



DOCTOR OF BUSINESS ADMINISTRATION

DISSERTATION

INVESTIGATION OF HOW PROCUREMENT PRACTICES INFLUENCE BUSINESS SURVIVAL: ANALYSIS OF BUYER - SUPPLIER RELATIONSHIPS IN ZIMBABWE'S BANKING INDUSTRY.

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Abstract

The study of procurement practices influence on business performance sparked interest among many researchers during the last two decades. However, very little literature deals directly with how firms' procurement practices influence business performance. Also, most of the reviewed articles on procurement practices are conceptual rather than empirical in nature. As a result, many firms continue to struggle attempting to devise bespoke procurement practices link to overall business performance. It is against this back drop that this research seeks to fill this void by conducting empirical case studies at twenty-eight firms operating in the world worst ever turbulent environment. The results of this research study attempt to determine the interconnection between firms' procurement practices and business performance. This study therefore provides critical insights into key drivers of procurement practices in buyer - supplier firms and the effect they have on business performance. As such, the research was titled, 'Investigation of how procurement practices influence business survival: An analysis of buyer – supplier relationships in Zimbabwe's banking industry. To explore the research problem exhaustively, three research questions were examined in this study. The first research question sought to explore firms' prevalent perceptions of importance and performance of procurement practices effect on business performance. The second research question sought to ascertain differences and similarities in firms' perceived importance and performance of procurement practices effect on business performance. Finally, the third research question sought to identify prevalent gaps within and between firms' perceptions of importance and performance of procurement practices effect on business performance.

A combination of case study and survey approaches were used to establish and explore firms' perceptions of importance and performance of procurement practices effect on business performance. The targeted respondents for this study comprised of firms senior, functional and first line managers with direct or in-direct involvement or responsibilities with buyer and supplier firms' procurement activities. A total of 112 managers, participated in either face-to-face interviews or surveys, and 44 of the managers took part in the face-to-face interviews lasting between 30 and 35 minutes per respondent with at least two managers from each case study organization being interviewed at different times. The same respondents were later asked to participate in completing a self administered survey questionnaire. A further 68 managers were asked to participate in self administered survey questionnaire send to them online bringing the total number of participants involved in the survey to 112. The main research results show that firms' procurement practices effect on business performance were interconnected by 28 exhibits of the seven trust attributes which exist within and between firms. Further, the research findings show both similarities and differences in firms' perceptions of importance and performance of procurement practices effect on business performance. However, four major gaps were identified as having significant influence on buyer and supplier firms' perceptions of importance and performance of trust attributes in procurement practices effect on business performance.

Also, MLOGIT statistical analysis was carried out to test the main hypothesis of this research study showed that firms' perceptions of importance and performance of procurement practices effect on business performance was significant ($p = 0.03$). Further, the test showed that when we adjust for the seven constructs of trust in procurement practices, buyer firms perceptions of importance and performance of procurement practices effect on businesses performance appear to have about 20% ($RR = 1.20$) higher than that of suppliers firms. However, the difference in firms' perceptions of importance and performance of procurement practices in business performance (survival) between suppliers and buyer firms was not significant ($P = 0.43$).

Also, this research study contributes to the existing research knowledge in the broader area of supply chain management. In reaching a conclusion from reviewed literature and overall research findings, it is suggested that firms' procurement practices identified in this research study are broadly classified, as either "*high or low trust procurement practices*". This model is developed based on further insights gained from reviewed literature and the research findings of this study. The 'high trust procurement practices' exhibited a single maturity of the seven attributes of trust in procurement practices while the '*low trust*' procurement practices exhibited an immaturity. It is therefore concluded based on the findings of this research study that success or failure of firms' procurement practices in influencing business survival is largely dependent on four broad issues: (1) the drivers of procurement practices in firms; 2) interactions within and between key stakeholders involved in firms procurement practices; 3) the firms' perceptions of importance and performance of procurement practices effect on business performance and; 4) level of prevalent gaps in point 2 and 3. However, the limitations of this research are also discussed and suggestions made to replicate the findings of this study research in different sectors and economies to establish whether specific conclusions arrived at in this research study are supported under different settings and contexts.

Key words: *Procurement; practices; trust; performance; important; business; survival; stakeholders; buyer; supplier; case study*

Certification of Dissertation

I certify that the ideas, experimental work, results, analyses, software and conclusions reported in this dissertation are entirely my own effort, except where otherwise acknowledged. I also certify that the work is original and has not been previously submitted for any other award, except where otherwise acknowledged.

Masimba Phillip Dahwa

August 11, 2010

ENDORSEMENT

Dr Latif Al-Hakim
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Date

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Dedication

Words of wisdom to my lovely daughters Tendie, Kundie and Matie – “Success is God granted but not guaranteed, you must do your bit to achieve it”

Abbreviations

ATM	Automated teller machine
BEP	Black Empowerment Program
COO	Chief Operating Officer
CPO	Chief Procurement Officer
CR	Corporate Responsibility
FTSE	Financial Times Stock Exchange
HR	Human Resources
ICT	Information Communication Technology
KYS	Know Your Supplier
LSE	London Stock Exchange
MNC	Multi National Company
MLOGIT	Multinomial Logistic Regression
NSSA	National Social Security Authority
POS	Point of Sale
P2P	Purchase to Pay
QBR	Quality Business Review
RDT	Resource Dependency Theory
R&D	Research and Development
RSA	Republic of South Africa
SA	South Africa
SEE	Social, Ethical and Environmental risk
SME	Small to Medium Enterprise
SPB	State Procurement Board
UK	United Kingdom
UPS	Uninterrupted Power Supply
USA	United States of America
TCO	Total Cost of Ownership
TQM	Total Quality Management
ZSE	Zimbabwe Stock Exchange
ITT	Invitation To Tender
RFQ	Request for a Quotation
RFP	Request for a Proposal
SPQQ	Supplier Pre-Qualifying Questionnaire
PPMS	Procurement Performance Management System
CIPS	Chartered Institute of Purchasing and Supply
SM	Senior Management
FM	Functional Managers
PTL	Procurement Team Leader
OPTL	Operational
ANOVA	Analysis of Variance

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CHAPTER 1

INTRODUCTION

This introductory chapter comprises of nine sections covering the background of the research and overview of Zimbabwean economy; case for studying procurement practices in Zimbabwe's banking industry; statement of the problem; research objectives and research questions; justification and significance of the research; brief description of the methodology; key definitions; research limitations and delimitations; and provides chapter conclusion.

1.1 Background

The future of buyer and supplier firms business in Zimbabwe is at the verge to collapse because of the country's socio- political and economic environment, which continues to deteriorate over the last two decades. The deepening multifaceted crisis is noticeably propelled by the government's insistence on dictating companies' cost of producing and subsequent prices of goods and services, leading to a host of other challenges rocking the economy left, right and center. As a result, businesses experience notorious shortage of essential commodities, materials, goods and services critical for business to operate successfully. Typical shortages paralyzing most businesses include erratic electricity supplies; shortage of foreign currency critical for importation of capital equipment, critical spares and commodities such as fuel and electricity. Further worsening the already bleeding economy is the prevailing hyper- inflation pegged at world-record 231 million percent as of mid February 2009 (Dale et al, 2009). This officially makes Zimbabwe an economy with the most deflated currency and the highest inflation rate in world history. Consequently, prices of goods and services continued doubling or trebling on daily basis, leading to hoarding of goods by suppliers and consumers alike for speculative reasons.

As a result of prevailing economic imbalances, the economy of Zimbabwe is faced with huge disparities between demand and supply of business essential goods and services leading to excessive price distortions. Consequently, the country's economic fundamentals are crippled as suppliers charge exorbitant prices for profiteering reasons. Taken together, these pressures have led companies to either close or scale down operations at alarming level. Also, investor confidence levels subsequently have reached bottom low. This synopsis or overview of the political and economic situation in Zimbabwe, therefore, is a critical conceptual backdrop for this research study's problem statement.

1.2 Key concepts in the area of procurement

As such, *procurement* also referred to as *purchasing* in this study is broadly defined as acquisition of goods, services, capabilities and knowledge required by businesses, from the right source, at the right quality, in the right quantity, at the right price and at the right time to maintain and manage the company's primary and support activities (Bailey and Farmer, 1985; Bailey et al 1998; Giunipero et al 2006; Hines, 2006; Porter 1998; Weele 2000). The high-level procurement activities include:

- Determining of specifications in terms of required quality and quantities;
- Selecting of right suppliers to provide the required goods and services;
- Establishing agreements with suppliers;
- Supplier relationship management;

- Placing orders with the selected supplier;

The Chartered Institute of Purchasing and Supply (CIPS) UK, one of the world's leading professional body in purchasing and supply defines *procurement practices* as “*how a buying firm conduct its procurement activities*” - in a way, this includes the way staff responsible for procurement goes about doing their duties. As such, the extents to which firms encourage and support its procurement staff to act professionally and with integrity influence the firms' procurement practices. According to CIPS, the six critical success factors shaping firms' procurement practices include:

- Leadership and accountability
- Knowledge of the consequences of procurement practices
- Firms ability to manage stakeholder conflicting priorities
- Thinking and acting beyond short-term horizons
- Managing relationships in the supply chain, and
- Responsible use of power in the supply chain

According to (Hines, 2006), procurement practices manifest a combination of a firm's commercial principles and values. A *supplier* is defined in this study as a firm or organization that supplies goods and services to other businesses (Cox and Brittain, 1993). Different types of suppliers include manufacturers and primary producers, wholesalers and distributors, importers and agents (Bailey and Farmer, 1985; Kotler, 2000). The terms “*actors*” or “*interactants*” are used in this study to describe individuals, (*internal or external to the firm*), functions or departments within buyer or supplier firms that connect, link, tie, or bind one firm in relation to another (also referred to as *stakeholders* in this study) (Lambert et al., 1998; Moller and Wilson 1988;). Furthermore, Cyert and March (1963) defined stakeholders as either ‘*internal*’ or ‘*external*’ to the firm. Internal stakeholders included managers, employees, shareholders, directors and so forth, while external stakeholders included suppliers of materials, goods and services; government, legislators and so forth. In this view, for instance a supplier will have a profound effect on the production and supply of the buying firm's product – that is, the perceived quality and reliability of the buying firm's product is highly dependent of the effort put by the supplier. More importantly, internal stakeholders' status should give both firms equal access to information that is important to the relationship, such as production schedules, forecasts, product designs, and marketing promotional campaigns plans.

Finally, the term “trust” is used in this study and defined as the willingness to rely on an exchange partner in whom one has confidence (Dwyer et al, 1987). However, according to Dennis and Kambil (2003), trust is also defined as being a belief by one part that the other party will fulfill its obligation in a relational exchange. A number of sources agree that responsibility for ensuring guaranteed supply of goods and services lies with the firm's procurement function (Bailey and Farmer, 1998; Hines, 2006). As such, failure to ensure guaranteed supply of business required goods and services usually is a symptom of malfunctioning of the firm's procurement arm. According to Bailey and Farmer (1985), philosophy of ‘five rights of purchasing’, the integral function and critical operational performance objectives expected of a simple procurement function is to ensure the business delivery of the right goods and services; of the right quality; in the right quantity required by the business; from the right source at the right price”. Underpinning Bailey and Farmer's ‘Five rights of purchasing’ model is further five procurement performance objectives:

- (i) **Quality** – doing things right by providing error free goods and services. Quality reduces costs and increases dependability. As such, high quality means fewer mistakes

made by each process undertaken at every stage of the supply chain. Also right quality can influence customer satisfaction and leads to stable and efficient operational processes.

- (ii) **Speed** – doing things fast to minimize time between the order and the availability of the product or services. As such speed supports flexibility in procurement arrangements, reduces inventories, reduces supply related risks and supports dependability of supplies.
- (iii) **Dependability** – means doing things in time for customers to receive their goods or services when they are promised. As such, dependability reduces costs associated with ineffective use of time, which translates into extra costs. Furthermore, dependability eliminates failure rates and wasteful disruption as supplies are more reliable and deliveries are as planned.
- (iv) **Flexibility** – supports costs and maintains dependability. As such, flexibility adapts to changing circumstances quickly and without wasting time and additional resources critical to the business.
- (v) **Cost** – refers ‘total cost of ownership’ (TCO) and not purchase price. In essence, cost is affected by all the other four procurement performance objectives.

Taken together, these are critical concepts underpinning procurement practices in most firms. Furthermore, previous researches show that firms strive to achieve one two or even more of these critical elements to successful procurement practices. As such, the level of firm’s procurement sophistication is essentially influenced by number of elements pursued as critical to the firm’s business operations. Further, according to Van Weele and Rietveld’s (2000), procurement maturity model, the level of purchasing sophistication will determine the importance of procurement practices to a firm.

1.3 Case for studying procurement practices in Zimbabwe’s banking industry

Until the second half of the 20th century, procurement practices were viewed as not being important to business performance and competitiveness. According to Bailey et al (2005), recent developments in global markets have led to evolvement of firms’ procurement practices. Several research findings identified a number of environmental factors influencing looming developments in procurement practices such examples include the 1973 Oil crisis; scarcities of essential commodities; and the continued demand for effective and efficient sourcing and procurement practices (Bailey et al 2005; Hines 2004; Kraljic, 1983). The continued pursuit for sustainable competitive advantage by firms led to significant recognition of the role of procurement function in most businesses. Essentially, Weele (2005); argue that procurement practices are becoming more and more crucial for most businesses and are changing dramatically, from being clerical and administrative to a more strategic role that contributes to the competitive advantage of firms (Bailey et al. 2005; Hines, 2004; Rozemeijer, (2003).

Eminently, recent studies reveal that firms’ procurement functions are more and more delegated responsibility to question business needs, forge relationships with suppliers, understanding the needs of the end customer (Ellram, 1998). The broader field of supply chain management continue to evolve significantly over the years, and procurement practices are more and more expected to contribute to a firm’s efficiency and competitiveness. Nowadays, there is a strong belief and a general consensus that best in class procurement practices includes building and sustaining strategic partnerships with superior suppliers and cross function teams within the firm. A number of empirical studies comparing Japanese business practices to those of the rest of the world (Bensaou, 1999; Cusmano and Takeishi, 1991; Dyer

and Ouchi, 1993; Helper and Sako, 1995); argue that Japanese firms manage their suppliers primarily by partnerships, in contrast with American, UK and rest of the world firms. Strategic partnerships are widely accepted as creating good value for money goods and services in firms, however, they are also perceived to be costly to develop, nurture and maintain. According to Christopher and Juttner, (2000), the benefits from a relationship could decrease or diminish over time as there are risks given the specialized investments they require.

Since the early nineties there is much support by firms for the idea of shifting from a traditional antagonistic approach towards more collaborative procurement practices (Matthyssens and Van den Bulte, 1994). Partnership and collaborative procurement practices are perceived to be more superior to adversarial procurement practices in the medium to long term (Bailey et al (2005); Lysons and Farrington, (2006); MacBeth and Ferguson, (1994)). The management of relationships across the supply chain is increasingly being referred to as supply chain management (Lambert and Cooper, 2000). Drivers influencing and shaping firms procurement practices includes the advent of lean production (Lysons and Farrington, (2006); Bailey et al 2005; Lysons and Farrington, (2006); Womack et al., 1990), lean supply (Lamming, 1993), buyer-supplier process integration (Christopher et al., 1992), early supplier involvement (Håkansson and Eriksson, 1993), outsourcing (Lysons and Farrington, (2006); Hines (2004); Quinn and Hilmer, 1994), supply base reduction (Homburg, 1995), total cost management (Ellram, 1996), supplier development (Hahn et al., 1990; Krause and Ellram, 1997), cross functional teams (Maltz and Ellram, 1999), supply base rationalization (Cousins, 1999), corporate advantage in procurement (Rozemeijer, 2000), supply chain management and integration (Frohlich and Westbrook, 2001).

