

The Role of Factors Influencing Organizational Purchasing Behavior with Emphasis on Ethical Components

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Abstract

Introduction: Identifying the factors affecting purchase behavior has always been one of the important priorities of marketers, because in order to create a sustainable competitive advantage, identifying buyers and their behavior and factors affecting their decision-making is essential and increases sales. Therefore, the present study has been conducted with the aim of identifying the factors affecting organizational purchasing behavior and the effective ethical components in this regard have also been examined.

Material and Methods: The present study was applied and among descriptive-correlational researches. The statistical population of this study consists of 149 managers and experts of Gachsaran Oil and Gas Exploitation Company who were excluded from sampling due to the limitations of the population. The data collection tool in this study was a questionnaire. Finally, the conceptual model of the research was tested using the structural equation model.

Results: The research findings confirm that 5 categories of factors including environmental factors, marketing mix factors, organizational factors, individual factors and shortcuts affect the purchasing behavior of organizational buyers and all relationships in the research model were positive and significant.

Conclusions: Although corporate buyers follow formal mechanisms, they cannot be considered a model of rationality, because they sometimes buy based on brand loyalty or long-term relationship with a supplier. Individual, organizational, ethical, environmental and marketing factors can affect the buying behavior of organizational buyers.

Keywords: *Purchasing Behavior, Organizational Purchasing Decision, Ethical Components*

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INTRODUCTION

Predicting and even changing the behavior of the organization's buyers and their decisions and the factors affecting their decisions has always been one of the main goals of scientists, marketers and sales and marketing experts. There are many theories in this field in order to be able to identify the factors affecting purchasing behavior in advance and using marketing programs and strategies to guide it in the desired direction. Because having a correct understanding of buyers and the buying process, there are several benefits for the organization. These benefits include assisting managers to make optimal decisions, creating a basis for identifying buyers through buyer analysis, assisting legislators in enacting laws related to the sale and purchase of goods and services, and finally assisting buyers in making appropriate decisions [1].

Industrial and organizational marketers are always looking to formulate their marketing strategies based on an accurate assessment of organizational purchasing behavior in key segments of the industrial market. Because organizational purchasing tasks are performed in the form of a formal organization and are influenced by considerations such as budget, cost and profitability. In addition, in organizational purchasing, often a large number of people in the organization are involved in the purchasing decision process and there are complex interactions between the goals of the organization on the one hand and individual goals on the other. Therefore, marketers should be able to accurately understand and understand the organizational purchasing behavior and effective marketing programs by identifying the factors influencing organizational purchasing. Acquiring such knowledge will help marketers to analyze the available

information about the organizational market and identify the needs and wants of organizational buyers [2]. In other words, identifying the influential factors in organizational purchasing leads to better understanding of customers and improving marketing techniques and increasing sales. The more products and services are tailored to the needs and expectations of buyers, the more effective marketing strategies [3].

If the behavior of an individual consumer follows the four processes of motivation, perception, learning and memory according to personal cultural and social influences, in the behavior of an organizational consumer, these 4 steps are, respectively, problem identification, information search, evaluation of options and The purchasing decision is named, and although there may be a suspicion that corporate buying behavior is a mechanical and purely rational process based on profit and loss, it should be said that contrary to popular belief, corporate buyers, although following formal mechanisms. But they cannot be considered a model of rationality, because they sometimes buy on the basis of brand loyalty or long-term relationship with a supplier, and no doubt the cultural and social components affect behavior [4].

One of the components that can also affect organizational purchasing behavior is ethical components. The most important criteria of organizational procurement are product features,

services and capabilities and qualifications of suppliers. The seven main criteria that are considered in organizational purchasing are: price, compliance with the desired quality specifications, shipping within the agreed time, technical capabilities, warranty, past performance, facilities and production capacity. Due to these cases, organizations pay special attention to more honesty and commitment in performing the responsibilities of the seller in their purchases [5].

