adoption of SDI.

P3. Where diversity frames are derived from unconscious thought process and unconscious action process, buyers are likely to experience both difficulties in task performance and have internal conflict around the implementation and adoption of SDI.

The research suggested that buyers identified as the Conservator, have a status quo justification for not actively seeking out underrepresented vendors. The premises underlying SDI (shared effort, cooperation, collaboration) represents change which is counterintuitive in their mental models which is grounded in traditional behavior. They like the “old ways” possibly change represents threat. Suffice to say, these characteristics were not demonstrated by the key informants. They were present, however, in some buyers that were interviewed at the introduction of the new electronic procurement systems. The profile of the Conservators was non-minorities working on-property having apprehension toward learning new systems which could change their employment status. The resulting hypotheses derived from this proposition are:
H3. Among buyers in hotel-casino organizations, there is a negative association between UT/UA and implementation and adoption of SDI.

H3.1. Buyers with UT/UA have unforced thoughts associated with task performance in the context of SDI implementation and adoption practices.

H3.2. Buyers with UT/UA passively practice implementation and adoption of SDI.

P4. Where diversity frames are derived from conscious thought process and conscious action process, buyers are likely to experience internal conflict but not difficulties in task performance around the implementation and adoption of SDI.

The research suggests that the buyers identified as the Espouser, have a self (deception) justification for seeking out underrepresented vendors. They are the visible crusaders who have taken up the cause; however, the foundation on which they build this support is tenuous at best. Their mental models indicate a desire of shared effort, cooperation, and collaboration which is rationalized using a justice-based ideology. The profile of the Espouser is non-minorities working on-property who wants to do the right thing, possibly related to their sense of morality or that it is politically and socially correct.

The resulting hypotheses derived from this proposition are:

H4. Among buyers in hotel-casino organizations, there is a positive association between CT/CA and implementation and adoption of SDI.

H4.1. Buyers with CT/CA have forced thoughts associated with task performance in the context of SDI implementation and adoption practices.
H4.2. Buyers with CT/CA actively practice implementation and adoption of SDI.

Enfolding Literature

The literature in organization management posits that organizations are conceived as socially sustained cognitive enterprises where thought and action are linked or conceptualized as interpretation systems (Boland & Tenkasi, 1995; Daft & Weick, 1984; Smirchich, 1984). Hence, it makes sense to build theory from the social-cognitive perspective views of organizational members as networks of subjective meanings or shared frames of references. Given the scarcity of extant literature in the area of supplier diversity initiative, challenging the internal validity with rival explanations becomes difficult. For this reason, having to use the literature from other disciplines became necessary. Research grounded in social-cognition was in fields such as education, IT, and medicine. I primarily drew upon the information technology literature to compare my findings. The works by Bandura (1977, 1986, 2001), Burrell and Morgan (1979), Daft and Weick (1984), Orlikowski (1992), Orlikowski and Baroudi (1991), Orlikowski and Gash (1994), and Weick (1979) reported concepts and findings in concordance with those in this research but without replication. Prior theory developed in each discipline unique social and cognitive repertories guided the interpretations of their worlds. These thought worlds have different funds of knowledge and systems of meanings, which allowed for the development of new knowledge and theories. I applied similar logic to build theory related to buying behavior in the context of MWDBE spend based on Eisenhardt (1989) approach. The steps I used toward building theory from case study research are summarized in the following chapter.
CHAPTER 7

SUMMARY AND DISCUSSION

Seek first to understand and then to be understood.

—Stephen R. Covey, Ph. D.,
Organizational Behaviorist

The Summary

Following the recommendations of Eisenhardt (1989), this dissertation progressed toward building a mid-range theory in supplier diversity management from case study research. The criteria used in conceptualizing the theory were (a) the ideas and propositions were specific to supplier diversity management, (b) it could be readily operationalized, (c) it could be applied to various procurement situations, (d) the assumptions corresponded to the theory, (e) the propositions could range from associative to causal, depending on their application, (f) it had relevance to the potential users of the theory, i.e., those in diversity management, sourcing management, (g) its orientation was toward outcomes that are important for diversity managers, strategic planners, and purchasing managers, buyers and suppliers, not merely describe what buyers do, and (h) it described sensitive phenomena that were readily associated with the deliberate actions of buyers. The eight-part inductive, contextual, and procession approach used toward building the theory is recaptured next.
**Getting Started**

Undertaking a study in organizational buying behavior in the entertainment-hotel-casino industry began with the formulation of the initial research questions and propositions. Although, this appears contrary to the tabula rasa concept in grounded theory methodology, setting research questions and a priori propositions were instrumental in helping me focus my efforts. However, in the tradition of beginning grounded theory research with a “blank slate,” I knew that both the questions and propositions were tentative. In fact, I expected the research questions to shift and I had no expectations that the propositions would be guaranteed a place in a resultant theory. Furthermore, I deliberately avoided thinking about specific relationships between variables and theories as much as possible.

**Selecting Cases**

Given the scarcity of empirical research on SDI, and having no established theories to formulate hypotheses in which to test, identification of a case study site was extremely critical to the success of this research. The selection of an appropriate hospitality organization helped to control extraneous variation, as well as to define the limits for generalizing the findings. MGM MIRAGE was selected for several reasons. First, the company is recognized as an industry leader in diversity initiatives. Its commitment to diversity has become ingrained in the company’s culture, from top-down and bottom-up. Second, I was given access to data sources. MGM MIRAGE opened the door and allowed me to enter into its world of corporate diversity. I was also given invaluable time and knowledge from its organization members. I had the opportunity to obtain company documents, view reports, make observations, and interact with sourcing
personnel throughout its hierarchical structure. The Executive Vice President of Corporate Purchasing assisted me with the theoretical sampling process and then approached the sourcing personnel who would serve as key informants. Third, its physical location was conveniently accessible. Living in close proximity to the case site made the logistics of traveling to the case site manageable.

_Crafting Instruments and Protocols_

In qualitative research, it is customary to employ multiple data collection methods. This study was no exception. At the outset, I searched both the popular and scholarly literature for relevant supplier diversity information. I attended various events and initiated informal conversational interviews with buyers, suppliers and scholars on diversity issues. The knowledge gained from these activities revealed the complex nature of supplier diversity and proved beneficial in the development on the research protocol. This phase of the study led me to created files for maintaining records and field notes, as well as the memos of my thoughts and ideas.

_Entering the Field_

Field research presented many opportunistic data collection methods. For example, recording observations of supplier diversity events generates copious amounts of data. Also, much was gleaned through voluntary, spontaneous but cogent conversations with buyers, supplier, and anyone who might have had a linked to diversity issues. Settings for these ad hoc conversations were mainly at supplier opportunity fairs, expos, meetings and seminars. This phase helped establish the tone for this study, which proved beneficial in how I approached in the next stage of the research, in-depth interviews.
In contrast to eliciting general information from a convenient sample, the in-depth interviews with key informants were purposefully selected. The setting was of their choice, typically in the informant's office, thereby adding to the respondent's comfort level. There were virtually no distractions once the interview commenced.

In each data gathering venue, I stated the purpose of the interview with the informants and addressed terms of confidentiality. I mentioned that the findings would be reported in my dissertation and could be made available to them. I gave each person my business card and contact information if other comments or questions developed. Most reciprocated in-kind.

*Analyzing the Data*

Participating in the world in which the data were gathered, enabled me to uncover emergent themes and unique features of the respondents. Albeit, I found analyzing the copious amounts of data to be most challenging, working in the field was conducive to a process of overlapping the rich information being collected with analyzing it. “Being close” to the data revealed helpful adjustments in the collection process, which possibly sped up the analysis. Moreover, this familiarity promoted the development of initial conceptions of a theory on buyers’ mental models. Conducting within-case analysis for each key informant generated insight on the complex nature of the buyers’ thoughts and actions involved in their task performance. This provided an understanding of their perspectives of SDI—their diversity frames.

Next, cross-case pattern searches were made. This activity forced me to look beyond my initial impressions and find evidence through the various perspectives. I searched for cross-case similarities and differences. This facilitated my interpretation of
diversity frame congruence and incongruence. Two task-related constructs emerged during this analysis. The task-process construct, which was primarily based on explicit knowledge, revealed pattern congruence in organizational buying behaviors. In contrast, tacit knowledge served as the basis for the second construct, task-practices. Incongruence was discovered among the buyers' diversity frame for this construct. These findings lead to shaping hypotheses on buyer's diversity frames.

Shaping Hypotheses

Emerging from the within-case analyses and the cross-case pattern searches were four analytic categories of buyer's behavior in the context of their thought/action processes involved in vendor selection. Each of these cognitive structures, or diversity frame, was determined through the iterative tabulation of collected evidence for each domain. To characterize each buyer's diversity frame, I labeled the category as a function of the buyer's thought(T) / action(A) process as determined by their conscious (C) and unconscious (U) behaviors. The four buyer's diversity frames I submitted were: Enablers (UT/CA), Espousers (CT/CA), Conformers (CT/UA), or Conservators (CT/UC). This process sharpened the frame definition and aided in the understanding of "why" buyers buy. It also lends support to both construct and internal validity.

Enfolding Literature

To validate my interpretation of the four diversity frames, I searched the literature for confirmation, as well as disconfirmation of the theory that was emerging from this study. Given the paucity of empirical research in this field, I turned to the literature that was oriented toward diversity initiatives, as well as cognition in context of implementation and adoption practices. Recent studies examined cases in diversity and
identified its effects in organizations (Kochan, et al., 2003; Ram, Smallbone, & Linneker, 2002) Works in other disciplines such as information systems (Bogner & Barr, 2000; Davidson, 2002; Markus, 1983; Orlikowski & Baroudi, 1991; Orlikowski & Gash, 1994; and Wong, 2004) and social psychology (Daft & Weick, 1984; Eden, 1992; Fiol, 1994; Gioia, 1986, 1989; Gioia, et al., 1994; Isabella, 1990; and Weick & Quinn, 1999) focused on implementation strategies. Ideologically, the evidence produced by the majority of these studies supported my sensemaking of the phenomenon I was investigating.

Reaching Closure

In the initial stages of this study, I had concerns with knowing when to stop adding cases and when to stop iterating between theory and data. It became evident when much of any additional information was redundant. At that point, when incremental learning was minimal, I reached theoretical saturation. Furthermore, taking into account the pragmatic considerations of the time required for interviewing, I had to respect the key informants’ time-on-task. Now, I anticipate the next step of the study, testing the hypotheses and expanding the theory to greater understanding of supplier diversity initiatives.