According to Monczka et al. (1998) there are three major benefits that can be achieved by a stronger focus on procurement practices: (1) cost savings, (2) impact on quality, and (3) contribution to technology development. Cost-reduction programs should result in cost reduction and/or cost avoidance (Ellram, 1998). In general, there will be more possibilities for cost reduction for companies with relatively high sourcing and procurement costs. The need to concentrate on core competences has led to an increased emphasis on outsourcing (Venkatesan, 1992), which at the same time increased the supplier's influence on buyer firm overall performance.

The management of supplier relationships should be tailored to those values that are in line with the overall business value strategy (Treacy and Wiersema, 1993). The outcomes of relationships may range from cost savings through joint product development. Once the focus (output) is decided, the appropriate relationship can be developed (Cousins, 2002). Obviously, not all suppliers are to be dealt with in the same way. This development places purchasing managers for the task of developing and executing a set of differentiated supplier strategies. Effective procurement practices therefore require selection of strategies that are appropriate to the prevailing circumstances. Everything taken together and anchored on Bailey and Farmers' philosophy – which endeavors on fostering procurement function operational effectiveness and efficiency - the case for studying procurement practices in Zimbabwe banking industry is twofold: to ascertain 1) effectiveness, and 2) efficiency, of procurement practices prevalent in Zimbabwe's banking industry. The outcome of seeking to understand how both aspects taken together will assist business executives and academics ascertain the extent to which prevalent procurement practices influence business performance in a turbulent environment.

1.4 Statement of the problem

We have observed a growing acceptance and utilization of procurement practices commonly used in business operations. However, some unanswered questions remain, for instance, the choice of dimensions used in measuring different procurement practices remain a major challenge for most firms. It is not clear as to which dimensions are appropriate and how they might be related to a more comprehensive theory. What is exactly meant by ‘procurement practices’ in different firms? How could or should we measure the importance and performance of procurement practices? Theory in procurement practices alone does not provide prescriptions or procedures for measurement, leading Ramsay (1996) to conclude that these concepts are “actually made up of a number of vague concepts without operational dimensions”. Olsen and Ellram (1997) emphasize that the weighting of each factor is the most important part in business decision-making processes. As such, decision-makers must come to an agreement on the relative importance and performance of procurement practices based on perceived contribution to overall business goals and objectives. Besides, what is the exact distinction between firms’ perceived importance and performance of procurement practices effect on business performance? Much has been researched on about procurement practices but little known about how different practices influence business survival in a turbulent environment. As such, there is a need for research on the actual operationalization of procurement practices, and how they influence firms overall business performance. More questions arise. What is the effect of procurement practices in influencing business survival? How do buyers and suppliers in Zimbabwe banking industry perceived importance and performance of procurement practices in influencing business survival? What company-specific procurement practices influence business survival? Olsen and Ellram (1997) suggested that future research should include case studies to capture important aspects of the implementation process.

Faced with a spate of erratic supplies shortages threatening business survival, captains of banking industry in Zimbabwe suffer untold pressure to arrest this problem by devising business models that at least ensure guaranteed supply of ‘mission critical’ goods and services in the wake of prevailing economic challenges. As such, the agenda of this study is to investigate how procurement practices influence business survival in an economy marred with unprecedented shortage of goods and services supplies threatening the future of business survival. To address the above research objectives, this research is therefore animated by the following three research questions:

Research Question 1: *Is there relationship between firms’ perceived performance and importance of prevalent procurement practices and business performance?*

This study will investigate the various procurement practices prevalent in buyer and supplier firms in Zimbabwe’s banking industry, to provide more insights about firms’ perceptions of performance and importance of trust in procurement practices effect on business survival. The results of the survey will be used to identify prevalent relationships between procurement practices and business performance.

Research Question 2: *Are there similarities and differences between firms’ overall perceptions of procurement practices and business survival?*

This question will investigate the various procurement practices prevalent in buyer and supplier firms identifying differences and similarities. Approaches in procurement practices will be discussed and evaluated both qualitatively and quantitatively. The question will provide more insights in the possibilities of selecting particular procurement practices. The

possibilities for selecting particular procurement practices are obviously limited by both external and internal conditions.

Research Question 3: *What gaps exist within and between firms' procurement practices perceived performance and importance in influencing business survival in a turbulent environment?*

The third research question seek to ascertain if there are eminent gaps in prevalent procurement practices within and between firms and explore to establish the effect of these gaps on business performance. There are unanswered questions, addressing measurement issues. An exploratory field study is needed to address the gap between conceptual problems and practical solutions, identifying and describing commonly used procurement practices and their effect on business survival in a turbulent environment.

1.5 Originality / Value of the research

As observed in this research study, in the last two decades, little is known about operationalization of procurement practices and impact on business survival. As such, there are some unanswered questions with respect to the measurement of dimensions and factors of procurement practices and alignment to overall business strategy. This research project attempts to provide significant relevance to business success as well as for development of science. With the results of this research project the management of firms should have a better understanding of the possibilities and limitations of different procurement practices in influencing business survival in a turbulent environment. Insights will be gained by studying of the prevalent procurement practices in different firms in Zimbabwe's banking industry. Also, guidelines and checklists can be derived from the results of the research project. Practitioners may benefit from this study, finding indications and direction for future studies in the broader area of procurement and supply chain management covered in this study. The lack of proven knowledge in operationalization of different procurement practices to optimal benefit to business ambitions has increasingly become critical to business competitiveness. This research project attempts to respond to these omissions and give more insights into the usefulness and possibilities of procurement practices influence on business survival in a turbulent economy.

Essentially, the uniqueness of the research background ushers new thinking and theory in the subject area. The recent "credit crunch" affecting world leading economies (United States of America and United Kingdom) and global markets are likely to see the findings of this study also relevant as some of the research findings and recommendations will help provide relevant insights and highlights. However, replication of the full study in these contextual settings is highly recommended.

1.6 Research design and chosen methodology

This research study reviews relevant literature and uses a combination of qualitative and quantitative methodology to investigate the objectives and research issues of the study. The first objective of choosing this methodology was to improve the validity and rigor of the research by triangulating the data analysis from the research approaches used and minimizes errors and biases (Bonoma 1985; Parke 1993; Patton 1990; Yin 2003). The second objective was to ensure that the research followed replication logic, confirm or disconfirm theory through offering a full variety of evidence. The third objective was to provide a "critical perspective" (Parke 1993; Yin 2003) in the research by obtaining feedback from different levels of managers in selected buyer and supplier firms operating in Zimbabwe banking industry.

(a) Case studies

In this study, case studies are used to help the researcher identify procurement practices prevalent in buyer and supplier firms within Zimbabwe banking industry. Through case studies, the researcher collected extensive data on each case study firm through face to face interviews, and desk research (reading firms financial reports, newspaper articles, company journals and past records). The main reason for choosing multiple case studies in this study is to help determine right answers to the three research questions animating this research study. As such, the researcher interacted regularly with the people from selected case companies who participated in this study and recorded details about the context surrounding individual firms, and their perception of importance and performance of procurement practices effect on business performance. A choice of twenty-two diversified case studies selected for this study improves the quality of data collected and overall research findings (Yin 2003). Also, use of case study protocol increased reliability of the study as it provides standard general rules and guidance throughout the study. The criticisms frequently related with the case study approach mainly the lack of rigor, are corrected by following suggestions from previous studies and other research sources (Eisenhardt, 1989; Leedy and Ormrod, 2005; Yin, 2003) and ensure validity of this study. Further, the chosen approach helped increase understanding of research findings as cases were viewed and studied alone and across cases to provide comparative contrasts and richer insights regarding the research subject area hence achieving higher level of external validity and reliability. As such, twenty two case companies were selected, ten from top ten banks in Zimbabwe and twelve other firms being suppliers of goods and services. Among the twelve supplier firms selected is a wider selection of firms involved in manufacturing and distribution of goods, works and services from broader business sectors such as, manufacturing and distribution of specialist high-tech goods such as ATMs, construction and refurbishment of buildings, printing and reprographic services; manufacturing, marketing servicing of automobiles, courier services and so forth. Essentially, having such a rich mix and backgrounds of case companies significantly improves research validity and generalizations, an aspect which improve the findings of this research study.

The case study method is appropriate because of the limited research on the actual measurement of procurement practices in influencing business survival in buyer and supplier firms. Additionally, this research step is of an explorative nature, aimed at identifying advanced practices, dealing with ‘how’ and ‘why’ questions. The sample consists of a selection of buyer and supplier firms in Zimbabwe’s banking industry not restricted to one particular sector. In essence, of the twenty-two case companies selected for this study, ten of them are registered banks and the remaining twelve are supplier firms. The diversity and variety in chosen case firms reveal different kinds of procurement practices, however, there are limitations to use of this research methodology approach discussed in Chapter 3 – research methodology. Also, the case studies approach is not used in this research project as sole basis giving exhaustive treatment of procurement practices, as they do not allow for any statistical generalization.

Respondents were interviewed (face-to-face) on the basis of a semi-structured questionnaire, allowing for elucidation, elaboration and clarification of answers to particular questions. The case studies entail the use of a key-informant method in combination with a snowballing technique whereby the key informant is nominating other informants. A total of 44 respondents from both buyer and supplier firms management team members were interviewed. During each interview it was critical for the interviewer to check and recheck responses to improve the match with the intended information, and to explore issues in more detail.

(b) Survey

In the third and last stage of data collection strategy for this study, self administered questionnaires were sent out electronically to 112 respondents. Principally, the questionnaire measures firms perceived importance and performance of procurement practices by different levels of managers direct or indirectly responsible for procurement activities. The survey methodology requires the development of scenarios, which describe a number of situations in terms of the procurement practices prevalent in Zimbabwe's banking industry measured by the seven attributes of trust (commitment; openness; communication; reliability; risk; competence and honest). Respondents are asked to assume the *role* of a purchasing expert in their own company where they are actually employed and to evaluate perceived importance and performance of a series of questions relating to the different scenarios in procurement arrangements. The design of this study is characterized by repeated measures design, because the same respondent participates in all conditions of the experiment. Different sources of knowledge and expertise are being used for the development of the questionnaire. The construction of items is largely based on literature review (operationalization) and on the insights gained from interviewing practitioners during the case studies. The first draft questionnaire is discussed with experts and professionals in procurement and supply chain management in chosen buyer and buyer firms. The procedure includes a pilot study aimed at enhancing the reliability and the validity of the questionnaire. A small pre-test group will be asked to review the questionnaire for the clarification of questions, instructions, layout and other text elements. Essentially, the survey data allow for quantifying and testing the relationships between variables in the conceptual models. The subsequent analysis of the collected data will result in the rejection and confirmation of the formulated hypotheses. The survey instrument is appropriate for answering all the three research questions

1.7 Delimitations of the scope of the research

The scope of this study is limited to study of procurement practices prevalent in Zimbabwe's banking industry and how they influence business survival. From a research viewpoint, restricting the study to Zimbabwe's banking industries reduces the scope of subject area by bringing it within manageable terms. According to Yin (2003), it is apparent that one selects a country and industry to provide the research background.

1.8 Structure of the thesis

In this chapter we have outlined recent (revolutionary) developments in procurement practices, introduced the study, explained the background, and described the design and methodology of the research project. In *Chapter 2* explores in greater depth different approaches in procurement practices used in different business disciplines. The chapter starts with exploring the advent of procurement practices over the years in different business contexts and settings and how they influence business performance. Further the chapter reviews in greater depth different theories and models and demystify any links between these theories and different types of procurement practices. The chapter reviews relevant literature critical in measurement of procurement practices influence in business performance and concludes with the most important lessons and experiences, as background information for the investigation of trust in procurement practices. In *Chapter 3* justification of the research methodology and approaches, design and preparation of the used instruments; data gathering process; (interviews and surveys); the processes used to generate recommendations from the data, and conclude with a discussion on the limitation of the case study research. *Chapter 4*, reports on the face to face interview and survey results and summarizes the findings to test the hypothesis developed in *Chapter 2*. Further, the chapter provide detailed discussion of the research findings. Finally,

Chapter 5 presents the main conclusions and recommendations of this study. In conclusion, the researcher reflects on the research project, providing suggestions for further research.

1.9 Conclusions

All the important areas of the dissertation have been briefly introduced in this chapter as well as the overview of the Zimbabwean economy. This dissertation consists of five chapters. In this chapter we have introduced the study, explained the background and gave a synopsis of the design and methodology of the research project. In *Chapter 2*, we explored and reviewed the relevant literature and different models commonly used in the subject area of procurement practices and relevant theories; and develop the main hypotheses tested in this research study. *Chapter 3* provides the research methodology and approaches used in this study. Key areas covered in this chapter include justification of the research methodology and approaches, design and preparation of the used instruments; data gathering process; (interviews and surveys); the processes used to generate recommendations from the data, and conclude with a discussion on the limitation of the case study research. *Chapter 4* summarizes and presents research findings from the twenty-two investigated case study firms, followed by interpretation of data in relation to the research questions and objectives. The research findings were presented, analyzed for both within and across cases. Further discussions and summary of research findings from the one hundred twelve survey responses received from twenty-eight firms presented to confirm or disconfirm the developed hypotheses. Finally, *Chapter 5* provides a summary of the research findings and conclusions on the research objectives and issues, it also discusses the contribution of the research findings to the literature and theory; reviews the implications of the findings; discusses the limitations of the research; tests the main hypothesis. Finally, the chapter concludes by suggesting direction for future research.

CHAPTER 2

LITERATURE REVIEW AND RESEARCH ISSUES

This chapter reviews relevant literature on contemporary issues and dynamics underpinning procurement practices and delves into relevant theories influencing management perceptions of performance and importance of procurement function in buyer and supplier firms and how it affects business operations. Further, the chapter ascertains existing gaps in literature; develops relevant hypotheses and builds new theories and provides a chapter conclusion.

2.1 Evolution of procurement practices

Many firms today spend more than 50% of their business turnover on procurement of goods and services to ensure that firms achieve sustainable competitive advantage (Bailey and Farmer, 1985; Hines, 2004). Also apparent from reviewed literature, firms by their virtue of being heavily involved in different procurement arrangements with third parties popularly known as suppliers have over the years strived to remain 'agile' and 'responsive' to changing demand and supply market pressures (Bailey et al 2005; Lysons and Farrington, 2006; Hines, 2004; Mentzer, 2004; Saunders, 2005), to ensure effective and efficient supplying of business requirements broadly classified as goods and services. Many researchers argue that firms' are under immense pressure to either 'shape up' their procurement practices and protocols or risk 'shaping out'. As a result, there is continued interest in study of procurement practices performance and importance in influencing business performance (Bailey et al, 2005; Bailey and Farmer, 1985; Hines 2004; Van Weele, 2005). Indeed, different firms because of their different settings and contexts have varying perceptions of the performance and importance of procurement practices.