The present study seeks to identify the factors affecting the purchasing decision-making behavior of the Gachsaran Oil and Gas Exploitation Company by examining theories related to consumer decision-making and purchasing, and in this way to consider the ethical components, and this is an innovation in the present study. The present study seeks to answer the following questions:

- 1) What are the factors affecting the behavior of organizational buyers in Gachsaran Oil and Gas Exploitation Company?
- 2) What are the ethical factors affecting the behavior of organizational buyers in Gachsaran Oil and Gas Exploitation Company?
- 3) What is the impact of these factors on the behavior of organizational buyers in Gachsaran Oil and Gas Exploitation Company?

According to the review of research literature, the conceptual model of the present research is presented:

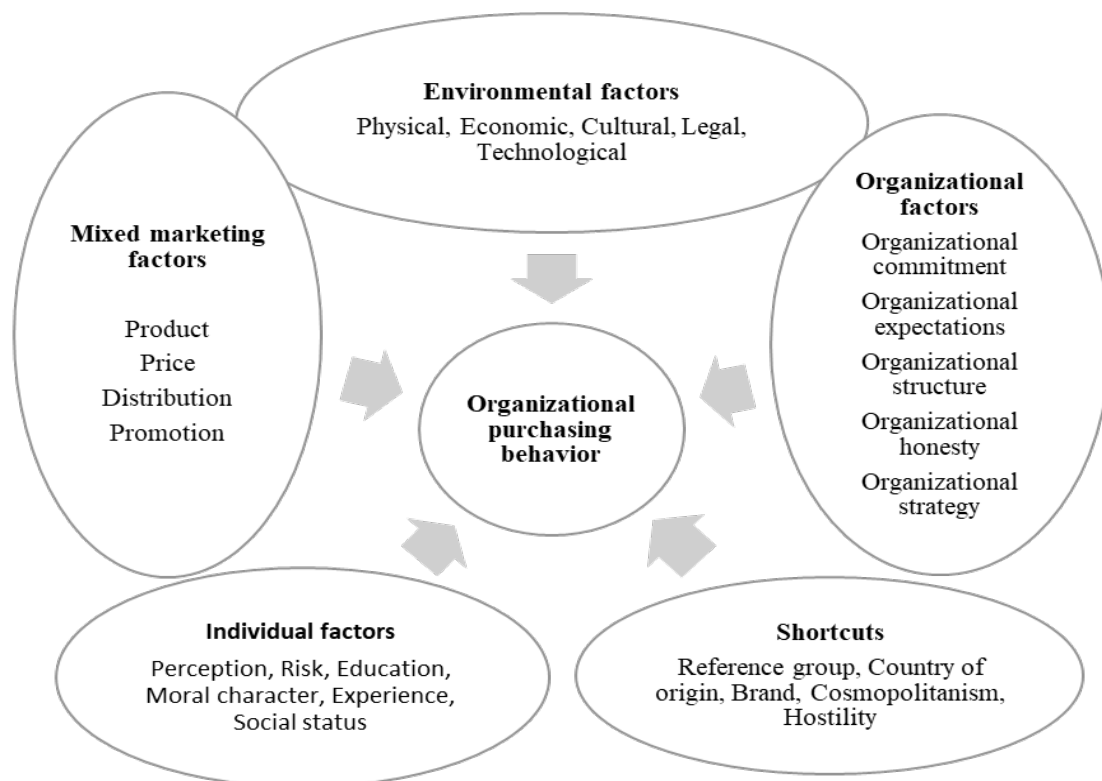


Figure 1. Conceptual model of research

MATERIAL AND METHODS

The present study was applied and among descriptive-correlational researches. The statistical population of this

study consists of 149 managers and experts of Gachsaran Oil and Gas Exploitation Company. Also, sampling was done by census method and a questionnaire was handed over to 149 people in the study population.

Table 1. The general appearance of the respondents such as gender, age, etc. are examined.

Variables / Descriptions	Frequency	Percentage of frequency
Gender		
Male	133	89.3
Female	16	10.7
Age		
Up to 30ys	12	8.1
30-35ys	8	5.4
36-40ys	22	14.7
41-45ys	19	12.8
46-50ys	51	34.2
More than 50ys	37	24.8
Work experience		
Up to 10ys	26	17.4
10-20ys	23	15.4
21-30ys	67	45
More than 30ys	33	22.1
Education		
Associate degree	13	8.7
B.A	57	38.3
M.A	79	53

The data collection tool in this study is a researcher-made questionnaire with closed questions and a range of five Likert options (strongly disagree with score 1 to strongly agree with score 5).