The Discussion

During the course of this investigation of organizational buying behaviors, it became evident that the hypercompetitive environment of the entertainment–hotel–casino industry imposes many task-related constraints on sourcing personnel. Maintaining the high levels of customer service that each guest expects, if not demands,
can create stressful working conditions. Having the right products, with the right quality, in the right quantity, and delivered at the right time, is critical when service-oriented companies, such as the case firm, operate 24/7/365. Falling behind in orders is not an option, nor is substituting inferior product as a quick fix acceptable. These types of mistakes and delays can be costly, not only at the time when they occurred, but also in loss of potential revenues, especially if negative word-of-mouth communications ensues. Whether corporate purchasing or on-property procurement, sourcing management places a premium on fast, quality, resourceful, and creative decision-makers who are proactive in their thinking but quick to react in a time of crisis. So when this dissertation posed the questions, “How and why do buyers buy?” the answers were not as easily surmised as one might suspect. In fact, the research results indicated that the procurement of goods and services for a customer-focused, profit-driven industry has a high degree of complexity. When added constraints are placed on buyers, such as the situation with SDI, the level of complexity increases. This enviably interacts with buyers cognitive and structural elements; in consequence, these elements have significant implications in the adoption and understanding of corporate-instituted policies.

The occurrence of increased complexities in organizational buying decision-making formed the premise for this dissertation study. I posit that as buyers implement and adopt the corporate-instituted diversity policies and initiatives, their task performance becomes more problematic. Consequently, buyers’ become predisposed to sourcing behaviors given the nature of their knowledge (explicit and tacit), expectations, and assumptions. This became evident during the iteration of data gathering and data analysis. During the process of constant data comparison, the two task-related
components involved in the purchasing function, task-process and task-practice, were uncovered. Discovering the existence of these components during the interviews gave credence to my emerging speculations. Additionally, patterns were established during the analysis. As a result, both construct validity (establishing a chain of evidence) and internal validity (pattern matching) were addressed. Moreover, this led me to gain a deeper understanding of buyer’s sensemaking which envelopes the underlying meaning of the significance of these two components.

The research findings suggest that the first component, task-process, is relatively straightforward. Buyers follow a sequence of procedures from once a need is indicated to the time the purchase order is cut. The process may continue if some deviation in securing the product occurs, such as damaged goods on arrival, goods not arriving, overstock and the like. On the other hand, the nature of the second component, task-practice, is not as explicit as that of task-process. Because it is less transparent, task-practice is more difficult to isolate and harder to grasp.

Probing into buyers’ (tacit) knowledge, assumptions, and expectations brought clarity to the thought/action processes. The social-cognitive views used to interpret buyers’ perspectives of SDI were instrumental in identifying four cognitive domains in their mental models. The four frame domains that emerged from the case study findings to characterize the behavioral patterns are Enablers (UT/CA), Espousers (CT/CA), Conformers (CT/UA), or Conservators (CT/UC). These diversity reference frames provide insight into and the rationale behind “how” and “why” vendor selection decisions are made. They are indications of the conscious and unconscious behavioral
patterns that prescribed how buyers framed their thoughts and actions in the content and context of SDL.

Irrevocably linked to these constructs are various mechanisms buyers draw from to manage added complexities and facilitate the sourcing task. These mechanisms are related to thought/action processes. The thoughts (forced versus unforced) and actions (active versus passive) provide buyers with a sense of justifications as to how and why particular vendors are selected. In this study, four classes of justifications surfaced—intrinsic, self (deception), systems, and status quo. Each class had a risk character trait embedded within it. The integration of the justification forms and the risk traits with the corresponding diversity frame types adds clarity to the multifarious domains of organizational buying behavior. A brief characterization of the buyer’s means of justifying her/his behavior and the associated risk factor that is compatible with her/his diversity frame follows.

- The Enabler, viewed as a change agent with an intrinsic justification, is a crusader for the mission. The Enabler is a rational risk taker.
- The Espouser, who uses a form of self (deception) justification, serves as a facilitator. The Espouser is also a risk taker but with reservations.
- The Conformer, like the yes-man, follows the leader and bears the risk dictated by the system. The Conformer accepts systematic risk.
- The Conservator, who has traditional views, opposes change by maintaining the status quo. The Conservator is risk adverse.

These four buying behavior categories imply that each organization member possesses her/his own personal cognitive map with a distinct combination of

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characteristics. The map enables her/him to formulate interpretations so as to make sense of policies and initiative that affect their task performance. While each buyer holds a unique cognitive structure, there may exist assumptions, expectations, and/or knowledge constituting diversity frames with a greater tendency to be shared among them. I proposed that where shared cognitive frames amongst these organization members are similar, congruence in task-practice exists. Conversely, where cognitive frames amongst buyers are dissimilar, incongruence in task-practice results.

The fieldwork yielded several interesting insights on the role of buyers in diversity innovation. First, buyers across the entire sample reported the company’s Diversity Initiative to be a “good thing” and top management directives and support are of considerable importance to its adoption. Buyers in Corporate Purchasing Department, the high-adopter, are motivated to routinize the initiative, possibly by dint of their milieu. The company structure and policy require all buyers include a MWDBE component in corporate contracts for goods, services, and commodities.

Second, buyers across the entire sample reported that communication is a necessity. Buyers reported that sharing information increased their awareness of the diversity not only existing within the company but also to the customers whom they serve. The meeting with other buyers provides them with an opportunity to present “success stories” from which they learn of exemplars that may benefit them in future situations.

Training is a key factor for developing a culture that impues diversity. Some key informants stated that they have a new level of sensitivity regarding their views and experiences both on the job and in their personal lives because of diversity training.
Delving further into the buyers’ perspectives on SDI to obtain a profundity of deep-seated views, I used the notion that organizations are socially sustained cognitive enterprises where thought and action are linked or conceptualized as interpretation systems. I turned to the cognitive perspective views of organization, which are manifested as networks of subjective meanings or shared frames of references. Albeit, each organization member has her/his own personal cognitive map and formulate interpretations to make sense of policies and initiative that impact their tasks, many assumptions and values constituting the frames tend to be shared with others. Where shared cognitive maps amongst these members are similar, congruence in task-practice exists. Conversely, the cognitive maps that are dissimilar amongst these members, incongruence in task-practice results.

Interestingly, incongruence in task-practice may have negative connotations, but such implications are not necessarily accurate. The findings revealed that the Enablers and the Espousers are the first to say SDI is a “good thing.” They actively seek out underrepresented vendors to present them with spend opportunities. On the other hand, the Conformers and the Conservators possess various degrees of passivity regarding their behavior in MWDBE outreach efforts. If implementation does not require too much contemplation on their parts, then the inclusion of MWDBE in their task-procedure becomes a more viable factor in the vendor selection process. Additional results indicated that the Enablers were (as the Conservators are predicted to be) automatic in their actions towards the inclusion of MWDBE in the task-procedure. The action is not “forced” but rather a natural part of the modus operandi. Conversely, the Espousers and the Conformers require motivation in their actions. This may be some form of reward.
(outward sign of acknowledgement) or threat (job security). Again, in analyzing the
informants diversity frames in which reverse thoughts/actions process patterns exist,
[e.g., Enablers (UT/CA) and Conformers (CT/UA); Espousers (CT/CA) and
Conservators (UT/UA)], I found that they all performed their job duties, but from varied
perspectives. The point to be made here is that differences exist and that it may be of
interest to diversity managers to develop a deeper understanding of these differences.
Such insights may guide the development of more efficacious diversity management
strategies resulting in improved outcomes.

Additional insights ensued upon further analysis of the informants' demographic
profiles with their corresponding diversity frames. The research findings suggest an
association between an informant's diversity frame and her/his educational and/or
professional backgrounds, work experiences, decision-making status (i.e., gatekeepers),
etnicity, and regular interaction. The findings also suggest that the sharing of cognitions
is facilitated by similarities in educational and/or professional backgrounds, work
experiences, status, ethnicity, and regular interaction. Such results have great
implications for developing more stylized diversity training geared to fit better one's
demographic profile. Customizing training tools to the particular needs of the
organization members with shared diversity frames may lead to more effectual
implementation and adoption practices of supplier diversity initiatives.

In summary, organizational buying behavior in the context of SDI involves
buyers making sense of an innovative concept, or an initiative if you will, which directly
affects their task performance. When sourcing goods and services to be used in an
industry that is hypercompetitive and survives solely on serving the customer, buyers
must make sound vendor selection decisions using thought/action processes based on their social-cognitive structure —knowledge (explicit and tacit), assumptions, and expectations. Collectively, the buyer's knowledge, assumptions, and expectations develop into unique social and cognitive repertories derived from conscious and unconscious behaviors, which guide her/his interpretation of the world. These social and cognitive repertories are the buyer's frame of reference, or their diversity frame. Although each buyer possesses a unique combination of knowledge, assumptions, and expectations, patterns of similar characteristics are found. If this is the case, congruence in thoughts and actions exists among them. Hence, they have shared frames. Conversely, when patterns are difficult to find among buyers' social-cognitive structures, one might infer that the funds of knowledge and systems of meanings are so different that sharing frames are inhibited. When frames are not shared, they are said to be incongruent. Understanding the differences in congruent and incongruent diversity frames may be the necessary link to successfully managing the implementation, adoption, and routinization of supplier diversity initiatives.
CHAPTER 8

CONCLUSION

*The most difficult thing in life is to know yourself.*

—Thales, Greek Philosopher

Organizations are conceived as socially sustained cognitive enterprises (Wong, 2004) in which buyers perform and interact with other actors in that world. Hence, an investigation into buyers’ cognitive structures, where thought and action are linked (Smirchich, 1983) or conceptualized as “interpretive systems” (Daft & Weick, 1984), has to include the world in which they are enacted. Given the interpretive nature of understanding buyers’ sensemaking of supplier diversity initiatives, the method employed in this study was largely anchored in a social cognitive framework with strategic sourcing underpinnings. These theoretical perspectives, with a focus on the inductive, contextual, and processual nature of grounded theory, were particularly suitable for research in organizational buying behavior. It provided an approach to investigating a complex social phenomenon from an emic viewpoint while concurrently attempted to move beyond "thick description" toward theory development. Albeit my research is limited to six cases, to my knowledge, this study represents the first effort to build a model relating buyers’ socio-cognition regarding initiatives in supplier diversity.
In this study, I drew on Orlikowski and Gash (1994) technological frames concept. The findings indicated that different diversity frames trigger different ways buyers made making sense of SDI. Since these different interpretations are typically not articulated or discussed, they may result in unintended and unknowingly misaligned expectations, contradictory actions, and unanticipated organizational consequences. Thus, buyers' frames of reference may have implications for diversity management relating to MWDBE spend.