Over the years, several research findings seeking to explore implications of procurement practices in buyer and supplier firms' business performance (Bailey and Farmer, 1985; Hines, 2004; Kotler, 2000; Lysons and Farrington, 2006). Essentially, over the year's procurement organisation has become integral to businesses success stories (Narasimhan et al, 2008). As such, this study reviews relevant literature on procurement practices in buyer and supplier firms. Since the barter trade era, procurement practices are fast becoming more and more complex and sophisticated than ever. Essentially, because of the changes and developments in world economies and supply markets, procurement practices in firms continue to evolve (Hines, 2004). Typical forces influencing future procurement practices primarily include changes in both macro and micro - environment; increasing global competition; changes in market conditions, consumer taste and preference; deregulation and elimination of physical, fiscal and technical barriers; continued advances in scientific and technological innovations; internationalization; worldwide depletion of critical resources resulting in unprecedented supplies scarcity and uncertainties; shortened product life cycles and fragmentation of formerly standard goods and services.

2.2 Whittington's ideology of procurement practices

Essentially, the effectiveness and efficacy of procurement practices is apparently driven by the control mechanism that coordinate the behavior of transacting parties in buyer-supplier relational exchanges resulting in what is referred to as the 'procurement practices' (Jap, 2001; Zsidsin and Ellram 2003). According to Whittington (2005), a 'practice' is concerned with the 'how' question, which relates to the way procurement activities are instituted. Equally, Molly

and Whittington (2005), argue that ‘practices’ are concerned with different levels of performing procurement activities and the relationships between them. As such, it does not only go beneath organization-level processes to investigate what goes on inside organizations; it also goes above these processes to interrogate how the procurement practices originate from a wider business environment outside the firm. Against this backdrop, Whittington (2006), further distinguish between the two types of practices as essentially, what procurement people ‘engage with’ or as ‘what they do’.

Whittington, in a sense suggests that procurement activities in a firm rely on some wider context. Central to this context are the institutionalized and organizational practices, which procurement people engage in order to carry out their business of sourcing and procuring goods and services required by the business. Inevitably, there is a range of concepts which apply to different types of procurement practices such as institutional processes and procedures, guiding principles, company values, norms or scripted behaviors (Barley and Tolbert, 1997). Essentially, while these constructs of procurement practices are common across organizations, however, there are also specific organizational routines, the ‘repetitive’, recognizable patterns of interdependent actions carried out by multiple actors (Feldman and Pentland, 2003) that equally guide procurement practices in particular organizations.

2.3 Critiquing of Whittington’s ideology on ‘practices’

In critiquing Whittington’s ideology, essentially while procurement practice is about what people engage with, it is also about what people actually do in relation to procurement function and arrangements pursued. Whittington (2006) refers not only to everyday activities, but the relationship between those activities and the context (societal, institutional or inter / intra-organizational) in which procurement activities occur, however, and most importantly, omits the notion that there is an important relationship between the actions and behavior of actors and interactants in the more formalized procurement practices in terms of structures and systems with which they both engage and conduct themselves in practical terms in different organizational contexts and settings which require further investigation. As such, in order to excel in procurement practices, arrangements, objectives, quality, and service commitments, companies must evaluate and reengineer their procurement operating models along five fundamental dimensions: people, processes, organization, management and technology explained in Table 2.1.

Table 2.1 Procurement practices support pillars

People	Organisation	Process	Management Style	Technology
Capability and skills	Clear roles, responsibilities and accountabilities	Continuous management and monitoring of quality, cost and time	Aligned strategies	Shared information
Visibility and impact	Flexible, focused culture	Joint strategic and operational planning and forecasting	Involvement and interest	Shared capital asset
Vision, aspiration	Creative and challenging environment	Alignment of systems and processes to deliver value	Aligned goals and objectives	Common platforms and infrastructure

Empowerment and confidence levels	Partnership and alliances sponsored by executives	Drive for improved customer service	Link business planning cycle	
Levels of motivation	Cross functional team culture	Joined up and commercial focus	Focus on mutual value	
Open communication	Stakeholder based confidence level	Defined processes	Shared views and activities	
Trust and honesty	Resourcing levels			
Understanding and Fairness	Alignment with supply chain			
Commitment, pride And goodwill	Governance and controls			
Mutual response	Ethical and transparent dealings			
Responsiveness				
Flexible and tolerant				
Compatible culture values				
Win - win ethos				
Selling and persuasive				
Dedicated resources				

Source: *Developed for this study*

It is therefore critical, that firms identify those traits internal or external to the organization influencing procurement practices effect on business performance and devise relevant strategies to achieve set objectives. Unlike the case with the external environment forces influencing procurement practices, this section deals with softer issues within individual companies' sphere of control. Other factors that have profound effect on procurement practices and activities are individual purchasing agent's preferences; perceptions and motivations; individual characteristics such as age; income; education; personality; experience; expertise; status, motivation; attitudes towards risk, and job level / position (Bailey et al 2005; Bailey and Farmer, 1998). This collection of attributes can impound a certain benevolent form of behavior that is explicitly pronounced and engraved in companies' procurement practices. However, Hines (2004), argues that behaviors of organizational purchasing agents can be moderated by their company's specific corporate objectives, policies and procedures, corporate structure and internal systems. As such, one can further argue that procurement practices are only as good as the systems and tools that support them. For instance, there are multiple approaches to procurement IT – but the objective is invariably twofold: to enable the wide variety of purchasing transaction on which a firm depends on, and to arm decision makers at every level with meaningful and actionable information in a predictable, easily accessible manner.

Minimally, procurement IT systems must ensure that all transactional – both internal and external – are carried out consistently, and that decision makers have a clear view of all elements of the firm’s procurement practices. As such, the benefits of pursuing the ideal procurement practices are substantial, not only in terms of cost reduction but also in the ability to better focus resources, enhance value from suppliers’ collaboration and innovation, and more fully capture contractual promises.

2.4 Procurement principles and practices

Many publications and sources show that procurements arrangements are often split into two major categories – direct procurement, which is applicable to production, related settings and the second category being indirect procurement, which applies to non-production, related procurement. Direct procurement is primarily driven by contracts and plans for manufactured goods, impacted by changing demand and product configurations and determined by design factors and supplier capacities. The scope spans the design to plan to procure processes and is a critical success factor in demand driven operations. As such, direct procurement focuses in supply chain management, and affects the production process in manufacturing settings only. With indirect procurements, procured goods or services do not end up in the product or services delivered to the customer (Hines; 2006). Table 2.2 below summarizes the characteristics of the different type of procurement practices classifications.

Table 2.2 Classification of different categories of procurement arrangements

Characteristics	Direct procurement of raw materials	Indirect procurement of MRO supplies	Indirect procurement of Capital goods	Indirect procurement of travel and accommodation	Indirect procurement of miscellaneous
Quantity	Large	Low	Low	Low	Low
Value	Industry specific	Low	High	Low	Low
Frequency	High	Relatively high	Low	High	High
Specification	Standard	Relative	Complex	Simplified	Simplified
Nature	Operational	Tactical	Strategic	Tactical	Operational

Source: *Developed from literature reviewed*

According to Bailey et al (2005); indirect procurement has been of less priority in many firms compared to direct procurement. Typical examples of indirect procurement include services – office supplies and courier, staff training; travel and accommodation expenses – air, car rental, hotel, meals, cost of telephones; MRO – facilities management and repairs, facilities planning and fleet maintenance; capital equipment – machinery used to enable processes; miscellaneous – computer hardware and consumables. Since the shift towards corporate requirement to reduce the cost of indirect goods and services because of significant realization by many firms of the importance of having indirect spend visibility and management through investing in indirect procurement systems, processes and interfaces.

Procurement practices - concepts and dynamics

Procurement practices take many forms and incorporate a range of activities – from defining of business needs; and preparation of business cases; through assessment of market capability; the development and implementation of procurement strategies, assessments of supply related

risk; and formation and development of appropriate buyer-supplier relationships (Bailey et al. 1998; Hines, 2004). As such, the procurement function is a multifaceted and often complex discipline that involves delivery of multiple outcomes; innovative solutions and contract arrangements; long-term concession periods and innovative risk allocation and relational exchanges essential to assist the business deliver on its objectives. To effectively and efficiently deliver on its obligations it is critical that key stakeholders are involved in the procurement arrangements to make sure that decisions are jointly made and supported from the start to the end of the procurement process.

Procurement processes

Most companies use strict rules on procurement processes that must be followed by the whole organization with contract value thresholds dictating the procurement practices to be adopted. Generally, good procurement practices should be competitive – whether it be comparing quotations for low value purchases, right up to formal tender process for high risk, high value contracts. There is a number of different procurement practices choice of which depends on different firms' policies, complexity and value of the procurements. The three most commonly used procurement processes are discussed below.

Request for quotation process (RFQ)

Request for quotations is a standard business process whose purpose is to invite suppliers into a bidding process to bid on specific goods, products or services. This procurement process is commonly used by most organizations. Procurement obtains three written, comparable quotations from any three potential suppliers. Further negotiations can be entered into with either or all of the suppliers. This process is appropriate for low value, low – medium risk procurements.

The proposal process (RFP)

Request for proposal is an invitation for supplies, often through a bidding process, to submit a proposal on a specific commodity or service. A bidding process is one of the best methods for leveraging a company's negotiating ability and purchasing power with suppliers. RFPs are commonly used for procurement of highly technical purchases where suppliers are expected to come up with own solution to a request. Again, companies usually request for at least three proposals from potential suppliers as stipulated by the company's procurement policy.

The standard tender process (RFT)

Request for tenders is a structured invitation to suppliers for the supply of goods and services. RFTs are commonly used by government procurement agencies at the local, state and federal levels, and the private sector equivalent is the RFP. Under the standard tender process all requests are advertised accordingly. Where there is a strong market, many potential suppliers, a Supplier Pre-Qualifying Questionnaire (SPQQ) may be provided for interested suppliers to fill out. The SPQQs are evaluated and short listed suppliers and invited to tender for the contract. The Invitation To Tender (ITT) will usually constitute of the buyer's service specification, buyer's model terms and conditions of contract, tender brief, form of tender, tender brief and a cover letter with detailed tender instructions, thus the dates and times by which tender responses need be returned and evaluated, contact details of buyer representative to whom further queries should be made. Once the decision has been made all the bidders who submitted a response will be notified of the decision. Tender process guiding principle is that all bidders must be treated equally, fairly and in transparent manner. Standard tender processes take the form of open or restricted tender process as explained below.

i) Open tender procedure

Under the open tender procedure, all suppliers or bidders who respond to an advertisement are invited to tender, supplied with tender documentation, and in some cases a supplier questionnaire. All responses are evaluated on the same basis and contract awarded to the winning bidder.

ii) Restricted tender procedure

This is a two-stage approach in which the buyer invites interested suppliers to express an interest and undergo a pre-qualification assessment before being invited to tender. All submissions have to be compliant with the instructions to tenderers. Upon completion of the assessment, suppliers are short listed and officially invited to tender for the contract. The tender responses then evaluated by a panel of evaluators and the contract awarded to the winning bidder.

iii) Closed tender procedure

Commonly used in the private sector, the closed tender process has elements of the tender process and the auction process. The buyer submits written offer or bid for the goods or services and the vendor either accepts or rejects the offer. The vendor may accept the highest offer or decide to negotiate with the buyer whose tender they like best or they could reject all the tenders. This process is commonly used by real estate agencies for the sale of properties or commercial land or for sale of motor vehicles or other suitable goods and services.

2.5 Overview of common procurement performance approaches

According to Bailey and Farmer (1985), procurement function performance is essentially measured by its ability to source and procure goods and services required by the firm of right quality; in the right quantity, at the right time in the right place and from the right price. Essentially, Bailey and Farmer Five Rights model is about the ‘what’ or procurement operational performance objectives. However, other models such as Procurement Performance Management Systems (PPMS) Model provide a step-by-step guide to measuring performance of the procurement function throughout the procurement cycle through four core steps - (collecting data; aggregating data; reporting findings; using findings), which together constitute a recurring monitoring cycle (Ramboll Management, 2008). Essentially, each step has set of activities, players, and associated tools, which should be robust enough to facilitate effective management decision-making processes. As such, it is critical for management to be able to collect and aggregate the data, analyze the data, and present it in a clear and easy to understand format for the rest of the business. Eminently, the task of reporting findings provides an important bridge between obtaining data and actual use of data for its intended purpose; however, this subject will not be covered in greater depth in this study.

Berkowitz and Mohan (1987), Monczka and Trent (1991), Porter (1985), Speckman (1985) and Sutton (1989) identify the following benefits when effectively manage the procurement function: cost reduction, enhanced profitability, assured supplies, quality improvements, and competitive advantage. Versendaal & Brinkkemper (2003), in their model of a procurement improvement framework, provides no less than twenty different benefits derived from several sources in the procurement literature broadly categorized as process-related (with e.g. the benefit of improved sourcing decisions), cost-related (e.g. reduced purchasing costs), product quality-related (for instance better product quality), and organization-related (e.g. increased trustworthiness).

Critiquing ‘the five rights’ of procurement

However, while nobody totally disagrees with the principles underpinning Bailey and Farmer ‘five rights of purchasing’ model, the challenge for many firms is how to determine which of the ‘five rights’ is most important, as it is also true that these cannot be of equal significance to different procurement arrangements. For instance some procurements are more price sensitive than others; timing is less vital if you are not working on a ‘just-in-time’ approach and operating a stockholding and or consignment stocking approaches; there is greater need to buy from an ‘approved’ supplier in some industries and for some products than is the case with some. As such, the danger with simply adopting Bailey and Farmer’s ‘five rights’ model, as the firm’s official procurement performance measure is the possibility of losing sight of other critical business priorities.

For example firms with an overwhelming ethos towards environmentally friendly, ‘the right supplier’ principle may cover the firm’s requirement up to a point but does not capture the total environmental impact of the procurement activities. The greatest danger is that people focus on only one of ‘the five rights’ and lose sight of the bigger picture. Usually, people focus on those principles easy to measure and most likely to win them praise from their bosses and peers – the right price. However, Bailey and Farmer (1998), argues that the other problem with ‘the five rights’ is that they refer to ‘the right price’, rather than ‘the right costs’. However, one may argue that ‘the five rights’ taken together would address this criticism; apparently, many procurement decisions are taken on the basis of price rather than cost. The difference between ‘the right price’ and cost are elaborated in ‘the five rights’ principle’, though they are not easy to see. For example, when a company procures a piece of capital equipment, the price will be as quoted by the salesperson (including any discounts offered). The cost of that piece of machinery on the other hand incorporates the price paid, any additional insurance premiums, shipping and transportation, commissioning, repairs and maintenance, spares and availability, and disposal or need to sell (trade – in) remain important when making procurement decisions.

Furthermore, it is noted in this study that ‘the five rights’ are not exhaustive prioritized well enough for specific procurements and that there are some ‘other rights’ missing. For example, the companies require ‘right people’ to be involved in their procurement process; ‘the right system’ to support them; ‘the right business ethics’ and ‘the right level of control of the process. While for some firms, it may be that having the right level of environmental impact is of greater importance; for others, it will be working with the most innovative and original supply partners. In conclusion, effective procurement practices should be about getting everything to do with procurement process right. Alternatively, one can argue that ‘the five rights’ to be complete should be supported by ‘five pillars’ of procurement namely - the people, organizational culture, processes; management and technological advances (Hines, (2004); Baily et al, 1998; Hines, 2006; Lyson and Farrington, 2006).