To determine the content validity of the questionnaire, first using the sources and research conducted and interviewing experts, 104 questions, each of which was designed in a range from "completely disagree to strongly agree", to the managers and experts of the Oil Exploitation Company and Gachsaran gas was given to evaluate the questions. Then, using a one-sample t-test, all these questions were evaluated and then, according to

the value of t-test and the level of significance obtained from t-test, by eliminating the questions and editing other questions, a 95-item questionnaire was approved. Then, in order to obtain the validity of the final questionnaire in the research, two methods were used to calculate the correlation between the scale questions and the overall score of the scale and to evaluate the validity of the structure by factor analysis. Also, to evaluate and evaluate the reliability of the research questionnaire, the common and valid Cronbach's alpha test was used. The closer the calculated number is to 1, the higher the reliability of the questionnaire.

Table 2. Results of Cronbach's alpha coefficient

Criteria	Cronbach's alpha	Criteria	Cronbach's alpha
Product	0.752	Organizational strategy	0.736
Price	0.842	Buyers' perceptions	0.901
Distribution	0.755	Perceptual risk	0.778
Promotion	0.706	Education	0.905
Physical environment	0.901	Character	0.841
Economic environment	0.823	Previous experiences	0.862
Legal environment	0.754	Social status	0.856
Technological environment	0.821	In-service training	0.773
Cultural environment	0.845	Reference groups	0.729
Organizational expectations	0.771	Country of origin	0.728
Organizational commitment	0.798	Brand	0.790
Organizational responsibility	0.740	Cosmopolitanism	0.841
Organizational structure	0.763	Hostility	0.832

Finally, in this study, data analysis was performed using structural equation method at both descriptive and

inferential levels. At the level of descriptive statistics, statistics such as: frequency, percentage, mean and

standard deviation and SPSS software were used. At the level of inferential statistics, statistical methods of exploratory factor analysis, Kolmogorov-Smirnov test, factor analysis were used to analyze the data and in order to provide a model to explain the factors influencing purchasing decision behavior in the oil and gas company. Gachसान modeling was used in confirmatory factor analysis using Amos-24 software.

RESULTS

Evaluation of KMO index

Table 3. KMO measurements and Bartlett's test results

KMO index / 0.802	
Bartlett's test	
χ^2	10349.728
Sig.	0.000

As can be seen in Table 3, the KMO value is equal to 0.802, which is greater than 0.7. Indicates that the correlations between the data are suitable for factor analysis. Also, the level of significance characteristic of Bartlett's spherical test is zero, which is less than 0.05 and shows that it is statistically significant. Therefore, based on both criteria, it can be concluded that the implementation of factor analysis based on the correlation matrix obtained in the sample group can be justified.

Normality of data

In order to analyze the research hypotheses by modeling, only the presumption of normality should be considered. To test this hypothesis, the Kolmogorov-Smirnov test

At this stage, you must first make sure that the available data can be used for analysis. In other words, is the amount of data appropriate for factor analysis? For this purpose, KMO index and Bartlett test are used. Kaiser-Meyer-Olkin index (KMO) should be at least 0.7 and preferably higher. This index is in the range of zero to one. If the value of the index is close to one, the data are suitable for factor analysis. If the KMO value is less than 0.5, the data will not be suitable for factor analysis, and if the value is between 0.5 to 0.69, the factor analysis can be done with more caution, and if the value is greater than 0.70 The correlations between the data will be suitable for factor analysis.

was used. This test is performed at 95% confidence level and in other words, the significance level is $\alpha = 0.05$. Therefore, if the obtained significance level is greater than $\alpha = 0.05$, the normality of the data is concluded, otherwise the assumption of normality of the data is rejected. Therefore, if in the results obtained from the Kolmogorov-Smirnov test, the significance level obtained for each of the variables and components is more than 0.05, the null hypothesis based on the normality of the data is confirmed and the normality of the data distribution is also confirmed. If the assumption of normality is acceptable, modeling can be used to perform confirmatory factor analysis. The test results are normal and the data are presented in Table 4.