Implications of the Diversity Frames Concept

In this dissertation, I proposed the concept of diversity frames, and claimed that such a social cognitive perspective on organizational buying behavior offers an interesting and effectual approach to interpreting the adoption and implementation of SDI in the entertainment-hotel-casino industry. I used the research findings to apply the concepts of diversity frames and congruence to describe sourcing personnel thought/action processes in their decision-making process. I suggested that the task of vendor selection is a function of diversity frame, and thus, MWDBE spend. The conceptual framework I developed has important implications for both the research and practice of supplier diversity management.

Research Contributions

It is my opinion that the concept of buyers' frames of reference extends Bandura's (1977, 1986, 1989) earlier works on social cognition by focusing on the increasingly salient business imperative of diversity initiatives. Although studies exist on the role of cognitive models in organizational behavior, in my literature search
I found no such model on cognition pertaining to diversity initiatives. Hence, I applied the theoretical models in strategic sourcing and social psychology, to develop a study using the concept of diversity frames. These reference frames are the understandings that buyers hold to form the basis of their enactment regarding SDI. They are buyers’ individually held assumptions, expectations, and knowledge used in their sensemaking of this social reality. Thus, social cognitions connect to institutional analyses, which are concerned with the shared, assuming taken-for-granted systems of social rules and conventions that structure social thought and action (Orlikowski & Gash, 1994).

The contributions offered by the concept of diversity frames provide a powerful analytic tool for examining organizational buying behavior—a tool not normally considered by researchers or practitioners. The diversity frames concept allowed me to gain a deeper understanding of their decision-making process when selecting underrepresented vendors. In particular, buyers’ frames provided a mean to portray their assumptions, expectations, and knowledge of SDI, in addition to their thought/action processes in MWDBE selection.

Diversity frames, as well as the notions of frame congruence and incongruence, offer a way of explaining and anticipating buying behavior not available through perspectives focusing solely on the structural or process aspects of organizations. Although the contributions of this research is limited to understanding individual buyer’s cognitive structures including the knowledge, assumptions, and expectations of SDI, future research can broaden this
perspective and the role for cognitive research in studying organizational buying behavior and for developing strategic sourcing methodologies to address the complexities, subtleties, and dynamics of this social phenomenon for effective management.

Implications for Future Research

This dissertation builds on socio-cognitive theory for framing organizational buying behaviors and suggests an analytic approach for investigating diversity initiatives in the hospitality supply chain. In this study, I tried to gain an in-depth understanding of buyers’ knowledge, assumptions, and expectation of SDI and used this to interpret the thought/action processes they employed in vendor selection. My interpretation does not suggest that one frame is preferable to another. It does, however, offers insights in organizational buying behavior that leads to implications for future case-based research.

First, a robust theory of business model discovery must account for SDI legitimacy. In this study, I identified an initial set of domains for diversity frames—Enabler, Espouser, Conformer, and Conservator—that appeared to be relevant in the context of a hotel-casino firm. These domains provide guidelines for examining and articulating buyers’ interpretations of SDI. While I consider these domains applicable to SDI, much can be learned by examining them in other organizational contexts and with other buying groups. I also expect that further empirical investigations can expand on the diversity frames general concept and those that involve specific sourcing strategies.
Second, research is also needed to identify the means through which diversity frames are shared or divergent, and to examine areas of incongruence among the buyers' frames and those with whom they interact. It may be useful to assess how much difference in assumptions, knowledge, and expectations constitutes frame incongruence, and whether the notion of incongruence varies temporally and contextually. The focus of the study can be on determining the conditions that lead to increased or decreased congruence in frames, and elaborating the different organizational consequences that are associated with varying degrees of frame incongruence. Alternately, the focus can be on examining the degree of frames tolerance or rigidity relating to (a) new interventions and possibly contradictory information, (b) the extent of buyers' commitment to particular frames, and (c) frames' reflections or deviations from the company's culture. The task-process view of frames also requires an examination of the conditions under which frames change. For example, identifying the internal and external triggers that typically serve as catalysts for frame changes in various situations is an important area of study, as is determining how effective various triggers are in accomplishing changes in buyers' frames and how these lead to changes in action (Orlikowski & Gash, 1994).

Third, additional work is needed to design and evaluate specific interventions or experiments aimed at creating a positive link between diversity practice and business performance. Developing studies to replicate experimental conditions in real organizational settings may increase control without the artificiality of simulations. To
conduct such research, however, will require executives to commit to this type of experimentation and learning within their own organizations (Kochan, et al., 2003).

Whatever the focus, researchers should continue to employ various disciplines to studies of management phenomena, with the objective of producing useful theory with predictive power, in a form that is accessible to practicing managers.

Implications for Practice

Since buyers have different sets of knowledge, assumptions, and expectations in their task performance, managing the implementation and adoption of SDI can be difficult. Although this research explored the nature of buyers' interpretations of SDI, given the limited nature of my sample and findings, it would be inappropriate to propose broad or sweeping implications for managerial action. However, in the course of this study, I worked with a sample of highly involved sourcing personnel that was purposefully selected to articulate the process and practices involved in task performance. These key informants provided critical insight on their interpretations of SDI. Through their discourse, I obtained what I believe is a valid picture of the state of supplier diversity for this hotel-casino organization. Derived from my interpretation of this discourse, the four frame domains I suggested, Enabler, Espouser, Conformer, and Conservator, provide a basis for identifying buyers' knowledge, assumptions, and expectation salient in sourcing activities, as well as for examining how and why MWDBE selection is expressed and legitimated. Thus, with appropriate caution, I offer the following implications for practice.

Inconsistency and incongruence can lead to certain action and inaction that hampered the implementation of SDI. Attempts to identify the congruent and
incongruent among diversity frames may be particularly useful in developing intervening strategies, thereby avoiding such potential difficulties. Articulation, reflection, discussion, negotiation, and possibly change of the identified incongruence may reduce the likelihood of unintended misunderstandings around the implementation and adoption of SDI.

Buyers’ diversity frame conceptualization also provides a means for influencing groups' frames as SDI implementation and adoption process proceeds. Initial assessment or benchmarking of frames may provide an indication of the degree to which buyers share an understanding of the organizational changes intended by SDI. Tracking groups' frames over time may present practitioners with insight into the underlying reasons for different conceptions and actions by sourcing personnel.

Diversity frames also have implications regarding the adoption of a more analytic approach to diversity management. To understand the importance of SDI and to monitor the progress in managing it effectively, sophisticated data collection and analyses are needed. While current assessments of diversity efforts involve measuring the MWDBE component for bids and contracts awarded over time and property can be useful, these are only a first step. Equally important but very different considerations are: Under what conditions do certain buyers outperform or under-perform other buyers in MWDBE spend? What role does their diversity frames mitigate or exacerbate potential or positive effects? Having this knowledge can provide the organization with the necessary information to make diversity claims as a strategic imperative warranting financial investment.
Final Comment

Given organizations’ top management attention on the diversity business case, developing ways to improve the process and outcomes of MWDBE spend is an ongoing challenge. However, managing the implementation and adoption of SDI is complicated. Understanding buyers’ interpretation of it is nonlinear and complex. In this dissertation, I addressed this need for deeper understanding of the dynamics of organizational buying behavior. The approach that I adopted underscored the social, cognitive, and contextual nature of SDI. Based on the research findings, I argued that a focus on buyers’ diversity frames may prove beneficial for diversity management and then suggested that managers, armed with insight on buyers’ diversity frames, could develop intervening tactics targeted at buyers’ behavioral and contextual traits. This unconventional approach differs from employing the typical diversity best practices, which rely on universalistic and normative methods.

Furthermore, it is hoped that my interpretations of the assumptions, expectations, and knowledge buyers draw on in their sensemaking of MWDBE spend enrich the theoretical understanding of SDI and increase researcher’ and practitioners’ appreciation of the challenges sourcing personnel face as they tackle this complex organizational undertaking. I believe that the concept and the broad domains of diversity frames proposed in this study are a useful starting point for examining buyers’ interpretations of diversity initiatives and the nature and extent of congruence and incongruence among them. I also believe that the diversity frames thought/action processes conceptual model has utility for the diagnosis, explanation, and anticipation of outcomes concerning diversity implementation and adoption in organizations. Therefore, buyers’ diversity
frames may be particularly useful in managing supplier diversity in the entertainment-
hotel-casino industry.
APPENDIX A

U.S. POPULATION STATISTICS

<table>
<thead>
<tr>
<th></th>
<th>2000</th>
<th>2010</th>
<th>2020</th>
<th>2030</th>
<th>2040</th>
<th>2050</th>
<th>2060</th>
</tr>
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<tbody>
<tr>
<td>Population(^1)</td>
<td>275,306</td>
<td>299,861</td>
<td>324,926</td>
<td>351,070</td>
<td>377,349</td>
<td>403,686</td>
<td>432,010</td>
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<td>% of Total</td>
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<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
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<td>212,990</td>
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<td>% of Total</td>
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<td>63.8</td>
<td>60.1</td>
<td>56.3</td>
<td>52.8</td>
<td>49.6</td>
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<tr>
<td>BLACK, NON-HISPANIC</td>
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<td>37,482</td>
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<td>45,567</td>
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<td>12.8</td>
<td>13.0</td>
<td>13.1</td>
<td>13.2</td>
<td>13.3</td>
</tr>
<tr>
<td>AMERICAN INDIAN, NON-HISPANIC</td>
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<td>2,549</td>
<td>2,787</td>
<td>3,023</td>
<td>3,241</td>
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<td>0.8</td>
<td>0.8</td>
<td>0.8</td>
<td>0.8</td>
</tr>
<tr>
<td>ASIAN &amp; PACIFIC ISLANDER, NON-HISPANIC</td>
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<td>12.5</td>
<td>18,527</td>
<td>23,563</td>
<td>29,542</td>
<td>35,759</td>
<td>42,277</td>
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<td>% of Total</td>
<td>3.9</td>
<td>4.8</td>
<td>5.7</td>
<td>6.7</td>
<td>7.8</td>
<td>8.9</td>
<td>9.8</td>
</tr>
<tr>
<td>HISPANIC</td>
<td>32,478</td>
<td>43,687</td>
<td>55,156</td>
<td>68,167</td>
<td>82,691</td>
<td>98,228</td>
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<tr>
<td>% of Total</td>
<td>11.8</td>
<td>14.6</td>
<td>17.0</td>
<td>19.4</td>
<td>21.9</td>
<td>24.3</td>
<td>26.6</td>
</tr>
</tbody>
</table>

\(^1\)Numbers in thousands. (Consistent with the 1990 estimates base.)