2.6 Procurement practices level of importance in an firm

The level of importance of procurement function in an organization can be viewed from three levels – strategic, functional and tactical levels (Bailey and Farmer 1985; Hines, 2004). The following sections explain in greater detail each of the levels:

i) Strategic Level

As such, top on the structure is the strategic level, which is the highest level responsible for setting business long-term objectives, policy formulation and crafting of vision and mission statement. Decisions made at this level are usually medium to long term, ranging between two to five years and even longer times frames of up to ten years for some organizations. The

attributes of procurement practices at strategic or general management level are summarized in table 2.2 below.

Table 2.3 Procurement practices at strategic level

Attribute	Source
<ul style="list-style-type: none"> • Permanent lines of communication are established between partners • Top management recognize the opportunities and benefits of existing relationships with external organizations • Supply chain, supply markets and products are continuously monitored and analyzed • People are considered a resource with emphasis on experience, motivation and attitude • Cross functional training of teams between buyer and supplier companies • Shared capital assets management and control – common systems and technology platforms. • Relationships are measured in terms of contributions to mutual parties’ success • Organizations considered each other as resources to be carefully selected and motivated • Negotiations are based on a win – win • Top management recognize the importance of inter – company professional development program • Cost savings and efficiencies up to 25% • Total Cost of ownership benefits • Acquisition cost and supply chain management reduce up to 30% + 	Baily et al (1998) Reck and Lang (1988) Lysons and Farrington, (2006) Hines, (2004)

Source: Developed from reviewed literature

ii) Functional level

Essentially, at functional level, different specialist departmental heads and teams decisions are tailor made to support the objectives, goals and strategic direction of the company. The decisions made at functional level range from monthly to one year or beyond depending on the size and nature of the company. At this level, precise strategic procurement plans are made and implemented to support company operations with an uninterrupted flow of goods and services (Bailey and Farmer, 1998). Secondly, at this level procurement objective is to procure goods and services competitively and to develop effective and reliable sources of supply. This means finding supply partners who are willing to work with the buyers and provide support when buyer firms are in a pinch. Somewhat akin this last objective is to develop good relationship with chosen suppliers’ community. Last but not least, at function level, there is greater need to achieve maximum integration with other departments within the firm to support company goals and objectives.

Table 2.4 Procurement practices at functional level

Attribute	Source
<ul style="list-style-type: none">• Sellers are involved in buyers sales proposal teams• Co-ordination links are established between buyer and seller's teams.• Purchasing function and individual performance are based on efficiency measures• Control and development of purchase price / negotiation capabilities• Cost reductions 10-20%• Acquisition cost 1-10%	Baily et al (1998) Reck and Lang (1988) Jones (1997)

Source: *Developed from the reviewed literature*

iii) Tactical level

The operational level procurement objective is to deal with procurement administrative work and also to keep inventory investment and losses to a minimum. Last but not least is the operational or tactical level, which is involved in supporting the functional level cascaded objectives. This is usually tasked with making low risk decisions encountered during the course of everyday operational activities of the business. Usually, at this level all-important decisions are referred to functional managers unless where empowerment through delegated authority is given. At this level, liaising with other functions in the company is very critical as information dissemination is paramount to allow departments to plan accordingly and meet client needs expeditiously and satisfactorily.

Table 2.5 Procurement practices at tactical / operational level

Attribute	Source
<ul style="list-style-type: none">• High proportion of time is spent on quick fix and routine operations• Relationship between parties is based on price and availability• Negotiations are minimal or based on price alone, win – lose• Little inter-organizational communication takes place because of purchasing low visibility• Clerical efficiency• Small saving through consolidations 2-5%	Baily et al (1998) Reck and Lang (1988) Jones (1997)

Source: *Developed for this study*

Basically, firms leadership determine the level they want their procurement to operate subject to a number of factors including size of spend, nature of business the firm is involved in, company values and corporate culture. There has to be absolute coherence between activities at each of the three levels of the company to ensure business success. Similarly, firms use this process thought to determine how they want the procurement arm to function and design their business models accordingly to support overall their business goals and objectives. As such different firms take different approaches suitable for their business operation.

Weele and Rietveld's (2000) procurement maturity model relates to buyer – supplier interaction performance. The maturity level a company indicates how explicitly defined a

specific process is and how strict it is managed, measured and controlled (Paulk, 1995). The six stages of maturity defined in Weele and Reitveld's procurement maturity model are:

1. **Transactional orientation:** No procurement strategy, procurement is just acting on purchase requisitions from user departments.
2. **Commercial orientation:** mainly cost oriented purchasing
3. **Purchasing coordination:** basic sourcing and purchasing optimization is in place within the procurement department.
4. **Internal integration:** the procurement department is considered as a strategic internally integrated part of the overall organization
5. **External integration:** suppliers are considered valuable integrated resources for the organization
6. **Value chain integration:** the procurement department is contributing to the effectiveness of the entire consumer supply chain

2.7 Procurement performance

According to Hine, (2004), the most challenging aspect of procurement practices is the modern management emphasis on measuring of supply chain performance. The chain is pictured as stretching from a firm's suppliers (and their suppliers, and their suppliers), through the buyers firm and onto customers (and their customers, and their customers). The I – Frame (Versendaal & Brinkkemper, 2004), a procurement improvement framework provides no less than twenty different methods of measuring procurement performance derived from several sources in the procurement and supply chain management literature. Van Weele (2001), identifies six methods of measuring procurement performance. Bailey and Farmer (1985), put developed the '5 Rights of procurement' as basis for measuring procurement practices performance. Also Humphreys et al (2004), developed a model much similar to Bailey and Farmer 5 Rights of Procurement based on procurement level of sophistication: strategic, tactical and operational. This study recommends a modified procurement performance model of Humphrey et al (2004), procurement level of sophistication and Bailey and Farmer 5 Rights of Procurement:

Table 2.6 Broader measures of a firm's procurement practices

Structural	Unit of Performance measurement	Primary Orientation
Operational	<ul style="list-style-type: none"> • Cost reduction • Control of stock levels • Improvement in quality of outputs • Improvement in delivery times • Error rate 	<ul style="list-style-type: none"> • Right quantity • Right time
Tactical	<ul style="list-style-type: none"> • Cost savings and efficiencies • Lowest price • Compliance • Customer satisfaction 	<ul style="list-style-type: none"> • Right price

Strategic	<ul style="list-style-type: none"> • Improvement in processes and systems • Risk management • Relationship management • Supplier leveraging • Technology leverage and integration • Achievement of mutual benefits 	<ul style="list-style-type: none"> • Right goods • Right source / supplier • Right price
<p>Van Weele (2005); Hines (2004); Wagner and Johnson, (2004); Chen et. al. (2004), Lysons and Farrington, (2006); Bailey et al, (2005); Van Weele, 2001; Versendaal and Brinkkemper 2003; Humphrey et al 2004; Bailey and Farmer 1985.</p>		

Source: *Developed from the reviewed literature*

2.8 Alignment of performance and importance of procurement practices

Alignment between performance and importance of procurement function in a firm is defined in this study, as the degree of leveling between the seven trusts dimensions as determined by buyer and supplier firms. This implies that the more the dimensions are at the same maturity level, the higher the alignment scores. Different measurements can be used to operationalize this alignment concept. In previous studies the six procurement maturity dimensions are used to measure misalignment and alignment of procurement performance and importance scores (Batenburg & Versendaal, 2004; Gonzalez-Benito, 2007). Indeed, without a careful definition of perceived performance and importance. Essentially, the performance and importance of the procurement practices need to be integrated both at the front end – providing guidance and advice to the business internal stakeholders in developing sourcing and procurement arrangements – and back end working with external stakeholders mainly suppliers and influence decision making process. As such performance and importance of the firm’s procurement practices takes into account the end to end of business processes. Perceived performance and importance of the procurement function reflects the expectations of the stakeholders group and may change over time. At the beginning of what must be viewed as an ongoing process, undue emphasis on ideal performance and importance might set seemingly unattainable standards that could tend to discourage rather than encourage improvement in firm’s overall procurement practices. To be effective in aligning performance and importance of procurement practices, there has to be dialogue between both internal and external stakeholders concerning realistic goal setting, joint accountability, collaboration and continuous improvement.

2.9 Alternative models of the procurement practices

The three widely accepted procurement practices in business world today include centralized, decentralized and multi-level or hybrid (Bailey and Farmer, 1998; Handfield, 2002; La Londe, 2002). Several sources confirm the differences between the three practices as mainly on procurement decision-making process. Some firms adopt the centralized approach in an attempt to aggregate overall spend across their business units and create a spring board to leverage during negotiations with third parties (Bailey and Farmer, 1985; Hines, 2004). Essentially, the central procurement team controls the sourcing and procurement of goods and services for all departments across the organization and as such becomes the central contact point.

Under the decentralized approach, each separate unit, department, user team or business unit has its own procurement arm responsible for obtaining its own requirements. As such, local procurement teams are empowered to decide own procurement strategies and relational exchange approaches. Finally, the multi-level or hybrid approach therefore is a compromise of the complete centralization or decentralization extremes. Despite each of the three procurement approaches having different strength and weaknesses, neither of the approaches is more superior to the other (Bailey and Farmer, 1998, Ellram and Carr, 1994). Table 2.6 below further explains the merits and de-merits of each approach in detail. The multi-level or hybrid approach, each unit, department, or function has its own procurement department, but a central procurement department has some powers to coordinate the activities of the local procurement office and departments. Inevitably, the multi-level or hybrid model attempts to obtain the advantages of centralized and decentralized models and the division of duties will be as explained in table 2.6.

Table 2.7 Multi-level or hybrid procurement practices model

Responsibilities of central office	Responsibilities of local office
<ul style="list-style-type: none"> • Determination of procurement strategies and policies • Standardization of procurement procedures, specifications, codes and practices • Negotiation of contracts of commonly used items against which local offices can place delivery orders for supplies as required • Procurement of major plant and equipment • Resolving of major supplier disputes • Responsibility for staff training and development • Market research and development 	<ul style="list-style-type: none"> • Responsible for placing orders for ‘non-contract’ items • Placing delivery orders for contract items • Resolves local procurement related issues • Provides first point of contact for local procurement related issues

Source: *Developed from literature reviewed*

2.10 Critiquing of the three procurement practices models

Fundamentally, none of the three procurement practices is more superior to the other (Hines 2004). As such, the advantages of decentralized procurement practices can be seen as remedy for the weaknesses of centralization and the opposite is true. The hybrid or multi-level approach attempts to obtain the advantages of both centralized and decentralized extremes. Table 2.6 below provides a comparative analysis of advantages and disadvantages of each of the three models of procurement practices.

Table 2.8 Comparative analyses of commonly used procurement models

Procurement model	Comparative analysis
Complete Centralized	<ul style="list-style-type: none"> • Offers economies of bulk buying, can negotiate cheaper prices on the basis of total consumption throughout the firm • Avoidance of ‘competitive’ procurement by individual departments for goods in short supply • Opportunities of development of greater knowledge about products through specialized procurement or category management handled by experts • Savings in operating costs as fewer, but bulk orders are placed resulting in significant reduction in administrative costs.

	<ul style="list-style-type: none"> • Development of common procedures, forms, standards and specifications. • Simpler relationships with suppliers as a result of single and direct contacts. • Enhanced importance of the supplies department and higher position of the supplies manager on the organization hierarchy. • More scope for procurement strategy and contribution to corporate plans. • More scope for manpower planning in the function and development of training programs
Complete Decentralized	<ul style="list-style-type: none"> • Closer coordination with local organizations and buyers can build up closer contacts with other departments. • Buyers are in direct touch with problems where they arise and can handle emergencies more easily than a distant office. • Local buyers are better informed about local markets which may offer possibilities to a local customer which cannot be offered on a national basis • Clear responsibility of buyers to local management • Local operations may need a different range of products and thus a local buyer may have a more specialized knowledge of these.
Multi-level or hybrid	<ul style="list-style-type: none"> • Attempts to obtain advantages of both complete centralized or decentralized models. The division of duties between the two offices is explained.

Source: *Developed from the literature reviewed*

2.11 Buyer-supplier firms perspective of the procurement practices

It is apparent that firms, whether manufacturers, distributors, service providers whatever their background in one way or another is involved in procurement of goods or services (Bailey and Farmer, 1998). As such, in a broader sense both supplier and buyer firms have own perceptions of procurement function as elaborated below.

2.11.1 Buyers perspective of procurement practices

Apparently, all firms despite their size or type of business engage in procurement of goods or services in one way or the other. As such, the role of any procurement function is “to ensure delivery of the right goods and services; of the right quality; in the right quantity required by the business; from the right source at the right price” (Bailey and Farmer, 1985). Different firms place different values on each of the five rights depending on the effect on the overall business of their procurement arm not one or two even the rights wrong. As such, different firms seek to align procurement strategy to overall business strategy and objectives. Also the level of importance placed on their procurement arm is shown through position of the function on the overall business structured and the extent to which it is empowered to go about leading on each of the five rights.

2.11.2 Suppliers perspective of procurement practices

Many sources suggest that supplier firms see procurement function as ‘boundary spanning bridge’ between buyer and seller firms. In response suppliers also assign designated salespersons that act as an intermediary between buyers and their firms (Jones, 1987). The practice of personal selling and sales management has also gone through a paradigm shift from

making short-term sales to building long-term relationships (Kotler, 2000), and this has gradually dictated changes in supplier companies' perspective of role of procurement. Also, Lovelock and Wright (1999) argue that over the years supplier firms have shifted from focusing on just influencing buyer behavior to managing relationships. Supplier motives are: volume insurance; exploiting power and efficiency processing.

Most suppliers' philosophy is that regardless of how wonderful the firm's products are if no one knows about them, it is not going to be a successful business (Kotler, 2000). As a result, supplier firms spend huge amounts to market and link their products with existing, new and potential customers. Therefore tasks associated with this function include among many other things outside the scope of this study, a good understanding of the buyer's business and what is important in the business; for example price; delivery times; speed to market; dependability; knowledge of the organization and activity of the clients (Kotler, 2000; Krajić, 1998). This link between supplier and buyer organizations help sellers of goods and services anticipate their client needs and assist them with technical solutions that offer an efficient response to them. Further, through analysis of the clients' profitability and projected business, suppliers also seek to align their business plan to that of their clients resulting in development and implementation of appropriate sales actions.

2.11.3 Dynamics of preferred supplier and the preferred buyer procurement practices

It is no surprise to hear buyers talking of choosing preferred suppliers but, as Karljic Matrix has shown, suppliers too, have their preferred buyers (Bensaou, 1999; Kraljic, 1983). The difference is that since suppliers always say yes (the customer is always right; after all), the buyer will not necessarily know if they are the preferred customers (Bensaou, 1999). Nevertheless, when a number of buyers all need a scarce resource in hurry, then the supplier must choose who gets first response and best support (Kraljic, 1983). However, the ideal match is when a buyer chooses a supplier as its preferred one, and the supplier analysis indicated the particular buyer as the preferred one – in effect, both analyses will result in formation and development of more productive relationships providing significant mutual benefits. As such, it becomes much easier for parties to justify any specific asset investment to support each other's business.