Table 4. Normality of data

Variables	Kolmogorov-Smirnov value	Sig.	Results
Mixed marketing value	0.058	0.200	Normal
Environmental factors	0.069	0.080	Normal
Organizational factors	0.054	0.200	Normal
Individual factors	0.061	0.191	Normal
Shortcut factors	0.089	0.103	Normal

Based on the results of Kolmogorov-Smirnov test, in all cases, a significant value greater than the error level (0.05) was obtained; Therefore, there is no reason to reject the null hypothesis and the data distribution is normal.

Testing research hypotheses

Table 5 shows the most important indicators of the fit of the research model after the reforms. As can be seen from

the results, the model fit indices are in an acceptable condition. For example, the chi-square value of the model is less than 5, indicating that the experimental data adequately support the conceptual model of the research. Also, the root mean square of the estimation error is less than 0.08 and this index also confirms the fit of the model.

Table 5. Indicators related to the fit of the final research model

Indexes	Fit index	Optimal fit	Status
χ^2	1286.495	--	Optimal
df.	295	--	---
CMIN/DF	4.361	Less than 5	Optimal
GFI	0.905	p>0.90	Optimal
AGFI	0.895	p>0.90	Optimal
CFI	0.902	p>0.90	Optimal
RMSEA	0.079	9<0.08	Optimal

Therefore, according to the results of Table 5, it can be acknowledged that the final model in the research is a suitable model to identify and explain the factors affecting the purchasing decision behavior in Gachsaran Oil and Gas Exploitation Company.

According to the results in Table 6, all non-standardized regression weights have standard error values, critical ratio and significance level. Therefore, using the results obtained from Table 6, it can be concluded that according to the significance levels of all factors, with significance levels less than 0.05 is significant. Therefore,

considering the significant levels related to all variables observed in the model, it can be concluded that all these variables are defined as indicators of these factors and have a significant role in the formation of these factors and the factors themselves play a significant role in decision-making behavior.

According to the results in Table 6 of Figure 2, all standardized factor loads are greater than 0.3. Therefore, all factors in the model play a significant role in constructing the overall variable of purchasing decision behavior.

Table 6. Non-standard regression weights and significance levels

Hypothesis	Estimation	SD	P value	Sig.
Purchasing decision behavior & Environmental factors	1.000			
Purchasing decision behavior & Mixed marketing	1.316	0.149	8.832	0.000
Purchasing decision behavior & Organizational factors	1.421	0.582	2.442	0.015
Purchasing decision behavior & Individual factors	2.380	0.914	2.604	0.009
Purchasing decision behavior & Shortcuts	1.253	0.578	2.167	0.000