Source: U.S. Census Bureau, Population Projections Program, Population Division.
APPENDIX B

U.S. BUYING POWER STATISTICS

<table>
<thead>
<tr>
<th></th>
<th></th>
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</tr>
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<tr>
<td>Total</td>
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<td>7,113.6</td>
<td>8,214.7</td>
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<td>5,919.9</td>
<td>6,756.9</td>
<td>8,504.8</td>
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<td>Black</td>
<td>318.3</td>
<td>584.9</td>
<td>687.7</td>
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<td>American Indian</td>
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<td>37.2</td>
<td>45.2</td>
<td>63.1</td>
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<td>Asian</td>
<td>118.2</td>
<td>268.7</td>
<td>344.2</td>
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<td>254.9</td>
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<td>Multiracial</td>
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<td>107.2</td>
<td>125.8</td>
<td>164.6</td>
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</table>

<table>
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<th></th>
<th></th>
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</thead>
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<td>Total</td>
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<td>158.8</td>
<td>15.5</td>
<td>28.7</td>
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<td>White</td>
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<td>140.0</td>
<td>14.1</td>
<td>25.9</td>
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<tr>
<td>Black</td>
<td>127.1</td>
<td>203.0</td>
<td>17.6</td>
<td>34.0</td>
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<td>American Indian</td>
<td>147.3</td>
<td>240.0</td>
<td>21.5</td>
<td>39.7</td>
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<td>52.8</td>
</tr>
<tr>
<td>Other</td>
<td>203.5</td>
<td>337.4</td>
<td>30.2</td>
<td>59.5</td>
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<tr>
<td>Multiracial</td>
<td>NA</td>
<td>NA</td>
<td>17.3</td>
<td>30.8</td>
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</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Total</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
<tr>
<td>White</td>
<td>87.4</td>
<td>83.2</td>
<td>82.3</td>
<td>80.3</td>
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<td>8.2</td>
<td>8.4</td>
<td>8.7</td>
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<tr>
<td>American Indian</td>
<td>0.5</td>
<td>0.5</td>
<td>0.5</td>
<td>0.6</td>
</tr>
<tr>
<td>Asian</td>
<td>2.8</td>
<td>3.8</td>
<td>4.2</td>
<td>5.0</td>
</tr>
<tr>
<td>Other</td>
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<td>1.5</td>
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</table>

Source: Selig Center for Economic Growth, Terry College of Business, The University of Georgia, May 2003 (Humphreys, 2003).
APPENDIX C

COMPARISON OF MINORITY-OWNED FIRMS TO ALL U.S. FIRMS: 1997 AND 1992
Appendix C. Comparison of Minority-Owned Firms to All U.S. Firms\(^1\): 1997 and 1992

<table>
<thead>
<tr>
<th>Firm (number)</th>
<th>1997</th>
<th>1992</th>
<th>% change</th>
<th>Sales and receipts (million dollars)</th>
<th>1997</th>
<th>1992</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>All U.S. firms</td>
<td>18,431,456</td>
<td>17,253,143</td>
<td>6.8</td>
<td>4,661,018</td>
<td>3,324,200</td>
<td>40.2</td>
<td></td>
</tr>
<tr>
<td>Relative standard error of estimate (%)</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>All minority-owned firms</td>
<td>2,786,098</td>
<td>2,149,184</td>
<td>29.6</td>
<td>335,316</td>
<td>209,740</td>
<td>60.0</td>
<td></td>
</tr>
<tr>
<td>Relative standard error of estimate (%)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>5</td>
<td>1</td>
<td>22</td>
<td></td>
</tr>
<tr>
<td>Black-owned firms</td>
<td>780,770</td>
<td>620,912</td>
<td>25.7</td>
<td>42,671</td>
<td>32,197</td>
<td>32.5</td>
<td></td>
</tr>
<tr>
<td>Relative standard error of estimate (%)</td>
<td>1</td>
<td>-</td>
<td>5</td>
<td>4</td>
<td>2</td>
<td>17</td>
<td></td>
</tr>
<tr>
<td>Hispanic-owned firms</td>
<td>1,121,433</td>
<td>862,605</td>
<td>30.0</td>
<td>114,431</td>
<td>76,842</td>
<td>48.9</td>
<td></td>
</tr>
<tr>
<td>Relative standard error of estimate (%)</td>
<td>1</td>
<td>-</td>
<td>4</td>
<td>5</td>
<td>2</td>
<td>15</td>
<td></td>
</tr>
<tr>
<td>American Indian- and Alaska Native-owned firms</td>
<td>187,921</td>
<td>102,271</td>
<td>83.7</td>
<td>22,441</td>
<td>8,057</td>
<td>178.5</td>
<td></td>
</tr>
<tr>
<td>Relative standard error of estimate (%)</td>
<td>2</td>
<td>3</td>
<td>15</td>
<td>4</td>
<td>4</td>
<td>25</td>
<td></td>
</tr>
<tr>
<td>Asian- and Pacific Islander-owned firms</td>
<td>785,480</td>
<td>785,480</td>
<td>30.2</td>
<td>161,142</td>
<td>95,714</td>
<td>95,714</td>
<td></td>
</tr>
<tr>
<td>Relative standard error of estimate (%)</td>
<td>1</td>
<td>-</td>
<td>4</td>
<td>5</td>
<td>2</td>
<td>15</td>
<td></td>
</tr>
</tbody>
</table>

\(^1\) All firms data include both firms with paid employees and firms with no paid employees.

Note: Detail in this table does not add to total because of duplication of some firms. Hispanics may be of any race and, therefore, may be included in more than one minority group.

APPENDIX D

RESEARCH PROTOCOL
Appendix D. Research Protocol

Introduction

This study involves researching the implementation and adoption of diversity policies and practices of sourcing personnel in the hospitality industry. Using qualitative methods, the study focuses on buyers' interpretations of supplier diversity initiatives to gain insight into the assumptions, expectations, and knowledge they have regarding diversity policy. The aim is to develop in-depth understanding of the knowledge, expectation, and assumptions buyers' draw from in making sense of supplier diversity initiatives. Discovering congruence and incongruence among buyers' cognitive structures will aid in building supplier diversity management theory. In the course of such inquiry, "truth" to problematic situations might be revealed due to a better conceptual understanding of the issues, thereby leading to improved decision-making.

Description of the Study

1. PURPOSE: To elicit data and information from sourcing personnel in varied buying groups who are involved in the implementation and adoption of supplier diversity policy. The data is needed to uncover the critical elements that shape organizational buying behavior associated with the adoption and implementation of supplier diversity initiatives.

2. PHILOSOPHY: Given that my research stance involves understanding the world of lived experience form the viewpoint of those who live it, I follow the interpretive paradigm. This paradigm suits my ideology given its epistemological orientation, which suggests that knowledge is socially constructed through discourses in interpretive. From an ontological point of view, this mode of inquiry permits me to interpret the complex phenomenon regarding the commitment made by purchasing personnel to diversity initiatives.

3. SUBJECTS: A theoretical sample of 4-8 buyers who perform various types of spend in a hospitality organization that promotes diversity serve as key informants.

4. METHODS: Modeled after Eisenhardt's theory building framework, the case study strategy is used to gain an in-depth understanding as to the "how" and the "why" sourcing personnel interpret supplier diversity policy.

Site Selection. The site selected for this case study is a major hospitality corporation known for its commitment to supplier diversity and has implemented diversity initiatives throughout its organization including its purchasing operations.
Data Collection. Using theoretical sampling, data are generated from the transcribed audiotape recordings of in-depth, ethnographic-type interviews with the purposefully selected corporate and on-property buyers who agreed to participate as key informants. During these interviews, key informants are asked to discuss diversity policy and the impact it has on the procurement decision-making process. Additional data are gathered from a combination of sources, including, but not limited to observations, company documents, and other relevant materials and artifacts. Employing the technique of using multiple data sources, known as triangulation, is powerful because it (1) offers multiple perspectives on buyer behavior, (2) supplies added information on emerging concepts, (3) allows for cross-checking, and (4) produces stronger validation of constructs.

5. RISKS: The probability and magnitude of harm or discomfort anticipated in this research are not greater in and of themselves than those ordinarily encountered in daily life. Any risk incurred will be minimal. Some interviewees may become uncomfortable when answering questions relating to the decision-making process in the procurement of goods and services.

6. BENEFITS: The subject participating in this study will aid in developing supplier diversity management theory for the hospitality industry. The results are expected to further the understanding of organizational buying behavior within respective buying centers in the context of corporate policies and purchasing initiatives. Contribution to organizational learning; the role of buyers and their influences; collaborative technologies and other supporting artifacts are anticipated. Propositions on factors that enhance or hinder organizational learning will be developed.

7. RISK-BENEFIT RATIO: The study’s benefits far outweigh any potential risks that may be incurred by the subjects.

8. COST/COMPENSATION: Face-to-face, one-on-one interviews lasting approximately one to two hours will be conducted during the informants’ regular workday. The participants will not incur any financial cost nor receive additional compensation.

Interview Procedure

1. INTRODUCTION: Hello, my name is Jocelina Santos and I am a graduate student in the College of Hotel Administration at UNLV. To fulfill part of the program requirements, I am conducting a study on organizational buying behavior in the hospitality industry. Since I am interested in learning from you, the buyer, I really appreciate your willingness to participate in the study.

I hope to gain an understanding of how and why you make buying decision. Having awareness of the criteria you use in selecting products and choosing the vendors who supply them, can help in developing theories on the complexities involved in sourcing goods and services. Your knowledge of who is involved, who the influencers are, what the influences are, what tools are used, what role technology plays, how you interact with other organization members, and the effect company policies and initiatives have on purchasing can contribute to organizational learning and effective sourcing solutions.
Given your background, you were selected to participate in this study and express your assumptions, knowledge, and expectations involved in the acquisition of goods and services. During the interview, I will ask you on how you and your buying group work, would like to work, and what influences your decision-making process. Since this is your opinion, there are no right or wrong answers, but rather differing points of view. I am just as interested in negative comments as positive comments; both can be very helpful. I am interested in your perspectives of the organization as a whole and purchasing as a function.

2. QUESTIONING ROUTE

1. First, can you tell me about yourself in how you came into your current position?

2. Can you describe what you do in performing your job?

3. Can you tell me about the corporate culture and how policies and initiatives filter down to the purchasing department?

4. Now, I want to shift our conversation from the organization perspective and focus on the perspective of the purchasing function. Looking back on your experiences as a buyer and the experiences of others in the purchasing function, how would you define diversity initiative as it relates to purchasing?

5. Based on your experiences, what are some specific activities that you consider supplier diversity initiative behavior (both positive and negative) in purchasing from a functional perspective? (As the key informants mentions each issues, probe the responses using questions 5A-E).

A. What do you think causes or drives the purchasing function’s involvement in supplier diversity initiatives? Why?
   Probe: Corporate Policy/Culture/Customer/Diversity Department/Purchasing Department.