2.11.4 Comparison of procurement practices in Japanese and Western firms

Common sense and advances in how companies conduct business, enlightened self-interest, and the realization that competition is (or should be) between value chains – not members of a value chain (Bailey et al, (2005); Lysons and Farrington, (2006); Cousin, (1991); Hines, (2004); Porter 1990), all combined to motivate relational exchange partnerships which involved buyer and supplier organizations working towards cooperative rein in a collaborative mode. However any attempts to understand procurement practices or activities in isolation are futile without seeking to understand relational exchange partners' motives. Inevitably, buyer and seller behaviors are inter-dependent (Ford, 2002). Many times influencing these behaviors between relational exchange partners is the dynamics underpinning the diversities and complexities associated with interactions.

Typical drivers of procurement practices between firms include strategic importance of goods and services; unpredictability of customer demand; unpredictability of supplies and overall market conditions; nature or type of business; nature and characteristics of product or service, value of total spend on particular goods and services and attractiveness of customer account (Dubois and Perderson, 2002; Hines, 2004). Essentially, partners are motivated by need to maximize shareholders' wealth through ensuring secure, efficient and effective business

operations. According to Kanter (1989), definition of buyer and supplier partnerships – it is a long-term process and should not be viewed as an instant cost saving exercise but rather as an investment, which is very much how Japanese manufacturers viewed relationships with suppliers of materials goods and services.

In addition, Lorange and Roos (1992) explain a partnership as essential when considering the supplier of materials, goods and services as a stakeholder in the buyer or client's organization. In a study on buyer-supplier firms partnerships, Cousins (2002) established that Japanese buying organizations recognized that suppliers were the experts in their own field of technology, and that could draw upon their expertise to create synergies with their own organizations. As such, the approach involves taking the supplier as a "co-worker", working with fewer suppliers commodity, commodity per supplier; developing long term relationships, managing close interactions and all functions, sharing physical proximity and agreeing blanket contracts. In contrast to the Japanese firms approach as stated by Cousin, Lamming (1993), suggested that in the West, perceptions of buyer and supplier firms partnerships are based on profitability and cost reduction whereas the partnership philosophy according to Cousin (1991) should be based on improving productivity and efficiency; sharing of risks and rewards, of technology and innovation, leading to a reduction in costs and creation of sustainable competitive advantage. Essentially, this approach is fundamentally anchored and underpinned by the operations management perspective of Total Quality Management principles (TQM).

2.12 Procurement Sophistication

According to Rozemeijer et al (2003), argue that procurement practices can be classified as being either mature / sophisticated or immature / unsophisticated. Various characteristics of procurement practices help determine the level of sophistication. Furthermore, Rozemeijer briefly explain six characteristics influencing procurement practices level of sophistication constructs:

- **Reporting level of purchasing function:** In the early stages of procurement function development, procurement reports rather low in the organizational hierarchy (Rozeimeijer, 2000). In a highly sophisticated procurement practices, the department reports directly to top management. As such, in a firm with low level of sophistication would have a length reporting chain compared to one with a high level of sophistication.
- **Contribution to the competitive position of the firm:** A none strategic procurement practice contribution to the medium to long term or strategic goals of the firm may be insignificant, which therefore imply that procurement function is not an important activity in the firm (Carr and Pearson 2002). Chen et al (2004); found empirical evidence that procurement practices can engender sustainable competitive advantage by enabling buyer / supplier firms to foster closer working relationships, promote open communication among supply chain partnerships and to develop a long term strategic relationship orientation to achieve mutual gains.
- **Orientation on collaborative supplier relationships:** According to Hines (2004), adversarial relationships between buyer / supplier firms is common in immature procurement practices. On the other hand, a mature or sophisticated procurement function would have an orientation towards collaborative buyer / supplier firms relational exchanges (Weele, 2005; Hines, 2004)
- **Skills to participate in cross functional teams:** In a mature or sophisticated procurement function, practitioners have adequate skills to effectively participate in cross functional teams within and across the firm (Trent and Monczkaa 1994; Hines 2004, Bailey et al 2005). Johnson et al (2002), argue that procurement strategic role in

a firm is positively related to the greater usage of internal and external cross functional team usage. As such, it is apparent that cross functional teams offer higher opportunities to achieve sustainable competitive advantage and optimize procurement function performance through joint decision making and ensuring value for money relational exchanges.

- **Skills for developing procurement and supplier strategies:** According to Bailey et al (2005), those entrusted with procurement responsibilities of a firm require a range of soft and technical skills relevant in developing procurement and supplier strategies. Gelderman and Van Weele (2005), argued further that there is a broad consensus today than ever that procurement professionals require a variety of skills for making effective decisions, that is, skills necessary to plan; monitor; implement; foster relevant relationships, and management of risks. As such, practitioners in a sophisticated procurement practices required skills to develop differentiated, distinct, sustainable strategies.
- **Focus on clerical and administrative duties:** Apparently, immature procurement practices focus on clerical activities (Bailey et al 2005; Hines, 2004); is evaluated based on the clerical tasks it performs. According to Quayle (2002), many buyer / supplier firms have progressed over the years from a clerical back office to strategic function while others have not made such moves. Gelderman and Van Weele, (2005), also argue that buyers in immature / none sophisticated procurement practices resort to solving of day to day problems, relating with suppliers and tend to spend most of their time mainly on clerical and administrative tasks.

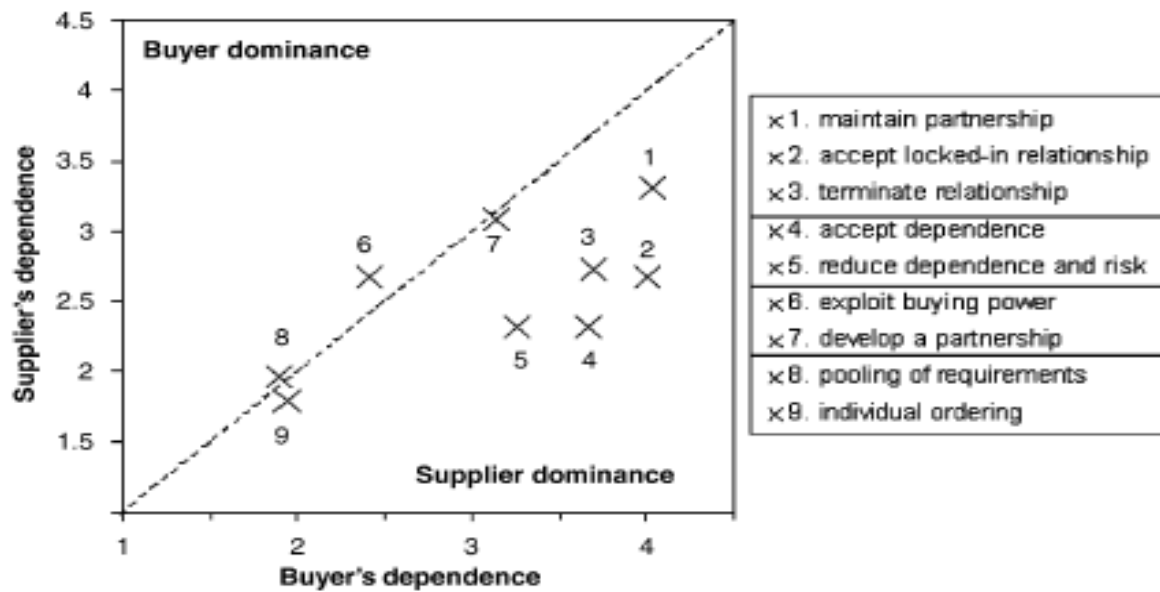
2.13 Broader theories underpinning different procurement practices

The dynamics underpinning procurement practices are best understood by investigating different exchange theories underpinning different interactions between buyers and suppliers. Although each theory or paradigm is insufficient to capture the complexities of interactions or exchange processes between buyer and seller companies, the information to be gained at least will be valuable insights.

2.13.1 Power and dependency theory

The power theory in business exchanges is a widely researched area. Power is seen as the ability to influence, an ability to affect, an ability to mobilize, a capacity to exert influence, the ability to employ sanctions and so on. There is a range of definitions that the meaning of power, influence control, domination, and authority are not sharply cut off from one another. (Pheby, 2004). Power is defined as a measure of a firm's ability to control the environment around itself, including the behavior of other entities to achieve its business objectives. According to Canniels and Gelderman (2006), buyer /supplier firms always depend to varying extents on their exchange partners. Recent studies show that mutual dependence and power between relational exchange partners are closely related concepts. The buyer's dependence on the supplier is a source of power for the supplier, and vice versa. According to Canniels and Gelderman (2006), dependence imbalances in relational exchange results in difference in value that buyer and supplier firms attach to the relationship.

Fig 2.1 Caniels and Gelderman - Power Map



Source: *Caniels and Gelderman, Journal of Purchasing and Supply Management 11 (2005) 141 - 155*

In relationship between buyer and supplier firms, power can exist from situations created from the design of the supply chain network, the type of partners organisational structure, the opportunity to influence, access to powerful individuals and critical resources (Vail, 2004). According to (Caniels and Gelderman, 2005), firms procurement function's level of dominance is largely influenced by structural and situational sources of power created by unequal access to information, resources, decision-making, and other cross functional groups with particular interests in a procurement arrangement. Knowledge as power means that individual procurement experts, groups or departments that possess knowledge crucial to attaining or meeting the organisational goals have power. Resources as power suggest that buyer / supplier firms departments or individuals who can provide critical or difficult to obtain resources acquired power in a relational exchange process. Decision making as power means that firms individuals or groups responsible for procurement acquire power to the extend that they can affect some part of the decision making process. Networks as power imply that various affiliations and coalitions, both inside and outside the organisation, represent sources of power.

Knowing what is going on is what enhances power and the knowledge that such a capability exists clearly enhances subjugation. Other sources of power are multi-various but the acquisition of power, the loss of power or shifts in relational buyer / supplier firms relational exchanges the balance of power are likely to occur during times of heightened political activity within an organisation. To thoroughly understand the power and influence of purchasing managers in an organisation, it is helpful to review a theoretical perspective of these concepts. Accordingly, a definition is presented and then characteristics and sources of power are reviewed. Power has been defined as the capability of one social actor to overcome resistance in achieving a desired objective or result. Operationally speaking, power has been defined as "the capacity to effect organizational outcomes. Other renowned bases of power in relational exchanges are listed in table 2.9:

Table 2.9 Bases of power in a relational exchange

Source of power	Brief description
Position power	<ul style="list-style-type: none"> based on the formal position within the organization that allows a manager to make decision relating to particular procurement arrangements. This kind of position power is usually called hierarchical, or legitimate, power because of its tendency to follow lines of organizational hierarchy - formal authority. Obviously, the higher the position in the hierarchy, the more position power an individual usually possesses. Consequently, position power is used when a decision is influenced by organizational authority, responsibility, duties, or function.
Expert power	<ul style="list-style-type: none"> Expert power base in relational exchange is composed of an individual's relative expertise in a particular area. A firm is said to have used expert power base if knowledge of the subject matter or special technical skills, information, or reasoning influenced the decision outcome. Usually, the more a firm knows about a particular area, relative to other partners involved, the more that firm would have power in a situation that requires that expertise. Expert power is prevalent in any complex organization, compared to those less complicated. Expert power is an individual's power deriving from the skills or expertise of the person and the organization's needs for those skills and expertise. Unlike the others, this type of power is usually highly specific and limited to the particular area in which the expert is trained and qualified.
legitimate power	<ul style="list-style-type: none"> "legitimate power", it is the power of an individual because of the relative position and duties of the holder of the position within an organization. Legitimate power is formal authority delegated to the holder of the position. This is the most obvious and also the most important kind of power.
Referent power	<ul style="list-style-type: none"> Referent power is described as the power or ability of individuals to attract others and build loyalty. A firm on record may be admired because of specific personal trait, and this admiration creates the opportunity for firms interpersonal influence in procurement practices. Here the person under power desires to identify with these personal qualities, and gains satisfaction from being an accepted follower. This is the second least obvious power, but the most effective

Reward power	<ul style="list-style-type: none"> Reward power depends on the ability of the power wielder to confer valued material rewards, it refers to the degree to which the individual can give others a reward of some kind such as benefits, time off, desired gifts, promotions or increases in pay or responsibility. This power is obvious but also ineffective if abused. Firms that abuse reward power can become pushy or risk becoming too forthcoming or 'moving things too quickly'.
Coercive power	<ul style="list-style-type: none"> Coercive power is the application of negative influences and it includes the ability to demote or to withhold other rewards. The desire for valued rewards or the fear of having them withheld that ensures the obedience of those under power. In relational exchange settings, coercive power tends to be the most obvious but least effective form of power as it builds resentment and resistance from those firms that experience it.
Vail, (2004); Tong et al, (2008), Lee et al (2008); Dwyer et al, (1987); Caniels and Galderman, (2005)	

Source: *Developed from the reviewed literature*

Joint power denotes situations where a firm and its relational exchange partner are equally dependent and interdependence and bonds between firms are high (Tong et al, 2008, Lee et al 2008). Several researchers argue that because of the interdependency between the firms, reciprocity through shared values, and governance structures emerge as part of the relationship development process (Dwyer et al 1987; Lee et al 2008; Tong et al, 2008). According to Caniels and Galderman (2005), a measure of joint power is denoted by sharing; helping and equality, reciprocity which reveals and reinforces personal and organisational norms and values.

2.13.2 Interaction theory

The interaction theory refers to studies that focus on exchange processes and relationship formation between trading organizations (Hines, 2004). The approach concerns issues such as interaction processes, adaptation within and investments into relationships, different kinds of bonds between actors, developmental phases of relationships and relationships outcomes (Moller and Halinen-Kaila, 1998). Although actors / interactants are placed at different level in different organization, individuals are inevitably the basic interactants in all possible collective actor configurations. In other words, aspects of interpersonal communication are taken into consideration in exchanging exchange processes from an interaction perspective. The important question is how relationships / interactions start, develop and decline as a result of strings of interactions and of the changing benefits that interactants form about them.

Further, the level of exchange partners' interaction is assessed by analyzing the characteristics of the individual company policies; mission and vision; personal relations between staff especially key decision makers; and the interface between organizations involved (Seal, 1998). Essentially should companies place more value on their routine transactions then not only would the suppliers increase the breath and frequency of contacts but both parties might regard

the commodity type business as a quid pro quo for offering good and trustworthy specialist advice and this would help to cement a sense of shared destiny between parties.

Several studies in interaction theory argue that reference groups are typical examples of social organizations created by interactions among people leading to construction of a society. Some reference groups have conflicts and are 'dysfunctional' and some are stable and have uniformity of consensus. However the central feature of all the groups is that they are in a continual process of change and transformation gyrating from micro social interactions. Everyday interactions involve the self-concept and identity, which is formed as individuals interact with the society. As a result, an individual develops powerful themes of social class, power and dominance, age, gender and ethnicity. All these themes have an impact on an individual interaction with others. Dwyer et al (1987) noted the tendency of organizational exchange to be circumscribed by long-term associations, contractual relations and joint ownership.

2.13.3 Social exchange theory

The social exchange theory is said to have resulted from the "intersections of economics, psychology and sociology" (Hormans, 1958). Despite that the theory exists in many forms, however common to other theories is the fact that the social exchange theory is also driven by the same central concept of actors exchanging resources via a social exchange relationship. The theory has evolved from a dyadic model to a network model (Cook, 1977; Emerson 1987). Hormans (1958), who initiated the theory of social exchange introduced a principle about human behavior that argue that "persons that give much to others try to get much from them, and persons that get much from others are under pressure to give much to them". This process of influence tends to work out equilibrium to a balance in the exchanges. Social exchange theory refers to human communication through which meanings are communicated and values potentially interpreted and taught, (Oikkonen et al, 2000). These communications must be personalized and intimate, frequent (even if there are no issues to report) and complete (no surprises later) (Murtaza et al, 2004). Dealing with these issues requires some special interpersonal competencies and environmental monitoring skills to spot trends and issues early.