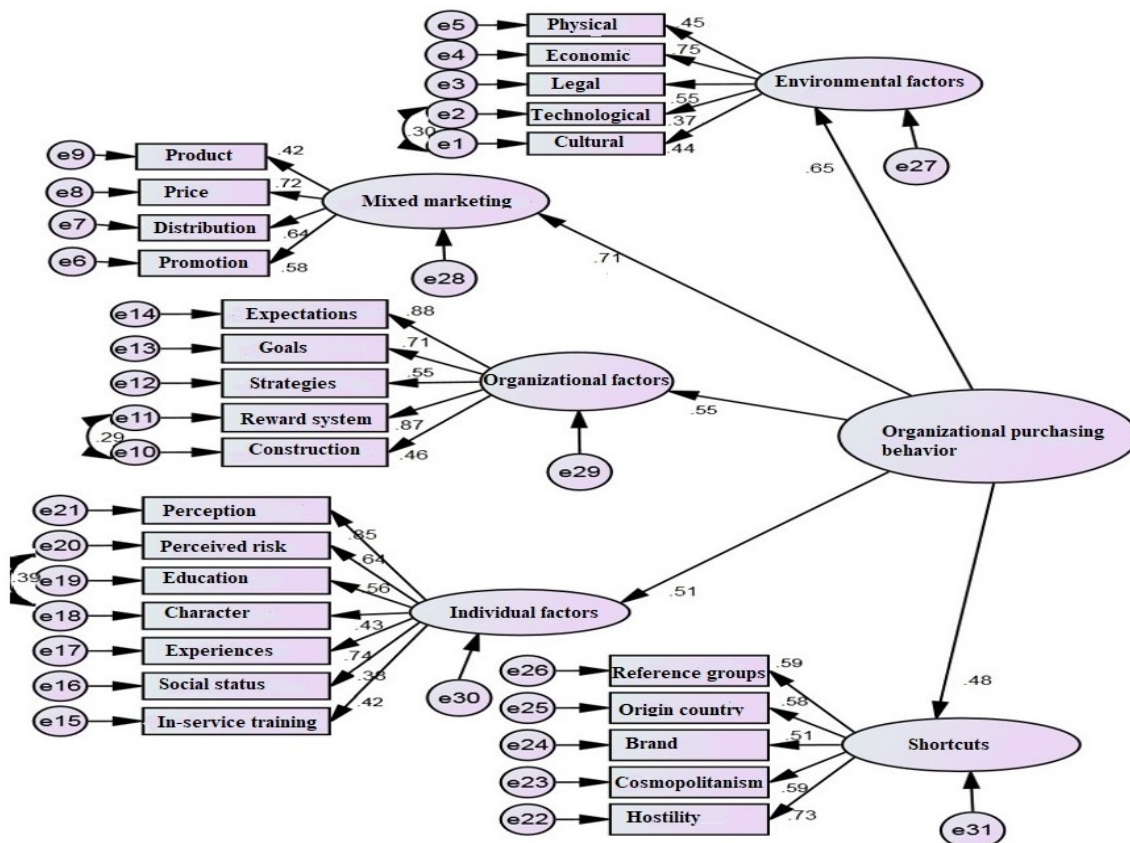


Figure 2. The final model fitted with standard coefficients

DISCUSSION

Organizational buyers have different goals in purchasing goods and services. In general, industrial procurement goals such as availability of goods and services, reliability of the seller, quality, stability, delivery and price are all very important for companies. Cost management of purchases of services and goods is one of the most fundamental issues in supply chain management in today's world. In fact, purchase costs (cost of purchase) is one of the most important components of production operations of many organizations.

The organizational procurement decision-making process is first based on the identification and identification of needs. The required product specifications are then determined. Based on this information, suppliers of the required product are searched and suppliers' sales offers are evaluated. At this stage, the appropriate supplier is selected and the purchase order and the contract are made with the supplier. The buyer also evaluates the supplier after making the purchase. In this study, 5 categories of effective criteria (environmental factors, marketing mix factors, organizational factors, individual factors and shortcuts) were identified. Each of these criteria also has its own sub-criteria.

According to the research results, environmental factors have a positive and significant relationship with buyers' behavior in organizational purchasing decisions in Gachsaran Oil and Gas Exploitation Company. The factor load is 0.65, which indicates the high relationship between environmental factors and buyers' behavior. Environmental factors influence the organizational procurement process by providing environmental information, opportunities, and threats. These factors, as stated, include physical environment, economic environment, legal environment, technology environment and cultural environment. The results obtained in this hypothesis are consistent with some research [6-8]. Based on this, it can be acknowledged that these factors affect the organizational procurement decision-making process in different ways. This task is reflected by physical, technological and economic factors. The rate of economic growth, the level of national income and the rate of development, and the rate of unemployment, the general conditions of the business, reflect economic factors. Environmental factors also include communication values and norms (organizations and suppliers), relationships between competitors, and other government agencies.

Based on the obtained results, the factors of marketing mixes on buyers' behavior have a positive and significant relationship with organizational purchasing decisions in Gachsaran Oil and Gas Exploitation Company. The obtained factor load is 0.71, which shows the high relationship between marketing mix factors and buyers' behavior. The results are consistent with the research of some researchers [9-11]. Therefore, understanding and predicting the behavior of buyers is the secret of success in planning and marketing environment, in this case manufacturers and suppliers who are aware of how buyers react to different product features, prices and advertising motives against others competitors have more points. Therefore, the selection of appropriate strategies for mixed elements is very important in marketing..

Given that in the decision-making process, identifying the features of the product or service required is very important and this stage leads to the selection of the product or service, so the factors of marketing mix with the characteristics of the product is very important.