B. Are there any barriers to implementing these initiatives? If so, how are they overcome?

C. What can be done to aid in your decision making process as it relates to MWDBE? Who/What has been most helpful?

D. What are some of the outcomes or effects of supplier diversity initiative in your company? Are they what you expected?
   Probe: Positive/Negative

E. Do you consult with other buyers (inside/outside your buying group)?
   Probe: Do they influence you in making decisions on supplier diversity initiatives?

---

1 The critical incident technique is employed here, where individuals are asked for particular incidents/examples for each of the types of behaviors that they mentioned and in which they are involved.

2 Questions 5 A-E are linked to the critical incidents discussed in Question 4.

3 Examples are given to “get the ball rolling” if necessary. The examples will be presented in random order among interviews to avoid bias.
6. Tell me how the implementation of supplier diversity initiatives affected your function. 
   Probe: Have views/practices changed?

7. If you were promoted, what advice would you give to your replacement? To someone 
   just starting out in hospitality purchasing?

8. Is there anything that you might not have thought about which occurred to you during 
   our conversation?

9. Is there anything you would like to ask me?
APPENDIX E

CASE STUDY METHODOLOGY:
ADVANTAGES, DISADVANTAGES, AND SOURCES OF EVIDENCE
## Appendix E. Case Study Methodology: Advantages, Disadvantages, and Sources of Evidence

<table>
<thead>
<tr>
<th></th>
<th><strong>ADVANTAGES</strong></th>
<th><strong>DISADVANTAGES</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CASE STUDIES</strong></td>
<td>• Provide a rich picture of what is happening, as seen through the eyes of many individuals</td>
<td>• Require a sophisticated and well-trained data collection and reporting team</td>
</tr>
<tr>
<td></td>
<td>• Allow a thorough exploration of interactions between treatment and contextual factors</td>
<td>• Can be costly in terms of the demands on time and resources</td>
</tr>
<tr>
<td></td>
<td>• Can help explain changes or facilitating factors that might otherwise not emerge from the data</td>
<td>• Individual cases may be overinterpreted or overgeneralized</td>
</tr>
<tr>
<td><strong>INTERVIEWS</strong></td>
<td>• Usually yield richest data, details, new insights</td>
<td>• Expensive and time-consuming</td>
</tr>
<tr>
<td></td>
<td>• Permit face-to-face contact with respondents</td>
<td>• Need well-qualified, highly trained interviewers</td>
</tr>
<tr>
<td></td>
<td>• Provide opportunity to explore topics in depth</td>
<td>• Interviewee may distort information through recall error, selective perceptions, desire to please interviewer</td>
</tr>
<tr>
<td></td>
<td>• Allow interviewer to experience the affective as well as cognitive aspects of responses</td>
<td>• Flexibility can result in inconsistencies across interviews</td>
</tr>
<tr>
<td></td>
<td>• Allow interviewer to explain or help clarify questions, increasing the likelihood of useful responses</td>
<td>• Volume of information very large, may be difficult to transcribe and reduce data</td>
</tr>
<tr>
<td></td>
<td>• Allow interviewer to be flexible in administering interview to particular individuals or in particular circumstances</td>
<td></td>
</tr>
<tr>
<td><strong>OBSERVATIONS</strong></td>
<td>• Provide direct information about behavior of individuals and groups</td>
<td>• Expensive and time consuming</td>
</tr>
<tr>
<td></td>
<td>• Permit evaluator to enter into and understand situation/context</td>
<td>• Need well-qualified, highly trained observers; may need to be content experts</td>
</tr>
<tr>
<td></td>
<td>• Provide good opportunities for identifying unanticipated outcomes</td>
<td>• May affect behavior of participants</td>
</tr>
<tr>
<td></td>
<td>• Exist in natural, unstructured, and flexible setting</td>
<td>• Selective perception of observer may distort data</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Behavior or set of behaviors observed may be atypical</td>
</tr>
<tr>
<td><strong>DOCUMENTS</strong></td>
<td>• Available locally</td>
<td>• May be incomplete</td>
</tr>
<tr>
<td></td>
<td>• Inexpensive</td>
<td>• May be inaccurate or of questionable authenticity</td>
</tr>
<tr>
<td></td>
<td>• Grounded in setting and language in which they occur</td>
<td>• Locating suitable documents may pose challenges</td>
</tr>
<tr>
<td></td>
<td>• Useful for determining value, interest, positions, political climate, public attitudes</td>
<td>• Analysis may be time consuming and access may be difficult</td>
</tr>
<tr>
<td></td>
<td>• Provide information on historical trends or sequences</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Provide opportunity for study of trends over time</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Unobtrusive</td>
<td></td>
</tr>
<tr>
<td><strong>KEY INFORMANT</strong></td>
<td>• Information concerning causes, reasons, and/or best approaches is gathered from an &quot;insider&quot; point of view</td>
<td>• Time required to select and get commitment may be substantial</td>
</tr>
<tr>
<td></td>
<td>• Advice/feedback increases credibility of study pipeline to pivotal groups</td>
<td>• Relationship between evaluator and informants may influence type of data obtained</td>
</tr>
<tr>
<td></td>
<td>• May have side benefit to solidify relationships among evaluators, clients, participants, and other stakeholders</td>
<td>• Informants may interject own biases and impressions</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Disagreements among individuals may be hard to resolve</td>
</tr>
</tbody>
</table>

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APPENDIX F

KEY INFORMANT PACKET

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Appendix F.01 Letter to the Participants

UNLV

RESEARCH: INTERPRETING BUYERS—A CASE STUDY DERIVING INSIGHTS FROM THE PERSPECTIVE OF SOURCING PERSONNEL.

PROJECT: How are Goods and Services Purchased—What Is the Buyer’s Role in the Procurement Process—How Do Sourcing Personnel Contribute to Organizational Learning?

First, I want to thank you for volunteering to be interviewed and for participating in this research project. My name is Jocelina Santos and I am a graduate student in the College of Hotel Administration at UNLV. To fulfill part of the program requirements, I am conducting a study on organizational buying behavior aimed at gaining detailed understandings of the procurement process from you—the buyer. Having insight as to how and why buying decisions are made, based on the criteria you use in selecting products and those you use for choosing vendors who supply them, can help in developing theories on the complexities involved in sourcing goods and services acquired for the hospitality industry. Your knowledge of who is involved, who the influencers are, what the influences are, what tools are used, what role technology plays, how you interact with other organization members, and the effect company policies and initiatives have on purchasing can contribute to organizational learning and effective sourcing solutions.

Given your background, you were selected to participate in this study and encouraged to openly express your assumptions, knowledge, and expectations involved in the acquisition of goods and services. During the interview, I will question you on (a) how you and your buying group work, (b) how you would like for it to work, and (c) who or what influences your decision-making process.

To familiarize you with the research before we meet, I have enclosed a packet that contains the following:

<table>
<thead>
<tr>
<th>FORMS</th>
<th>DESCRIPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>CONSENT FORM responses (2)</td>
<td>This study follows the protocol for human subject research. All of your responses will be held in the strictest of confidence and your identity will not be revealed. The results of all interviews will be combined and major findings reported in the study. Specific quotes might be used but they will be written in a way that specific persons are not identified.</td>
</tr>
<tr>
<td>QUESTIONNAIRE</td>
<td>Demographic and general information about your experience are requested.</td>
</tr>
<tr>
<td>ILLUSTRATION SHEETS</td>
<td>Your perceptions on (a) the purchasing process, (b) the role you play in the process, and (c) the type of changes you would implement to improve the process are sought.</td>
</tr>
</tbody>
</table>

In the coming week, I will contact you to schedule a convenient time to meet and discuss your purchasing experiences. Please bring the consent forms and the completed questionnaire and illustration sheets to the interview. At that time, I will review the consent form with you and ask for your signature.

If you have questions regarding this research, please do not hesitate to contact me. My email and phone information is listed at the bottom of this page.

Again, thank you for your interest in this study. I look forward to our meeting.

Sincerely,

Jocelina Santos
Doctoral Student

5292 South Maryland Parkway, #152 Las Vegas, Nevada 89119-1974
• Email: santosj@unlv.nevada.edu • Phone: 702.895.2261 • Fax: 702.895.2158

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CONSENT FORM

I agree to participate in the research on organizational buying behavior in the hotel-casino industry. I understand that this participation is voluntary and that I can withdraw my consent at any time and discontinue participation. If I choose to withdraw from participation in this research, all records and evidence collected identifiable to me will be destroyed and removed from the research database.

The following issues/points have been explained to me:

1. Purpose of this study: First, to describe the sourcing process from the buyers’ perspective. To learn how and why tasks/functions are performed within different buying groups in view of the company’s mission, its goals, and objectives. Specific attention will be given to positive and negative influences on buying behavior (e.g., organizational structure, roles, top management, peers, technology, training, policies, and initiatives). Second, to gain insights into the decision making process with the aim of understanding buyers’ actions with regard to their knowledge, assumptions, and expectations in the procurement process.

2. Procedures to be used in this study:
   a. The participant will be asked to take part in one or two interviews lasting approximately one hour at a location selected by participant. Ideally, it will be face-to-face. Open-ended questions will be asked during the interview process. The interviewee will be asked to complete a background form for demographic data and purchasing experience information. The interview will be tape recorded and then transcribed. Transcripts will be provided to the participant for review and validation.
   b. Each participant will be asked if she/he would like to volunteer any documents such as personal writings related to the research topic for document analysis. All such information will remain confidential.
   c. After all interviews are complete and the researcher has developed preliminary results, the interviewee will be asked to review the findings and provide commentary.

3. Participant discomforts or risks expected as part of this study: The probability and magnitude of harm or discomfort anticipated in this research are not greater in and of themselves than those ordinarily encountered in daily life. Any risk you incurred will be minimal. Some interviewees may become uncomfortable when answering questions relating to the decision-making process in the procurement of goods and services.

4. Benefits expected to be gained by this study: Results of this study are expected to further the understanding of organizational buying behavior within respective buying centers in the context of corporate policies and purchasing initiatives. Contribution to organizational learning; the role of buyers and their influences; collaborative technologies and other supporting artifacts are anticipated. Propositions on factors that enhance or hinder organizational learning will be developed.

5. Cost/Compensation: There will be no financial cost to you to participate in this study. The study will take approximately one to two hours of your time. You will receive no additional compensation for participating in this interview. The University of Nevada, Las Vegas may not provide compensation or free medical care for an unanticipated injury sustained as a result of participating in this research study.
6. Confidentially: Any information identifiable to a specific participant will not be released in any form without the prior consent of the participant. Interviews will be tape-recorded and later transcribed by the researcher into word processing format (Microsoft Word) and then analyzed by the researcher. Labels on audiotapes and transcription documents will have no references to a participant’s name. Coding such as PA-1 (interview ‘1’ with participant ‘A’) will serve as the only identification of a participant. Audiotapes will be destroyed at the completion of the dissertation (anticipated December 2004). Transcripts will be stored in a locked facility at UNLV for at least three years after completion of the study as supporting data for this research. All results of this participation will be treated as confidential.