2.13.4 Economic exchange theory

The only fundamental difference between social exchange theory and the economic theory is the way actors are viewed. The economic exchange theory "views actors (persons or firms) as dealing not with another actor but with a market" (Emerson 1997) responding to various market characteristics while social exchange theory views the exchange relationship between specific actors as "actions contingent on rewarding reactions from others" (Blau, 1964). The typical argument today is that economic law, (the principle of marginal utility, the law of supply and demand) (Emerson, 1976; Macy and Flache, 1995), are operatives in both social exchanges and extra-economic relations.

The economic exchange theory enhances the likelihood of resources exchange between trusting parties, reduces uncertainties of any form, decreases transaction costs because there is less need to undertake actions to protect one's interests, knowledge transfer becomes less costly, and newly acquired knowledge can be absorbed and retained much faster (Currall and Judge, 1995). Economic factors are linked to efficiency and stability motivations; and social factors and motivations of reciprocity. Therefore, when firms are to be efficient and stable, they seek to maintain essential relationships in order to achieve desired goals.

2.13.5 Trust theory

According to So and Sculli, (2002), trust theory is developed through consistent and predictable acts of an exchange partner over an extended period. On the other extreme, several other sources argue that trust is propagated around a system that respects the right to differ and accepts differences between organisations or individuals either ‘up or down’, peer to peer, internally or externally (Sahay, 2003). The system defines trust as based on expectations of reasonable and fair behavior. Other sources have also argued that trust is seen as either “*associative* or *transitive*”. According to Milliman and Fugate (1988); Strub and Priest (1976), trust can develop through a transference process meaning that trust can be transferred from one trusted to another person or group despite having had any experience or previous relations.

In simple terms, it means if buyer ‘A’ trusts supplier ‘B’ and supplier ‘B’ on one hand trusts supplier ‘C’, then it is almost conclusive that buyer ‘A’ may trust supplier ‘C’. Likewise mistrust can be by symptom, or mistrust by association. Other studies have argued that trust is an emergent property of a system of relationships. Guarantors and regulators have been seen as source of increasing the overall level of trust in a system. Also trust levels increase when dealing in familiar domains, and often trust is taken for granted – until something appears to shake that faith. In new domains, however, there is less certainty as to whom or what to trust (Barringer and Harrison, 2000). However, it should be noted that the trust theory is more complex than explained here and influences formation and development of all forms of relations between companies. As such, this research is based on the trust theory and the justification is as fired up below.

2.14 Justification for adopting theory of trust as basis of this study

Based on a comparative analysis of five broader relational exchange theories (power and dependence; interaction, social; economic, trust theories), explored above and it appears that it is only through trust that stakeholders involved in a procurement arrangements can focus on other issues knowing that those with whom they are involved with will protect their interests and not engage in activities that are harmful to your business (Currall and Judge, 1995; Simchi-Levi et al., 2002; Tomkins, 2001). Therefore, trust is a belief by one part that the other party will fulfill its obligation in a relationship (Dennis and Kambil, 2003; Hines, 2004). This suggests that trust is being perceived across procurement practices theoretical paradigms as a critical construct upon which buyer and seller interactions are premised.

2.14.1 Trust theory as basis of study under review

Also, relational exchange parties should appreciate that parties involved in any form of business interactions calculate the cost and or benefits of another party cheating or staying in a relationship (Dasgupta 1998; Lindsfold 1978; Williamson, 1993). Therefore one relations exchange partner would be considered trusting if it believes that it would be in the best interest of the other party not to cheat, as the benefits of the contrary are more, hence that party would therefore trust the other. When relational exchange partners trust each other, they are more willing to share relevant ideas, clarify goals and problems and communicate efficiently. It also increases satisfaction with the relationship (Anderson and Weitz, 1989, Mohr and Spekman 1994), enhances continuity expectations (Ganesan, 1994; Joshi and Stump, 1999; Smith and Barclay, 1997), and foments cooperation, coordination, collaboration and communication.

Based on the above discussions, the researcher believes that further study of trust as a determinant of buyer – supplier procurement practices covers a reasonable number of dimensions that are common in nearly all the other theories covered in this paper. Trust is therefore perceived throughout this study as the necessary precursor for:

- Feeling to be able to rely upon another organization
- Cooperating with and experiencing to be part of another group
- Taking thoughtful risks, and
- Experiencing believable interactions

2.14.2 Definitions of trust in different procurement practices

Several sources have defined trust in relational exchanges. Table 2.8 below provides the broader definitions of trust as viewed by different sources relevant to this study area:

Table 2.10 *Definitions of trust in different procurement practices*

Definition	Source
• ‘Willingness to accept vulnerability and or rely on an exchange partner in whom one has confidence’	Dwyer et al, (1987); Gallivan and Depledge (2003); Wilcox and Grover, (2004)
• ‘An attitude displayed in solutions where a person is relying on another person’	Giffin (1967); Bialaszewski and Giallourakis, (1985)
• ‘The belief that a party’s word or promise is reliable and that a party will fulfill their obligation in an exchange for a relationship’	Schurr and Ozanne, (1985)
• ‘willingness to relinquish some independence and developing mutual dependence to ensure parties play the game’	Rayn et al., (2004); Perry et al, (2002); Walker, (2004)
• ‘An accepted vulnerability to another’s possible but not expected ill will (or lack of good will)’	Bier, (1986)
• ‘The degree to which a channel member perceives the existing relationship and accepts short term dislocation because it is confident that such dislocation will balance out in the long run’	Anderson et al, 1987
• ‘Willingness by partners to take the risk of relying on the exchange of another partner in whom they have got evidence’	Batt, (2003); Kwon and Suh, (2005); Sahay, (2003);
• ‘One party’s belief that its needs will be fulfilled in the future by actions undertaken by the other party’.	Anderson and Weitz (1989)
• ‘The firm’s belief that another company will perform actions that will result in positive outcomes for the firm, as well as not take unexpected actions that would result in negative outcomes for the firm’	Anderson and Narus (1990),
• ‘Willingness to rely on an exchange partner in whom one has confidence’	Moorman et al. (1992)
• ‘When one party has confidence in an exchange partner’s reliability and integrity’	Morgan and Hunt (1994)
• ‘Expectation, not just of a lack of ill will, but an element of goodwill from the person trusted’.	Govier (1994)

<ul style="list-style-type: none"> • ‘The perceived credibility and the benevolence of a target of trust. 	Doney and Cannon (1997)
<ul style="list-style-type: none"> • ‘When the other party makes itself vulnerable to the other party’s behaviour’ 	Blois (1999)
<ul style="list-style-type: none"> • ‘Belief by one part that the other party will fulfill its obligation in a relationship’ and will not take advantage of them. 	Denis and Kambil, (2003); Batt, (2003); Hefferman, (2004); Kwon and Suh, (2005)

Source: Developed for this study

2.14.3 Definitions of trust in broader relational exchange processes

Based on the definitions above, common to all definitions is the element that trust is a belief, also involves at least two or more actors, otherwise each of the definitions is in a way different to the other. Further analysis of the definitions for instance Schurr and Ozanne (1985) use the term ‘word’ and ‘promise’ as if trust can be solely based on the other party’s words whereas Anderson and Weitz (1989) state the term ‘future actions’, recommending that trust is an expectation based on future actions of the partner. Morgan and Hunt (1994) narrow down the larger context of trust into measurable terms of reliability and integrity much like Doney and Cannon (1997) who mention credibility and benevolence as measures of trust.

Essentially, as a result of the reviewed definitions of trust in this study, the researcher concludes that the term trust can mean more or less the same to parties involved in a relationship or can mean completely different aspect. Each of the above definitions concentrated on specific aspects of trust thereby providing different dimensions of the term. However, based on the above definitions and discussions, the importance of trust can be explained by the fact that it is seen as a phenomenon, which contributes to the strength of interpersonal relationships, intra, and inter-organizational relationships in supply chains.

2.15 Defining the theoretical framework of this study

For many decades, the dimension and construct of trust has gained interest in various areas of research. In the 1950s and 1960s, researchers discovered the significance of trust in personal relationships (Erickson, 1953; Deutsch, 1958; 1962; Rotter, 1967; Tedeschi et al, 1969). Development of the construct of trust during 1970s led to the discovery of various attributes and dimensions of trust as discussed in table 2.9.

Table 2.11 *An analysis of the multidimensional constructs of trust in procurement*

Constructs of trust	Analysis of the dimension	Source
Openness	<ul style="list-style-type: none"> · Involvement of all relevant disciplines · Working together · Top level commitment · Flexibility, · Effective communication · Mutual benefits 	Hart et al. (1986); Preece, (2002); Salam et al (2005)
Closeness	<ul style="list-style-type: none"> · Organizations seek to come closer and identify overlapping interest · Sharing as well as exchanging · Building satisfactory outcomes together 	(Baily et al 1998); Gefen 2000; Tomkins 2001; Holmlund 2004; Bruce et al 2004; Harrison and Van Hoek 2002; Storey 2002

	<ul style="list-style-type: none"> · Openness and trust · Familiarity · inter-organisation cooperation and collaboration · information sharing · firm to firm different levels of interaction · joint investment in technology 	
Honesty	<ul style="list-style-type: none"> · Extent of the potential of the supplier to contribute to the profitability (or efficiency) of the buyer · Intentions / motives · a history of favourable interactions 	Cook and Wall, (1980); Kee and Knox (1970); McRobb and Rogerson (2004)
Competence	<ul style="list-style-type: none"> · Total quality management · Able; reputable; skillful; traceable reference, notable credibility, character endorsement · history or track record of proven experience · personal characteristics 	Buttler 1991; Rosen and Jerdee 1977, Butler and Cantrell 1984, Lieberman 1981, Kee and Knox (1970); Preece, (2002); Bews and Rossouw (2002)
Dependability / Reliability	<ul style="list-style-type: none"> · Vulnerability to failure to provide the product or service on time · Predictable, security, · Delivering on your promises · personal characteristics a history of interaction 	Butler and Cantrell 1984 Coleman, 1990; Dugupta, 1988; Gambetta, 1988; Good, 1988; Zand, 1978; Pavlon and Gefen 2004
Commitment	<ul style="list-style-type: none"> · Long term relationship · Clear joint objectives · Suppliers are considered a resource which is carefully selected and motivated— · Believing in an ongoing relationship; · propensity to engage in a trusting relationship · belief that the relationship endures indefinitely 	Baily et al, 1998 Rosen and Jerdee, 1977 McRobb and Rogerson 2004 Morgan and Hunt 1994
Security	<ul style="list-style-type: none"> · Traceable reference; · Notable credibility; character endorsement · reassuring interdependence · positive expectations · Stability of relationship 	Prahalad and Hamel, (1990); Gefen 2000; McRobb and Rogerson (2004)

Source: *Developed for this study*

2.15.1 Attempt to control or deter deceitful behavior in procurement practices

Over the years, parties to relational exchanges have adopted several mechanisms including contracts, governance structure, mutual hostages, monitoring, and participatory decision making, staffing and training among many other as deterrence mechanisms for controlling deceitful partner behaviors (Das, 2005; Williamson, 1999; Croker and Reynolds, 1993; Klein, 1996). However, it should be noted that each of the sighted mechanisms, used properly, would achieve desired results within the limited circumstances of potential partner intentions, but none of them would be effective on a consistent basis because of the ever-present potential for deceitful partner behavior.

2.15.2 Contextualizing trust theory in procurement practices

Inevitably, procurement practices and arrangements always have conflicts as well as commonalities of interest between exchange partners. One of the great strains in procurement practices would seem to be the incentive for opportunistic behavior with the changing balance of power at different phases of the business cycle (Seal, 1998). That is in times of boom when business is easy sailing and the buyers are tempted to play off one supplier after another in order to get the best deals. In a depression, the power swings towards the supplier, which will be seen by the buyer as offering best terms, and the supplier will be tempted to walk away from hard bargaining buyers.

Exchange partners faced by recession become choosier about who they wanted as 'long standing commitment' (Melbourn, 1989). Opportunism in exchange may theoretically be curbed via a detailed legal contract that ties the two parties together for specified period and on specific terms (Seal, 1998). Macaulay (1963) argues that given inevitable uncertainties, such comprehensive contracting options will be unrealistic and businesses prefer to avoid legalistic relations. However, Macneil (1987) suggested that the dynamics of reciprocal trusting relations be analyzed by distinguishing between the theory of discrete contracts and the theory of long-term relational contracts. Contractual trust means that partners keep their promises whether or not they are on a written (and thus potentially legally enforceable) agreement. Parties for example may break their promises to deliver on time because they are untrustworthy in a contractual sense but because they lack business ability, i.e. they lack competence trust.

Although formal mechanisms including contracts and certification procedures have always been used in procurement practices as substitute for trust, however, they are often employed in a symbolic rather than heavy-handed legalistic manner (Seal, 1998). Also, Sitkin and Roth (1993) argued that the symbolic approach is employed in an 'attempts to remedy trust violations legalistically'. However, this approach frequently fail because symbolic approaches paradoxically reduce the level of trust rather than reproducing trust and impose a psychological and or interactional barrier between the parties that stimulates an escalating spiral of formality and distance that leads to a need for more rules. Although the functional role of regulation should be clear, there have been spectacular failures that have hurt both buyers and sellers.

2.15.3 Forms of trust prevalent in procurement practices

There are three types of trust that exist within different forms of procurement practices. Sako (1992), identified these three types of trust; contractual trust, competence trust and goodwill trust. In this study, contractual trust is explained as involving partners in a relationship having to keep their promises and breaking such relationships not being because of untrustworthy in a contractual sense but because of lack of 'business ability'. The latter is explained in this study

as competence trust. Finally, the goodwill trust is described as a more diffuse concept, which allows discretion beyond both contractual, and competence forms of trust.

As such, trustworthiness is often a consequence of a complex set of beliefs, perceptions, associations and interpretations. If a company wishes to establish its trustworthiness, then it must first find ways for the other company to perceive them as trustworthy of demonstrating their commitment to the relationship (Sahay 2003). It is a hen and egg, which comes first situation. However, formation and development of inter-company trust and relationships is much stronger in societies such as Japan where most companies reinforce not just personal contracts but much stable ‘corporate personalities’ (Sako 1992). There are lessons for companies to learn to develop effective organizational culture, which exude both contractual, and competence trust.

2.15.4 Indicators of extent of trust between stakeholders in procurement practices

There are several indicators that reflect the extent of trust between buyer-supplier firms’ during procurement arrangements. Typical indicators include exchange partners willingness to make distinctive investments in preferred business relationships provides evidence that parties to a relationship can be believed to care about the relationship and also willing to make sacrifices (Genesan 1994). By sharing confidential information, both companies risk substantial investment and would do everything possible to protect themselves and their partner (Kelly and Kerwin, 1993). The extents to which partners share confidential information among themselves provide a signal of “good faith” and wiliness to take risk of vulnerability (Strubs and Priest 1976).