Based on the obtained results, organizational factors have a positive and significant relationship with the behavior of buyers in organizational purchasing decisions in Gachsaran Oil and Gas Exploitation Company. The obtained factor load is 0.55 which, among the factors, has the most relationship with buyers' behavior in organizational purchasing. Based on the fact that every organizational purchase is made in a formal model, so organizational commitment, organizational integrity, policies, procedures, structure and responsibility are related to the purchase decision process. The results are consistent with the research of some researchers [12-14]. Therefore, it can be said that organizational factors have a direct relationship with the employees of the purchasing unit and their decisions (financial resources and organizational structure). Organizational purchasing decisions are made to prepare the necessary conditions for performing organizational activities and achieving organizational mission and goals. Organizational marketers, with special attention to organizational goals and strategy, carefully identify the interests of the organization and make purchasing decisions based on it; So organizational factors have a tremendous impact on organizational purchasing behavior. All organizational marketing strategies should be designed and organized in accordance with organizational purchasing tasks. Vendors' ethical variables such as honesty and commitment undoubtedly affect organizational purchasing behavior [15].

Individual factors have a positive and significant relationship with buyers' behavior in organizational purchasing decisions in Gachsaran Oil and Gas Exploitation Company. The obtained factor load is 0.51, which is a desirable amount. During the studies and researches, it can be said that organizational behavior often results from individual behavior. Only one person, as a person or a member of a group, can evaluate and make purchasing situations and make a real purchase. In this behavior, the individual is surrounded by a complex set of individual and organizational goals, policies and information flow, and so on. It is the individual who is the focus of organizational marketers, and marketing efforts ultimately focus on the individual rather than the organization; Because it is the person who takes on the different purchasing plans, selects the supplier, and performs the buying action. Individual factors play a very important role in this process. The personality of organizational buyers, buyers' perceptions, education, satisfaction, in-service training, etc. are among the factors influencing individual purchasing.

Shortcut factors have a positive and significant relationship with buyers' behavior in organizational purchasing decisions in Gachsaran Oil and Gas Exploitation Company. The obtained factor load is 0.48, which indicates a high rate. According to research, this result is consistent with some studies [16-18]. Accordingly, shortcut factors include not only activities but also interactions and emotions between members. As a result, these interactions lead to problem solving and the growth of the organization's shopping center members.

Based on these results

It is recommended to check the relevant legal environment before buying goods, such as environmental factors to buy goods. This is a sign of attention to environmental ethics in organizational purchasing.

Specialized classes should be organized for the employees of the goods purchasing department to teach the rules of holding tenders.

In order to prepare the PMR for the purchase of the desired product, due to the time-consuming preparation of the product and to prevent rework, the number of items and technical and technological factors of the product should be carefully considered.

It is suggested that the most appropriate price be considered in price analysis and not just the lowest price. In order to implement organizational purchases and the goals of the organization, consulting sessions and

brainstorming sessions should be held to improve organizational purchasing patterns.

Consider the appointment of staff in the field of purchasing education and related fields of study.

To improve organizational purchasing behavior, training courses and workshops related to organizational purchasing should be held for employees.

For qualitative and technical evaluation of manufacturers and suppliers, reference groups should be used to determine the seller company is honest and the quality of products is what it claims.

In the case of basic goods, the model of cosmopolitanism should be used and localization should be done after receiving the relevant technology.

CONCLUSION

Corporate buyers or corporate markets include manufacturers, retailers, wholesalers, and government brokers who purchase products and services for their own consumption or resale. Organizational purchasing behavior is the decision-making process of the organization, including identifying needs and identifying, evaluating and selecting supply sources and brands. Although organizational and individual purchases are different, the goal of marketing in both cases is to solve the problem of buyers and satisfy them. Although corporate buyers follow formal mechanisms, they cannot be considered a model of rationality, because they sometimes buy based on brand loyalty or long-term relationship with a supplier, and agents Individual (such as education, personality, experience, etc.), organizational, ethical (such as honesty and commitment of the seller), environmental (for example, attention to environmental protection) and marketing practices can affect the buying behavior of corporate buyers.

Ethical Consideration

Ethical issues (such as plagiarism, conscious satisfaction, misleading, making and or forging data, publishing or sending to two places, redundancy and etc.) have been fully considered by the writers.

Conflict of Interest

The authors declare that there is no conflict of interests.

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