7. Contact Information: The researcher will answer any questions about the study at any time during the course of the study. You may contact the Jocelina Santos at 895-2494. For questions regarding the rights of research subjects, any complaints or comments regarding the manner in which the study is being conducted you may contact the UNLV Office for the Protection of Research Subjects at 895-2794.

Additional

Comments:

________________________________________________________________________________________

________________________________________________________________________________________

________________________________________________________________________________________

Jocelina Santos  Date  Participant (signature)  Date
Researcher  Participant (Please Print)
Appendix F.03 Demographic Information Sheet

Please provide some information about your job and your experience

A. Position or Job Title

B. Job Description
(use back of page if needed)

C. Work Experience

- Time in current position
  | Years | Months |
- Time as a buyer
  | Years | Months |
- Time with MGM-Mirage
  | Years | Months |
- Time with MGM-Mirage as a buyer
  | Years | Months |

D. In which buying group you

E. What types of goods/services to you source?
Specify top five and Mark X (One only) for primary type of purchase

<table>
<thead>
<tr>
<th>TYPE OF PURCHASE</th>
<th>NEW PURCHASES</th>
<th>STRAIGHT REBUY</th>
<th>MODIFIED REBUY</th>
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<td></td>
<td>1st time</td>
<td>routine reorder</td>
<td>reorder with</td>
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<td></td>
<td>without</td>
<td>modification of</td>
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<td>specs, prices,</td>
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<td>of specs, prices,</td>
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<tr>
<td></td>
<td></td>
<td>terms, supplier,</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>etc.</td>
<td></td>
</tr>
</tbody>
</table>

Please provide some information about yourself

Age
- 20 – 29 years
- 30 – 39 years
- 40 – 49 years
- 50 – 59 years
- 60 plus years

Sex
- Female
- Male

Race
- American Indian or Alaska Native
- Asian
- Black or African American
- Native Hawaiian or Other Pacific Islander
- White

Ethnicity
- Hispanic/Latino
- non-Hispanic/Latino

Education
- Grade School, Middle School, or some High School
- High School Diploma or Equivalent
- Some College (includes junior/community college)
- Associate Degree
- Bachelor Degree
- Master or Ph.D. Degree
- Technical, Vocational, or Trade School
- Other

Yearly income
- Under $20,000
- $20,000 - $39,999
- $40,000 - $59,999
- $60,000 - $79,999
- $80,000 - $99,999
- $100,000 and above

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APPENDIX G

EXAMPLES OF DIVERSITY DOCUMENTS

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Appendix G.01 Letter from the Chairman of the Board

Letter from the Chairman of the Board

At MGM MIRAGE, one of the world's leading and most respected hotel and gaming companies, diversity is a business imperative that provides measurable benefits to our company, as well as the extensive number of minority, women and disadvantaged-businesses with whom we will forge alliances in the years to come.

We appreciate and celebrate cultural differences, and realize a truly integrated Supplier Diversity program requires a top-down and bottom-up commitment. That's why I've communicated to our 40,000 employees nationwide that MBE, WBE and DBE’s benefit MGM MIRAGE as much as MGM MIRAGE benefits them.

In today's fast changing and increasingly diverse global society, corporate diversification has become more than just the right thing to do. To ensure that no opportunity is lost, we are dedicated to identifying and building ongoing relationships with MBE’s, WBE’s and DBE’s that can provide our company high-quality products, superior service and competitive prices.

We look forward to working with your company as part of one of the most exciting and far reaching initiatives to impact the gaming industry in the United States.

Sincerely,

J. Terrence Lanni
Chairman of the Board
Creating partnerships that contribute to the growth and prosperity of minority, women and disadvantaged-owned businesses.

MGM MIRAGE is the hotel and gaming company of choice for our customers, employees and business partners. We value differences in people.

Our commitment to diversity strengthens our company, builds shareholder value and enhances the communities in which we operate.

Register in the Supplier Diversity Program...

- Take a look at what we buy.
- Review the list of most frequently asked questions.
- Register for our MBE/WBE/DBE Vendor Database.
- 2003 Diversity Report (pdf)
- 2002 Diversity Report (pdf)
- Awards and Recognition (pdf)
UNITED THROUGH DIVERSITY

Supplier Diversity Program Guide

Creating partnerships that contribute to the growth and prosperity of minority, women and disadvantaged-owned businesses.
PURCHASING & CONSTRUCTION DIVERSITY PROGRAM

Creating partnerships that contribute to the growth and prosperity of minority and women-owned businesses.
<table>
<thead>
<tr>
<th>DATE</th>
<th>NEWSPAPER</th>
<th>ARTICLE TITLE</th>
<th>SUBTITLE</th>
<th>By</th>
</tr>
</thead>
<tbody>
<tr>
<td>May 31, 2000</td>
<td>Las Vegas Sun</td>
<td>Lanni offers to talk to NAACP</td>
<td>Minority involvement at issue</td>
<td>David Strow</td>
</tr>
<tr>
<td>July 10, 2000</td>
<td>Las Vegas Sun</td>
<td>Blacks in Congress, mayors looking at casino policies</td>
<td></td>
<td>David Strow</td>
</tr>
<tr>
<td>October 17, 2000</td>
<td>Las Vegas Review-Journal</td>
<td>RACE RELATIONS: MGM takes next step</td>
<td>Event to aid minority-owned companies</td>
<td>Jeff Simpson</td>
</tr>
<tr>
<td>November 14, 2000</td>
<td>Las Vegas Sun</td>
<td>MGM MIRAGE, PurchasePro in online deal</td>
<td>Progress cited at MGM MIRAGE</td>
<td>David Strow</td>
</tr>
<tr>
<td>November 14, 2000</td>
<td>Las Vegas Sun</td>
<td>Park Place, Harrah's next in line in minority contracting crusade</td>
<td></td>
<td>David Strow</td>
</tr>
<tr>
<td>December 01, 2000</td>
<td>Las Vegas Review-Journal</td>
<td>MINORITY HIRING: Professor offers tactics</td>
<td>Firms can develop execs or recruit them</td>
<td>Jeff Simpson</td>
</tr>
<tr>
<td>January 21, 2001</td>
<td>Las Vegas Review-Journal</td>
<td>NEVADAN AT WORK: TONY GLADNEY; Vice President of Diversity of MGM Mirage</td>
<td>Executive drives MGM Mirage effort for better diversity</td>
<td>Jeff Simpson</td>
</tr>
<tr>
<td>February 24, 2001</td>
<td>Las Vegas Sun</td>
<td>Black entertainers remember segregation of famed Strip</td>
<td></td>
<td>Angie Wagner</td>
</tr>
<tr>
<td>February 28, 2001</td>
<td>Las Vegas Review-Journal</td>
<td>CASINO HIRING: Park Place vows to release numbers</td>
<td>Tom Gallagher says his company's committed to fair hiring</td>
<td>Jeff Simpson</td>
</tr>
<tr>
<td>March 01, 2001</td>
<td>Las Vegas Review-Journal</td>
<td>WORKER DIVERSITY: NAACP wants results from promises</td>
<td>Casinos make commitments to minorities</td>
<td>Jeff Simpson</td>
</tr>
<tr>
<td>March 30, 2001</td>
<td>Las Vegas Review-Journal</td>
<td>CASINOS AND MINORITIES: Execs, caucus discuss hiring</td>
<td>Casino bosses say diversity is improving</td>
<td>Jeff Simpson</td>
</tr>
<tr>
<td>Date</td>
<td>Newspaper</td>
<td>Article Title</td>
<td>Subtitle</td>
<td>By</td>
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<tr>
<td>-------------</td>
<td>----------------</td>
<td>-------------------------------------------------------------------------------</td>
<td>---------------------------------------------------------------</td>
<td>-------------</td>
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<tr>
<td>April 06,  2001</td>
<td>Las Vegas Review-Journal</td>
<td>NAACP BRANCH: Push for diversity may be behind probe</td>
<td>Local chapter: Drive for better minority hiring led to investigation</td>
<td>Jeff Simpson</td>
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<tr>
<td>April 26, 2001</td>
<td>Las Vegas Sun</td>
<td>NAACP suspension is against bylaws, local leader charges</td>
<td></td>
<td>Adrienne Packer</td>
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<tr>
<td>August 10, 2001</td>
<td>Las Vegas Sun</td>
<td>Panel: Minorities must continue fighting for inclusion in casino industry</td>
<td></td>
<td>Kevin Ferguson</td>
</tr>
<tr>
<td>August 13, 2001</td>
<td>Las Vegas Sun</td>
<td>Casino firm progressing in industry diversity drive</td>
<td></td>
<td>Kevin Ferguson</td>
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<tr>
<td>September 01, 2001</td>
<td>Las Vegas Review-Journal</td>
<td>ETHNIC EMPLOYMENT: MGM Mirage seeks balanced team</td>
<td>Chairman says company still has 'a long way to go'</td>
<td>Jeff Simpson</td>
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<tr>
<td>September 05, 2001</td>
<td>Las Vegas Sun</td>
<td>Gaming company seeks Hispanics in upper levels</td>
<td>MGM MIRAGE joins national group in hopes of improving diversity</td>
<td>Timothy Pratt</td>
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<tr>
<td>September 06, 2001</td>
<td>Las Vegas Sun</td>
<td>Park Place citizenship promoted by official</td>
<td></td>
<td>David Strow</td>
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<tr>
<td>September 10, 2001</td>
<td>Las Vegas Sun</td>
<td>MGM MIRAGE adopts Hispanic initiatives</td>
<td></td>
<td>Timothy Pratt</td>
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<tr>
<td>October 17, 2001</td>
<td>Las Vegas Review-Journal</td>
<td>NAACP chief seeks probe of MGM Mirage</td>
<td></td>
<td>Jeff Simpson</td>
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<tr>
<td>October 24, 2001</td>
<td>Las Vegas Sun</td>
<td>Problems grow for Las Vegas NAACP chapter</td>
<td></td>
<td>Stacy J. Willis</td>
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<tr>
<td>October 25, 2001</td>
<td>Las Vegas Sun</td>
<td>Editorial: NAACP is in sorry shape here</td>
<td></td>
<td>Jace Radke</td>
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<tr>
<td>October 31, 2001</td>
<td>Las Vegas Sun</td>
<td>Group must rebuild NAACP chapter</td>
<td></td>
<td>Erin Neff</td>
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<tr>
<td>December 20, 2001</td>
<td>Las Vegas Sun</td>
<td>Sharpton breezes through Las Vegas on short visit</td>
<td></td>
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<td>Date</td>
<td>Newspaper</td>
<td>Article Title</td>
<td>Subtitle</td>
<td>By</td>
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<tr>
<td>---------------</td>
<td>--------------------</td>
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<tr>
<td>December 20, 2001</td>
<td>Las Vegas Review-Journal</td>
<td>Activist threatens MGM boycott</td>
<td>The Rev. Al Sharpton demands meeting to discuss discrimination claims</td>
<td>Jeff Simpson</td>
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<tr>
<td>January 22, 2002</td>
<td>Las Vegas Sun</td>
<td>Ex-labor secretary joins board of MGM MIRAGE</td>
<td></td>
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<tr>
<td>January 25, 2002</td>
<td>Las Vegas Sun</td>
<td>Political notebook: MGM MIRAGE quick to answer boycott threat by Sharpton</td>
<td></td>
<td>Erin Neff</td>
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<tr>
<td>February 15, 2002</td>
<td>Las Vegas Sun</td>
<td>Sharpton group plans protest at MGM</td>
<td>Sharpton leads peaceful demonstration aimed at alleged discrimination against blacks</td>
<td>Jace Radke</td>
</tr>
<tr>
<td>February 17, 2002</td>
<td>Las Vegas Review-Journal</td>
<td>Protesters target MGM Grand</td>
<td></td>
<td>Jeff Simpson</td>
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<tr>
<td>February 25, 2002</td>
<td>Las Vegas Sun</td>
<td>MGM Mirage says it's working toward diversity despite criticism</td>
<td></td>
<td></td>
</tr>
<tr>
<td>February 26, 2002</td>
<td>Las Vegas Sun</td>
<td>MGM MIRAGE leader says diversity initiative advancing</td>
<td></td>
<td>David Strow</td>
</tr>
<tr>
<td>February 26, 2002</td>
<td>Las Vegas Review-Journal</td>
<td>MGM Mirage exec: Work must endure</td>
<td>Chief official reports progress with minorities</td>
<td>Dave Berns</td>
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<tr>
<td>March 08, 2002</td>
<td>Las Vegas Sun</td>
<td>Diversity, race policies at MGM MIRAGE debated</td>
<td></td>
<td>David Strow</td>
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<tr>
<td>March 08, 2002</td>
<td>Las Vegas Sun</td>
<td>Group to call for MGM Mirage boycott on Las Vegas Strip</td>
<td></td>
<td></td>
</tr>
<tr>
<td>March 08, 2002</td>
<td>Las Vegas Review-Journal</td>
<td>MGM handling of racial issues ignites debate</td>
<td>Supports, detractors discuss company's conduct before board</td>
<td>Dave Berns</td>
</tr>
<tr>
<td>May 28, 2002</td>
<td>Las Vegas Sun</td>
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<td>Lammi backs up promise</td>
<td>MGM Mirage cites progress on diversity</td>
<td>Jeff Simpson</td>
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<td>EEOC settles lawsuit with The Mirage</td>
<td>Dave Berns</td>
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<td>February 16, 2003</td>
<td>Las Vegas Review-Journal</td>
<td>NICHE MARKETING: Ignored Community</td>
<td>Tourist officials beginning to see value, potential of gay and lesbian visitors</td>
<td>Sonya Padgett</td>
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<td>Adam Goldman</td>
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<td>Drive to recruit minorities launched</td>
<td>MGM Mirage to partner with UNLV in new joint strategy</td>
<td>Rod Smith</td>
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<td>April 19, 2004</td>
<td>Las Vegas Review-Journal</td>
<td>INTERNET: Working the Web for diversity</td>
<td>Caesars site to channel business for women, minorities</td>
<td>Rod Smith</td>
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<td>MGM Mirage puts diversity in spotlight</td>
<td>Caesars launches new Web site</td>
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<td>May 13, 2004</td>
<td>Las Vegas Review-Journal</td>
<td>Mandalay works with groups to increase minority workers</td>
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<td>May 31, 2000</td>
<td>Las Vegas Sun</td>
<td>Lanni offers to talk to NAACP</td>
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<td>July 10, 2000</td>
<td>Las Vegas Sun</td>
<td>Blacks in Congress, mayors looking at casino policies</td>
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<td>November 14, 2000</td>
<td>Las Vegas Sun</td>
<td>MGM MIRAGE, PurchasePro in online deal</td>
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<td>November 14, 2000</td>
<td>Las Vegas Sun</td>
<td>Park Place, Harrah's next in line in minority contracting crusade</td>
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<td>David Strow</td>
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<td>February 24, 2001</td>
<td>Las Vegas Sun</td>
<td>Black entertainers remember segregation of famed Strip</td>
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<td>Angie Wagner</td>
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<td>April 26, 2001</td>
<td>Las Vegas Sun</td>
<td>NAACP suspension is against bylaws, local leader charges</td>
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<td>Adrienne Packer</td>
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<td>August 10, 2001</td>
<td>Las Vegas Sun</td>
<td>Panel: Minorities must continue fighting for inclusion in casino industry</td>
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<td>Kevin Ferguson</td>
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<td>September 05, 2001</td>
<td>Las Vegas Sun</td>
<td>Gaming company seeks Hispanics in upper levels MGM MIRAGE joins national group in hopes of improving diversity</td>
<td><a href="http://www.lasvegassun.com/sunbin/stories/sun/2001/sep/05/51231078.html">http://www.lasvegassun.com/sunbin/stories/sun/2001/sep/05/51231078.html</a></td>
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<td>September 06, 2001</td>
<td>Las Vegas Sun</td>
<td>Park Place citizenship promoted by official</td>
<td><a href="http://www.lasvegassun.com/sunbin/stories/sun/2001/sep/06/512316627.html">http://www.lasvegassun.com/sunbin/stories/sun/2001/sep/06/512316627.html</a></td>
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<td>MGM MIRAGE leader says diversity initiative advancing</td>
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<td>March 08, 2002</td>
<td>Las Vegas Sun</td>
<td>Diversity, race policies at MGM MIRAGE debated</td>
<td>David Strow</td>
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<td>March 08, 2002</td>
<td>Las Vegas Sun</td>
<td>Group to call for MGM Mirage boycott on Las Vegas Strip</td>
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APPENDIX H