Table 2.12 *Indicators of extent of trust between relational exchange partners*

Indicator	Source
<ul style="list-style-type: none"> • Willingness to make idiosyncratic investments on behalf of your partners 	Gronroos (1994); Holmlund, (2004); Harrison and Van Hoek, (2002); Payne (1995);
<ul style="list-style-type: none"> • Sharing of values and vital information with partners 	Strubs and Priest (1976); Storey, (2005)
<ul style="list-style-type: none"> • Willingness to take risk of vulnerability 	Kelly and Kerwin (1993)
<ul style="list-style-type: none"> • Extent of willingness to make disclosure on confidential records 	Handfield and Nichols (1999)
<ul style="list-style-type: none"> • Acknowledgement or acceptance of duty to protect rights and interests of partners 	Tomkins (2001),
<ul style="list-style-type: none"> • Level within the organization at which social bonding takes place 	

Source: *Developed for this study*

Several research findings show that buyers spend time calculating which suppliers to develop and which ones merit the investment needed to maintain an ongoing relationship (Holmlund, 2004; Storey, 2005). Such investments include specialized equipment, skills and training, adaptation of processes to meet both parties’ needs and the length of time taken nature the relationship. Williamson (1985) suggests that since idiosyncratic investments change the

firms' incentives structure and distinct assets can lose substantial value unless the relationship is continued. Anderson and Weitz (1992) share same views in that firms making such investments are less likely to engage in opportunistic behavior that threatens the continuation of the relationships.

Asset specificity refers to investments in physical or human dedicated to formation and maintaining of particular business relationship whose redeployment entails considerable switching costs (Heide 1994; Sahay 2003). Williamson (1985) also defines asset specificity as “durable investments that are undertaken by companies in support of particular transactions, the opportunity cost of which investments is much lower in best alternative uses or by alternative users should the original transactions be prematurely terminated”. This definition depicts variety relationship specific investments including both specialized physical and human capital along with intangible such as research and development (R & D) and firm specific knowledge.

The researcher concludes that trust between relational exchange partners is essentially underpinned by three fundamental principles of trust as an individual or institutional *virtue*; trust as an individual or institutional *behavior* and finally trust as an individual or institutional *arrangement*. As such, also distinguished are prevalent problems with conventional thinking about trust and the resultant relational gaps intra and inter firms. Also, the dynamics associated with each of these aspects influence the level and extent parties will trust each other. Other conclusions made by the researcher are listed in the table 2.11.

Table 2.13 Conclusion from reviewed literature on trust

1.	Trust is never a purely technical matter with definitive conclusions.
2.	Simple patterns of trust are sometimes misleading.
3.	The signs of trust can usually be faked.
4.	Security mechanisms can always be broken if the stakes are high enough.
5.	Crucial factors influencing the level and extent relational exchange partners trust each other include aspects associated with people within parties firms; the nature of parties firms; processes within parties firms; both parties management style and embedded culture and values; and the level of parties firms willingness to invest in relational exchange processes.
6.	The dynamics associated with each of these aspects influence the level and extent parties will trust each other.
7.	Trust is time bound and has levels.

Source: *Developed from reviewed literature*

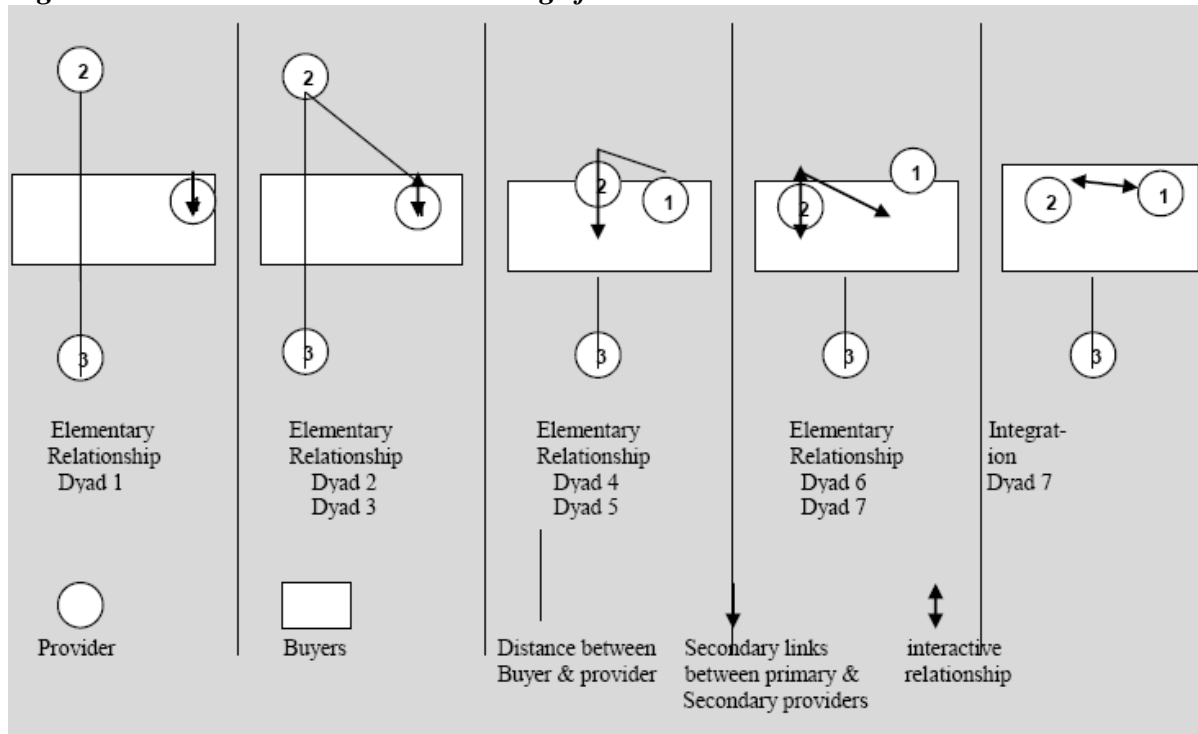
2.16 Alternative procurement practices inter-organisational relationship models

Understanding business common approaches to procurement practices in relational exchange between buyer and supplier firms assist shape management approach and contribution to any action that may need to be taken. There is growing evidence that “firms are moving away from the traditional approach of adversarial relationships with a multitude of suppliers to one of forging long term relationships with a selected few suppliers (Kalwani and Narayandas 1995; Dwyer et al 1987; Spekman, 1988). Ideally, there are three types of relational exchanges arms length and relational marketing (comprising of strategic alliances also known as strategic partnerships) and mergers or acquisitions (either backward or forward integrations). The three models below show commonly used alternative procurement practices formats developed by Laing and Lian, (2005), Bittci et al (2004); Modified Model of Supply Chain Council

Collaboration and Cox (1996), which further confirm the link between trust and different procurement practices.

2.16.1 Laing and Lian's alternative relational exchange formats

Figure 2.2 Alternative relational exchange formats

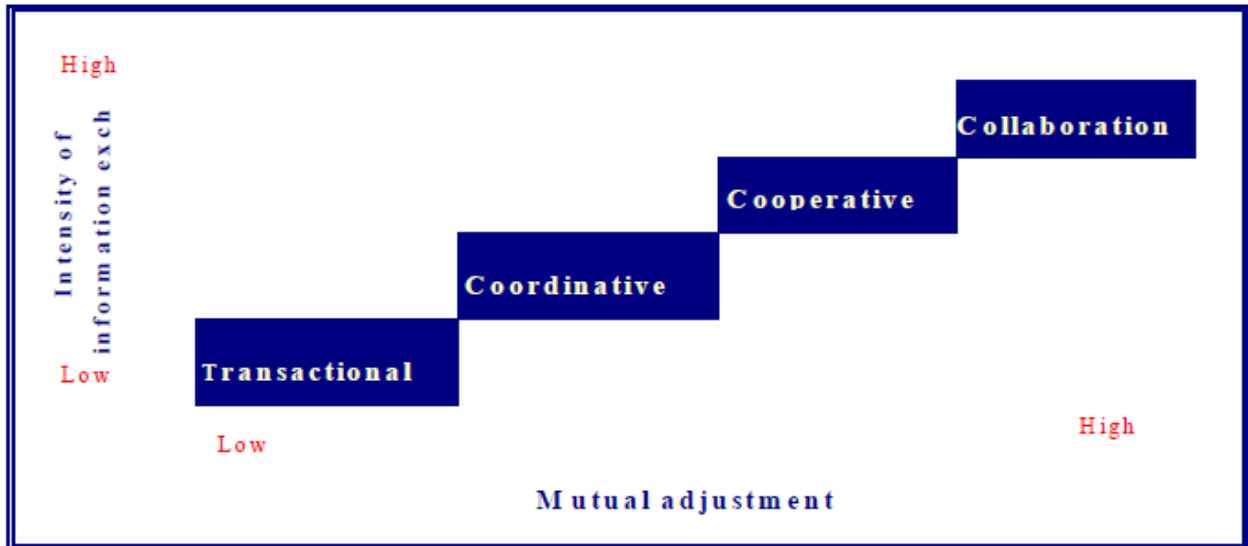


Source: Laing and Lian, 2005;

- Elementary Relationships has its genesis in the adversarial environment based on 'win loose' form of relationship between buyer and seller. Laing and Lian, (2005) further argue that the outlook of the relationship is short term, with emphasis being placed on the seller meeting short term performance target determined unilaterally by the buyer
- Interactive relationship is characterized by both buyer and seller involved in formal communication, mutual decision making with trust playing an increasing role in shaping the direction of the relationship.
- Embedded relationship is mainly characterized with collaboration between buyer and seller hence the relationship outlook increasingly become long-term orientation. Furthermore, high levels of relationship-specific investment becoming a viable option and such investments taking the form of dedicated staff consolidating the relationship further through establishing social ties with dedicated provider staff.
- Partnering relationships involve co-production of services and an on-going process of joint service design and development. Furthermore, this form of relationship is socially embedded and supported by extensive joint investment, hence greater level of commitment between buyer and dedicated seller.
- Integration relationships involve the buyer possessing a high level of in-house expertise and professional ties and plays an important role in the make or buy decision process

2.16.2 Bittci et al (2004); Classification of inter- organisational relationships

Figure 2.3 *Classification of inter-organizational relationships*



Source: Bittci et al (2004); Modified Model of Supply Chain Council Collaboration Committee

The idea of ‘stages’ or ‘steps’ in developing inter-organizational relationships adapted by Bittci et al (2004); has been explored extensively in the past (Bailey and Farmer, 1984; Cox, 1996; Dwyer et al, 1987; Johnston and Lewin, 1996; Wilson, 1995; ; Sheth, 1973). Also, inter-organizational relationship model, of Bititci et al., (2004), draws heavily on concepts associated with interaction, economic and trust theories. As depicted by *figure 2.3*, the structure of buyer – supplier firms relationship based on the intensity of information exchange, uncertainty leading to mutual adjustment between partners. According to Bittci et al, (2004), in collaborative buyer / supplier firm, relational exchange partners work together and combine their core competencies efficiently and effectively to achieve mutual goals. As such, goals are formulate jointly so is decision making in order to meet the voice of the end customer and the stakeholder needs (Jordan.Jr and Michael, 2000, McLaren et al., 2002, Zineldin and Bredenlow, 2003). In such instances, it is clear that the main focus of collaborative relational exchanges is to encourage close relationships / intimacy, high mutual adjustment and high intensity of information exchange amongst partners. Most important about the different classification of relationships depicted in figure 2.3 is that there is a tendency that collaboration relationship for example take place in alliances, joint ventures, virtual and extended enterprises compared to transactional relationships that a dominant in most procurement arrangements undertaken by firms. .

2.16.3 Comparative analysis of transactional and collaborative procurement practices

Further to the discussions above, inter-organizational relationships can be seen as ranging from arm’s length, partnerships, strategic alliances, joint ventures to full vertical integration (Cooper and Gardner, 1993). Different organizations priorities for entering into different types of relationships with particular organizations range from cost reduction, service improvement, guaranteed supply and increased competitive advantage. As such, table 2.14 below provides a summary of conclusions and synthesis of different theories from literature reviewed in this study.

Table 2.14 Theoretical dynamics underpinning procurement practices

Type of relational exchange	Prominence of underlying relational exchange theories	Priority of purchasing rights model.	Procurement maturity or sophistication
Arms-length / transactional	<ol style="list-style-type: none"> 1. Power and Dependency 2. Economic exchange 3. Interaction exchange 4. Trust 	<ol style="list-style-type: none"> 1. Price 2. Quantity 3. Quality 4. Time 5. Source 	Transaction and commercial orientations
Relational Marketing	<ol style="list-style-type: none"> 1. Trust 2. Interaction 3. Economic exchange theory 4. Social exchange 5. Power and dependency 	<ol style="list-style-type: none"> 1. Quality 2. Source 3. Time 4. Quantity 5. Price 	Purchasing coordination
Collaboration	<ol style="list-style-type: none"> 1. Trust 2. Economic exchange 3. Social exchange 4. Interaction theory; 5. Power and dependency exchange 	<ol style="list-style-type: none"> 1. Source 2. Quality 3. Quantity 4. Time 5. Price 	Internal integration
Partnering/ Strategic alliance / Joint ventures	<ol style="list-style-type: none"> 1. Trust 2. Economic exchange 3. Interaction 4. Social exchange 	<ol style="list-style-type: none"> 1. Source 2. Quantity 3. Quality 4. Time 5. Price 	External integration
Mergers and Acquisitions	<ol style="list-style-type: none"> 1. Economic exchange 2. Power and dependency exchange 	<ol style="list-style-type: none"> 1. Time 2. Quantity 3. Quality 4. Time 5. Source 	Value chain integration

Source: *Developed from reviewed literature*

Further to comparative analysis in *Table 2.12* are additional insights of comparisons between adversarial and collaborative procurement relational exchange processes prevalent in firms procurement practices summarized in *Table 2.13*.

Table 2.15 Comparison between adversarial and collaborative procurement practices

Adversarial procurement practices	Collaborative procurement practices
Focus on short, discrete purchasing	Focus on long term supplier retention
Short term orientation	Long-term orientation
Arm's length	Closeness
Simple buyer-seller relationships	Complicated, including internal relationships
Emphasis on price, quality and delivery in the offered product. No innovation	Emphasis on improving price, quality, delivery and other factors, such as innovation design as a collaborative exercise between purchaser and supplier
Moderate supplier contact	High level of supplier contact, with each contact being used to gain information and strengthen relationship
Little sharing of information, opaqueness	Significant sharing of information, including cost information; transparency
Reverse auctions may be applicable	Reverse auctions generally not applicable

Source: *Lysons and Farrington, 2006, Purchasing and Supply Chain Management*

2.17 Factors influencing buyer-supplier procurement practices

The dynamics underpinning procurement practices and resultant relations exchange include the level of trust between relational exchange partners; extent to which risks and rewards can be shared between the organizations; level of commitment to the relationship; dependability / reliability of individual parties; the level of technical competence by each partner; and finally parties willingness to invest significantly towards long term relations. Other critical factors include industry structure and characteristics, nature of competitive rivalries, (number of suppliers and buyers); nature of products and services; industrial and organizational cultures; management quality and leadership styles.