ANALYTIC CATEGORIES OF FRAME DOMAINS
SALIET IN SUPPLIER DIVERSITY INITIATIVES
Appendix H  Analytic Categories of Diversity Frame Domains in the SDI

<table>
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<th>Analytic Categories of Frame Domains Salient in SDI</th>
<th>Illustrative Quotations from Key Informants</th>
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<tbody>
<tr>
<td><strong>The Enabler</strong></td>
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<tr>
<td>- Generalized knowledge and high expectations regarding SDI implementation and adoption. Understanding of how SDI fit into the company’s past, present, and future. Actively seek to provide opportunities to MWDBE. Makes concerted effort to establish relationships with all stakeholders based on assumptions about their level of involvement. Highly focuses on MWDBE inclusion, vendor selection, sourcing alternatives, communication mechanism, and information coordination through technology.</td>
<td>- It’s hard, it’s hard; but it’s good. I try to include [MWDBE] in all bids. MGM MIRAGE supports this. MGM MIRAGE gave me opportunities. Now I support [MWDBE]. I want them to have the opportunity to supply the company.</td>
</tr>
<tr>
<td>- Assumptions in performing task practices based on high expectations of self, the firm, and MWDBE. Innovative in increasing MWDBE spend, through availability of resources and talent, sourcing policies and procedures. Readily adopts those processes, practices, or methods that facilitate the implementation of a best practice and help to meet the goals set by the company.</td>
<td>- [MWDBE] want to be good business owners. They know that MGM MIRAGE is large, so they tell us, this is not something that I can handle. There maybe multiple line item bid and they may be only able to bid on a couple of lines, I try to accommodate them and give them the opportunity to bid on those lines.</td>
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<tr>
<td>- We have a policy throughout MGM MIRAGE that say that any bid that goes out over $1000 must have a minority component.</td>
<td>- We have a responsibility to the company... We will not forego a savings for the company in order to award contracts to [MWDBE]. The [MWDBE] component must be competitive.</td>
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</table>

| **The Espouser**                                     |                                               |
| - Generalized knowledge and above average expectations regarding SDI implementation and adoption. High involvement in providing opportunities to MWDBE. Principally focuses on the social cause and embraces the ideology. | - Well, I think that when we first started the initiative, what was it, three or four years ago, it was very hard. But now, with all our training and just meeting these people, the small businesses, the minority vendors, and understanding that they can do the job. The can do the |

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• Attempts to establish relationships from a prominent posture of maintaining control. Have comprehension of MWDBE inclusion, vendor selection, sourcing alternatives, communication mechanism.

• Assumption regarding a high degree of control. Expectations on improving MWDBE spend performance from a social role perspective. Assumptions made on relating content to specific contexts in their world.

job. I think now its opening up more, and our properties are opening up to that. And trusting them, and it does take...even just regular businesses, a lot of people come here and they know they’re not going to really not going to penetrate the business the for about three years. To get to know you and form and relationship. So it is going to be difficult for any business, whether you’re minority or not. But I think that it’s opening up. That our minds are opening up.

• I’ve told them up front, and the vendors, you know, I work with them and I reinforce what I have told them...I’ve added more, women-owned, handicapped, all races, and they’re all mixed.

• An, of course, the more affordable vendor will win the award...He’s a new vendor, he’s affordable, he’s in line. So I have no reason to believe that there’s anything wrong her. So I will give him the chance at this one...They’re an affordable vendor, dependable, you know, and my comfort level is with them and I’m going to stay with them.

• I’ve had minority vendors before the program started. Before I got involved in it. When I came over, I had a list of vendors from the prior buyer. I already had minority vendors in every category.

• They had training...I shouldn’t say training—Enlightening...seminar.

The Conformer

• Generalized knowledge and average expectations regarding SDI implementation and adoption. Average involvement in seeking out MWDBE. Principally focuses on

• We have a policy that we have to include [MWBE] so I do what I can. We try to incorporate some minority vendors to make sure everyone is getting a fair share at the bid.
compliance of company policy. Continues existing relationships with [MWDBE]. Have comprehension of MWDBE inclusion, vendor selection, but views this regarding the social effect. Average engagement in SDI communication mechanism.

- Assumptions about contextual circumstances that facilitates/impedes adopting SDI in practice, such as adequate training, the practicality, management endorsement.

- Projects diversity initiative as good but comes with increased workload and administration costs. Indecisive of the overall value of SDI.

- In this business, you should know who can [supply] you when you need it. I have a history of reliable vendors who will deliver the goods when I need them. No time to test who’s capable when they [requisitioners] are on a strict time timeline. And I call on who I know can deliver. It’s not always price. It service.

- I have some [MWDBE] that I use, but because I deal with a lot of unique items, it’s hard to find those who can deliver. If there’s something that I think that a [MWDBE] may have, I will try to give him the opportunity.

The Conservator

- Below average assumptions and expectations about how an SDI fits into day-to-day work practices

- Situated understanding of resources available for work, including the quality and legitimacy of SDI provided through [e-Procurement] applications and their applicability in work tasks

- Hesitant but pragmatic position on how SDI can be used to influence the organization's relationship with internal and external customers. Projects diversity initiative as good but comes with increased workload and administration costs. Indecisive of the overall value of SDI.

- I understand that the company is reaching out to [MWBDE], and that’s from the Chairman. I know that I have to include these suppliers.

- [e-Procurement system] need to be easy to use. It’s hard to include [MWDBE] when you can’t find them.

- In my years of experience, you need to have a relationship with your supplier. Sometimes knowing who you are working with can help you out of a bind.

- Show success, this may prove we can be successful.
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Master of Professional Studies, Hotel Management, 2001
Cornell University

Special Honors and Awards:

2002 UNLV President's Fellowship for Dissertation Research ($15,000 Stipend)
(One of four awarded campus-wide)

2002 UNLV Graduate & Professional Student President ($13,000 Stipend- Declined)

2002 UNLV APAH Thomas E. Wilson Community Citizen Award ($200 Honorarium)

2002 UNLV Jean Nidetch Women's Center Who's Who in Re-entry Services

2003 Nevada Board of Regents' Graduate Scholar for Excellence in Academics,
Leadership, and Potential for Continued Success ($5000 Honorarium)
(One of two awarded statewide)

2003 Paper of the Year - Cornell Hotel and Restaurant Administration Quarterly
2003 Fulbright Finalist
2003 The National Dean's List
2003 UNLV Graduate & Professional Student President ($13,000 Stipend)
2003 Who’s Who Among Students In American Universities & Colleges
2004 Graduation Commencement Speaker
2004 Lied Library Featured Poster
2004 The National Dean's List
2004 Who’s Who Among Students In American Universities & Colleges

Fellowships, Scholarships, Assistantships, Grants:
Ace Denken Fellowship ($13,000 Stipend)
Villa Banfi Fellowship ($13,000 Stipend)
Barnes & Nobel Book Scholarship ($90)
Nevada Hospitality Foundation and Nevada Restaurant Association Scholarship ($1500)
North American Research and Teaching Symposium on Purchasing and Supply Management Scholarships (Sponsored by CAPS, ISM, PMAC), (2@$750)
UNLV Graduate Summer Scholarship ($2000)
UNLV Graduate Assistantships (2@$13,000)
UNLV Graduate Research Training (GREAT) Assistantships (2@$3000)
UNLV Graduate & Professional Student Association Conference Grants (3@$500)
UNLV Graduate Student Professional Development Program in College Teaching Certificate
UNLV Campus Community Service Awards
UNLV Honors Convocation Honoree
(Sponsored by Phi Kappa Phi and the Office of the President)
UNLV Reception with The Honorable William Jefferson Clinton
One of eight students selected to meet with the former U.S. President)
Publications:


Conference and Research Forum Presentations:


The Case Study: A Pedagogical Tool for Hospitality Programs. Paper presented at 7th Annual Graduate Education and Graduate Research Conference in Hospitality & Tourism, January 4-6, Houston, TX.

Diversity in Hospitality Supply Chain. Paper presented at the 7th Annual Graduate Education & Graduate Research Conference in Hospitality & Tourism, January 4-6, 2002, Houston, TX.

The Case Study in Hospitality Curriculum, Poster session presentation at the 2nd Annual UNLV Graduate Research Forum, March 24, 2001.


HACCP in Foodservice Operations. Paper presented at the 4th Annual Graduate Education and Graduate Research Conference in Hospitality & Tourism, January 4-6, 1999, Las Vegas, NV.
Teaching Experience:

Instructor
Educational Psychology-Research Methods (EPY-702)  UNLV  Fall 2003

Lecturer
Mathematics-Educational Outreach  UNLV  Spring, Summer 2003
Guess Lecturer  UNLV  Spring 2000–2003
Hotel Management

Teaching Assistant  Las Vegas, NV  Fall 2001
Certified Purchasing Manager

Teaching Assistant  Cornell University  Fall, Spring Semesters
Food Science

Course Instructor  Miss. State University  Fall, Spring Semesters
Food Preservation Laboratory, I, II

Professional Experience:

Bloomingdale’s  Las Vegas, NV  2002 (Jan–June)
Market Research – Survey Consultant

PurchasePro.com  Las Vegas, NV  2001 (Jan–June)
Market Research Intern

Account Executive, Smallwares Division

Manager, Retail Operations

Oneida Ltd.  Oneida, NY  1988–1992
Marketing Manager, Foodservice Division
Manager, Marketing Services
Product Manager, Buffalo China

Assistant Product Manager, Foodservice Division
Information Coordinator, New Product Division

Food Technologist, Research and Development

Food Technician, Research and Development
UNLV and University-Related Organizations:

- Graduate & Professional Student Association (GPSA) *(Student Government Organization)*: President (2 terms); Treasurer; and Representative–Hotel College
- Beta Theta Gamma *(Non-traditional Students Organization)*: Events Coordinator
- Minority Student in Hospitality: Member
- Nevada Student Alliance: Board Member
- National Association of Graduate & Professional Students (NAGPS): Western Region Co-Coordinator; Nevada Coordinator
- Older Wiser Learners (OWL’s) *(Student Mentoring Program)*: Peer Mentor
- St. Thomas Aquinas Newman Community *(Catholic Student Organization)*: Choir; Eucharistic Minister; Diocesans Young Adults Representative

Honorary ~ Professional Fraternities and Organizations:

- Alpha Zeta ~ Agriculture Honor Society
- Eta Sigma Delta *(International Hospitality Management Honor Society)*
- Gamma Sigma Delta ~ Food Science and Technology Honor Society
- Phi Kappa Phi ~ Academic Honor Society
- Phi Tau Sigma ~ Food Science and Technology Honor Society
- National Association of Supply Managers-Southern Nevada *(Assistant Chair/ Seminar Committee)*
- Institute for Supply Management *(Las Vegas On-site Seminar Coordinator)*
- Institute of Food Technologist

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<td>Campus Public Safety Committee</td>
<td>Graduate Student Representative</td>
</tr>
<tr>
<td>Commencement Committee</td>
<td>Graduate Student Representative</td>
</tr>
<tr>
<td>Curriculum Committee</td>
<td>Graduate Student Representative</td>
</tr>
<tr>
<td>Excellence in Graduate Education at UNLV</td>
<td>Panelist</td>
</tr>
<tr>
<td>“Applying to the Graduate College”</td>
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<tr>
<td>Students Informational Seminar</td>
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<tr>
<td>Faculty Search Committee</td>
<td>Graduate Student Representative</td>
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<tr>
<td>Dean, School of Density</td>
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<tr>
<td>Faculty Search Committee</td>
<td>Graduate Student Representative</td>
</tr>
<tr>
<td>Director, School of Architecture</td>
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<tr>
<td>F'01, S'02, F'02, S'03, F'03 Graduation Commencement Marshall</td>
<td>Graduate College - Representative</td>
</tr>
<tr>
<td>Graduate College Executive Council</td>
<td>Board Member</td>
</tr>
<tr>
<td>Graduate College New Program Evaluation Committee</td>
<td>Graduate Student Representative</td>
</tr>
<tr>
<td>Graduate College Scholarship Committee (Adams Scholarship &amp;</td>
<td>Graduate Student Representative</td>
</tr>
<tr>
<td>Alumni Scholarship Sub-Committee)</td>
<td></td>
</tr>
<tr>
<td>Graduate &amp; Professional Student Career Services Development Committee</td>
<td>Graduate Student Representative</td>
</tr>
<tr>
<td>GPSA Bylaws Committee</td>
<td>Chair</td>
</tr>
<tr>
<td>GPSA Community Service/ Fund Raising Committee</td>
<td>Chair</td>
</tr>
<tr>
<td>GPSA Grant Committee</td>
<td>Chair (Interim)</td>
</tr>
<tr>
<td>GPSA Research Forum Committee</td>
<td>Member</td>
</tr>
<tr>
<td>International Programs Scholarship Committee</td>
<td>Graduate Student Representative</td>
</tr>
</tbody>
</table>
New Student Orientation
Orientation “Back to School” Committee
Older Wiser Learners (OWL’s) (Student Mentoring Program)
Rebel Renovation Committee
Recruitment and Screening Committee
Director, Intercollegiate Athletics
Spanos Teacher Award Selection Committee
Student Advisory Council to the President
Student Conduct Code Committee
Student Health Student Health Advisory Committee
Student Technology Advisory Board
Regents’ Teacher Award Selection Committee
Transitions (Non-Traditional Student Orientation)
United Blood Services Campus Blood Drives
University Planning Council (Space Utilization Sub-Committee)
UNLV Foundation Distinguished Teaching Award Committee
UNLV New Student Orientations Graduate Students International Students Graduate Assistants
UNLV 8th, 9th, 10th Annual Planning Retreat
National Restaurant Association Conference (Chicago, IL)

Welcome Address Speaker
Graduate Student Representative
Peer Mentor
Graduate Student Representative
University Representative
Graduate Student Representative
Panelist
Graduate Student Representative
Graduate Student Representative
Graduate Student Representative
Graduate Student Representative
Graduate Student Representative
Graduate Student Representative
Student Peer Leader
Organizer
Graduate Student Representative
Graduate Student Representative
Group Discussion Leader
Graduate Student Representative
UNLV Student Ambassador
Volunteering Activities:

Jean Nidetch Women’s Center
Community Job Fair
Take Back the Night
Premier UNLV (Annual Pep Rally- Monitor)
Tutor (Mathematics and Statistics)
UNLV Family Weekend
UNLVino Scholarship Fund Raising Event

Community Service:

The Women’s Research Institute of Nevada
(Panelist–Nevada’s Forum on Technology Expansion for Women & Girls, August 17, 2001)
Graduate Education and Graduate Research Conference in Hospitality & Tourism
(Session Moderator)
Girl Scouts of Frontier Council
St. James’s Soup Kitchen for the Homeless
St. Therese Center for Children Affected or Infected with AIDS/HIV
Jerry Lewis’s MDA Telethon (Six years)

Dissertation Title: Diversity Frames: Toward a Mid-Range Theory in Supplier Diversity Management

Dissertation Examination Committee:
Chairperson, Dr. Anthony F. Lucas, Ph. D.
Committee Member, Dr. David J. Christianson, Ph. D.
Committee Member, Dr. Collin D. Ramdeen, Ph. D.
Graduate Faculty Representative, Dr. Djeto D. Assane, Ph. D.