2.17.1 Mapping procurement practices

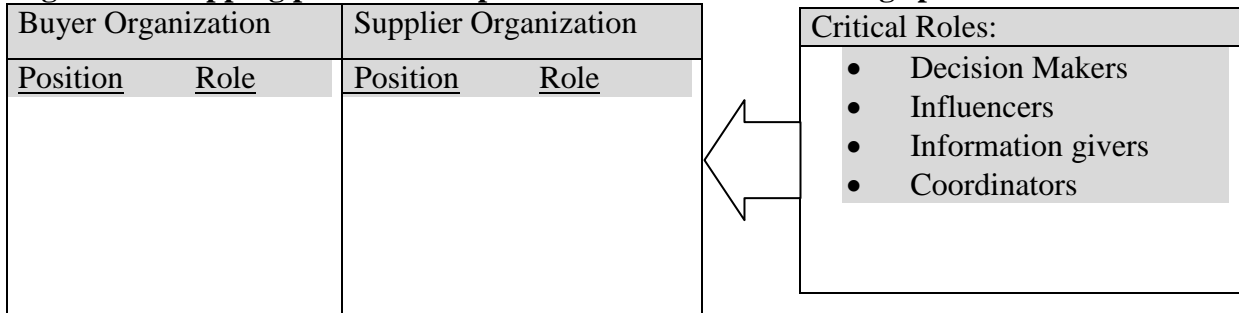
Core to procurement practices is the people with delegated authority to deploy and manage firm's scarce resources. To effectively deliver in this role individuals assigned with this task require astute skills to assist in decision-making; influencing; manage and disseminate information. As such, procurement experts will have a critical role in making of decisions, influencing other stakeholders; provide information and or coordinate activities. To effectively discharge it role having responsibility and authority to make key decisions and formulating procurement strategies for the company remains critical in discharging this role. In many firms decision makers are essentially managers with delegated authority from shareholders or senior management.

As influencers, procurement experts should be skilled in selling ideas to key stakeholders within and outside their companies. They need to be good negotiators with good business acumen and interpersonal skills. To effectively deliver on this function, individuals need to have above average business knowledge, excellent specialists' knowledge of products and processes and systems. In a company setting, these can be heads of departments, specialists or middle to senior managers with delegated authority to make decisions at department level.

Information givers and coordinators can be anyone in the firm regardless of their level in who can assist decision making by providing information. Usually, these are first line managers – team leaders and supervisors responsible for the day to day running of business operations. They are hands on individuals with delegated authority to make minor decisions without

having to escalate to higher levels. Decision makers have their spheres of influence, usually co-workers who give them specialist commercial and technical advice in areas of Procurement, Finance, IT, Legal and Marketing. These individuals are crucial to the business because they shape decisions.

Figure 2.4 Mapping procurement practices in relational exchange processes



Source: *Developed for this study*

Procurement practices and activities in different companies can be mapped around these key definitions. The importance of conducting such mappings is to determine the extent to which procurement is empowered to exercise discretion, guide and influence key decisions in a particular firm. Such mapping help understand procurement practices prevalent in particular organizations. This also helps in identify contacts or determining level of relationships between buyers – seller firms. Also, this tool will assist in testing the type of relationships between companies and strength of such relationships. Use of the tool can also assist in determining relationships to be established and stakeholder engagement. For instance, were third parties finding it difficult to get directly to the decision makers then building relationships with their ‘sphere’ could be an option to penetrating into companies and establishing medium to long term relations building. Usually there are co-decision makers that influence the ultimate decision; hence building relationships with them is critical as they can easily introduce you to the actual decision makers. Not only that, if build relationship with the influencer, they easily influence the decision makers about your product or service as well.

2.17.2 Barriers to effective operationalization of procurement practices

Forrest and Martin (1990); identified five common barriers hindering formation and development of ideal inter-organizational relationships namely:

- Partner not paying enough attention to the relationship;
- Lack of continuous and mutual trust;
- Changes in the market;
- Partner being perceived to be a potential competitor; or
- The project was too long

Later on, Tirole (1993) further raised additional three factors limiting the realization of the ideal inter-organizational relationships and operationalization thereof including:

- Legal and ethical issues
- Time and energy required to support the effort; and
- A decrease in the value of inter-organizational relationship as the life cycle advances

Also Serapio and Cascio (1996) identified five reasons for the demise of supply chain alliances or partnerships namely:

- Continued failure by parties to meet their obligations

- Differences between parties (personalities, or management styles)
- Breach of agreement / disagreement on conflict resolution
- Relationship is not justifiable, and
Existence of better opportunities elsewhere

2.18 Summary of how trust is built into procurement practices

Essentially there are six common approaches in buyer and supplier firms eminent in the reviewed literature for this study explained in this section. Both buyer and supplier firms choose either and combination of approaches, which best suits their business ambitions when participating in different procurement arrangements. For instance, a partner can choose taking a *'calculative approach'* where companies, or individuals making decisions calculate the cost and or / the rewards of another party cheating or staying in the relationship (Dasgupta, 1988; Williamson, 1993). It stands to reason that one party would be considered trusting if it believes that it would be in the best interest of the other party not to cheat, as the benefits to the contrary are more.

Alternatively, relational exchange partners may consider taking a *"prediction approach,"* where one party of an exchange process forecast on another party's behavior. According to the definition of trust given by Doney and Cannon (1987) that trust requires an assessment of the other party's credibility and benevolence, meaning that one party must have sufficient information about the other party's past behavior and promises. It is this predictive process that the element of information sharing becomes vital as it lets the firms know enough to be assured of the assessment that they make of the other firms capabilities and intentions. Sharing of vital information leads to building of trust by itself, since there is a shared sense of vulnerability, of the use or misuse of the information by the other party for opportunistic behavior. The fact that such information is being supplied makes the partners feel more secure in their relationship.

'Repeated interaction approach' enables a party to interpret prior outcomes better, providing a basis for assessing predictability. For example, through repeatedly making promises and delivering on them, a supplier develops the confidence of a buying firm (Doyle and Roth, 1992; Swan and Nolan, 1985). Parties in supply chain who repeatedly 'say what they do' and 'do what they say' are more likely to instill confidence in each other. Further, they can rely on each other, as there will be assurance to both parties that they act in a predictable manner. Further, it is inevitable that lack of congruence between words and action can lead to deterioration in trust levels and eventually the quality of the relationship. For this reason, managers seeking to create an integrated supply chain first approach those suppliers they perceive to have demonstrated a good track record in terms of on-time delivery, quality, mix flexibility and other factors considered critical by different companies (Handfield and Nichols, 1999).

Trust also emerges through *'interpretation and assessment approach'* of the other party's motives. Shared values or norms help to draw an inference on channel members' trust for each other (Macneil, 1980). Buying firms that believe their suppliers cannot be trusted are more likely to behave in an untrustworthy manner themselves, such as bypassing sensitive information to the supplier's competitors (John, 1984). As a result, both parties can calculate the costs of untrustworthy behavior should either one of them share confidential information with their competitors. A partner's predictable action complemented by an occasional willingness to help the other party in a bid, will most often lead to a deeper sense of trust by

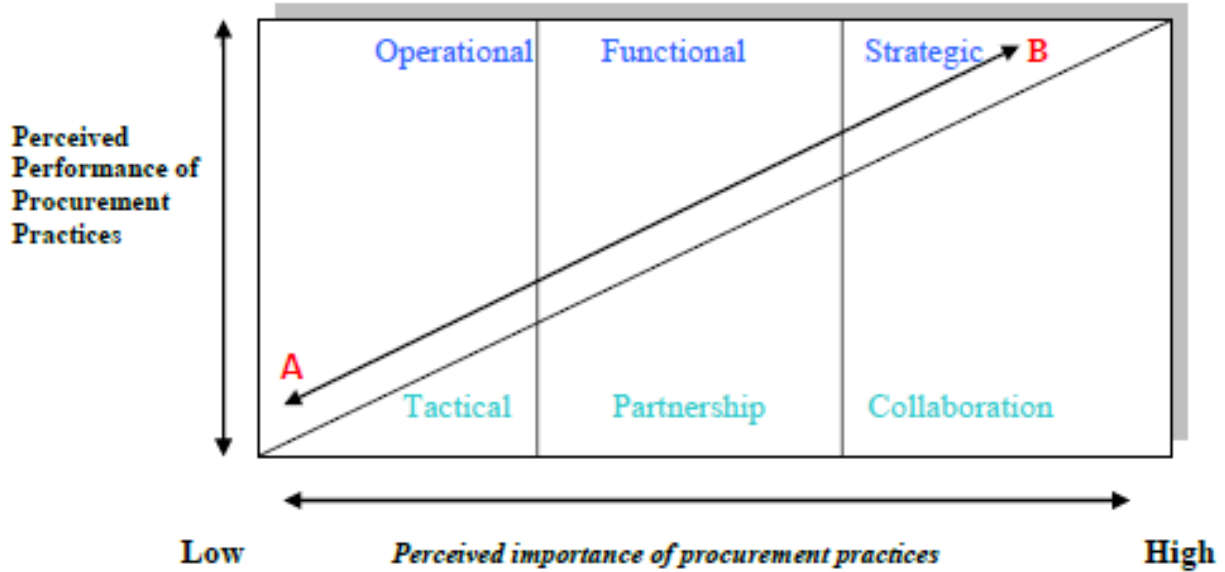
the other party and a greater commitment to maintain the relationship in the future (Svensson, 2001).

Trust also develops through a '*transference approach*'. In other words trust can be transferred from one trusted 'proof source' to another person or group with which the trust or has little or no direct experience (Milliman and Fugate, 1988; Strub and Priest, 1976). The second factor involves determining another party's ability to meet its obligation. For example, a supplier promises the customer prompt delivery of a certain raw material, despite that there is a shortage of that material in the market. Further, it is apparent, that, trust is developed through '*consistent and predictable acts approach*' of the partner over an extended period (So and Sculli, 2002). This is clear confirmation that trust can only be nurtured and built by both parties over a period of time. Parties should show that they are committed to the relationship and have to convince each other that they are committed to relationship.

2.19 Development of theoretical framework to identify areas for further research

As a result of reviewing and critiquing of the relevant literature and theories taken together, led to development of Figure 2.4 which sought to consolidate different theories and procurement models learnt from the reviewed literature. It is apparent from lean procurement theories and operating models that firms perceived importance and performance of procurement practices influence overall business performance. Procurement practices importance is determined by value placed on procurement function by the firm. Martens et al (1990), defines *value* as a combination of the *intrinsic* and *extrinsic consequences* of the result of pursuing a particular course of action. Extrinsic consequences include tangible rewards, such as money or positive reinforcement, whereas intrinsic consequences include a sense of mastery, feelings of competence, and increased self-esteem. The Martens et al. model uses perceived importance of outcome as an umbrella term covering both extrinsic and intrinsic factors. Furthermore, according to Martens et al, performance is determined by *effectiveness and efficiency* of a system in an organisation. As such, *figure 2.5* models sought to model the direct relationships between firms' perceptions of importance and performance of procurement practices in an organisation. The model is founded on the assumption that increase in firms' procurement practices importance and performance is underpinned by level of trust between stakeholders involved in firms' procurement practices. The model will be tested during analysis of the research findings and refined further.

Figure 2.5 High - Low Trust Procurement Practices Model



Key:

A – *Low trust procurement practices*

B – *High trust procurement practices*

Source: Developed for this study

The model is based on the proposition that a firm’s perceived performance of the procurement function is positively related to the perceived importance of the procurement function. As such, we hypothesize that a firm’s overall perceptions of performance and importance of procurement practices influence on business survival is positively related to the single maturity of the seven attributes of trust (commitment; openness; transparency; communication; competence; reliability and security). As such, firms are classified broadly as either involved in *high or low trust procurement practices*. This proposition led the researcher to hypothetically suggest that there is a relationship between firms’ perceived performance and importance of both internal and external stakeholders trust in procurement practices and business survival. As such the main hypothesis to be tested in this study is stated below.

2.20 Research Hypothesis

The main hypothesis to be tested is that firms perceptions of performance and importance of the procurement practices influence on business performance is positively related to the seven attributes of trust (commitment; openness; transparency; communication; competence; reliability and security).

2.21 Conclusion

The review traces the advent and evolution of the exchange processes and activities between exchange partners. Different formats and approaches and dynamics underpinning the perceived performance and importance of the procurement functions in different companies are explored in detail to fully understand and demystify any complexities and dynamics. Reviewing of the relevant literature simplified the task of developing study theory and main hypothesis that is tested in this study. The next chapter covers in greater depth the research

methodology chosen for this research study. This chapter presented a theoretical framework to provide understanding of critical success factors in operationalization of relational exchange process.

CHAPTER 3

RESEARCH DESIGN AND METHODOLOGY

This chapter discusses the research design and methodology chosen for this dissertation. In essence, the methodology used in this study include case studies and survey, interviews and questionnaire and further, the chapter justifies the selection of the chosen methodology, deals with data collection and covers how data is derived from both primary and secondary sources. For the case study methodology, the selection of cases is discussed together with the data collection and units of analysis. For the survey methodology, development of the survey instrument and the data collection procedure is discussed, along with the sampling strategy. The limitations of the research methods are addressed, followed by the ethical considerations adopted in the research. Finally, the chapter concludes by discussion of ethical issues and research methodology limitations associated with this study.

3.1 Introduction

According to Yin (1994), a research design ‘is a blue print of research, dealing with four problems: what questions to study; what data are relevant; what data to collect and how to analyze the results’. It is much more than a work plan because the main purpose is to help to avoid the situation in which the evidence does not address the initial research questions. Furthermore, the research design deals with logical problems and also specifies how the investigator will address the critical issues of generalization and legitimization (Yin, 2003). In the main, this chapter covers methods of the study and also deals with data collection and covers how primary and secondary data is collected. The chapter also details the approach used and conditions under which the various stages of investigations were carried out, development of initial contacts, conducting of pilot studies and designing of interview questions and survey questionnaires used by the researcher to collect the primary data.

According to Yin (2003), qualitative or quantitative or combination of both methodologies are widely used in research studies. Either of the two study design or combination of both methodologies can be chosen for use dependent on the research problem and its purpose (Jankowicz, 1991; Miles and Huberman; (1994). Yin, further argues how issues of validity and reliability were addressed through triangulation. It is apparent, that there is of late growing interest by researchers in use of combined research methodologies as dissatisfaction mounts with the limitations of traditional mono-method of studies and the schism between qualitative and quantitative methods (Ghuri et al, 1995; Leedy and Ormrod, 2005; Yin, 2003).

According to Yin (2003), the case study research method has evolved over the past years but remains a useful tool for investigating trends and specific situations in scientific disciplines especially social science because of its capability to be used to test theoretical models by using them in real world situations. However, while this approach produces no quantitative data, it is chosen for this study because; it gives some useful pointers and indications relevant to this study (Leedy and Ormrod, 2005; Yin; 2003) and also allows further elaborations and hypotheses creation on the subject being studied. Also, according to Yin (2003), the case study research method provides more realistic response.

The survey research method also remains yet another valuable tool for assessing opinions and trends (Leedy and Ormrod, 2005); also adopted in this study. According to Yin, (2003), a choice of either interviews or questionnaires can be used. Interviews probably are the most traditional method of the survey research design used in many research studies (Yin, 2003). The main benefits of using interviews is because it makes it possible for the researcher to be selective about whom to ask questions and explain to them anything that was not clear and not understood (Yin, 2003). The few things however to carefully consider when using this approach include; firstly, people in some instances are reluctant to give up their time without some form of incentive. Asking questions face to face made it easy to explain if people were insecure of particular questions. Another factor considered to be considered is how to deal with the difficulty of asking personal questions face to face without embarrassing people, despite the researcher having obtained necessary ethical clearance from individuals as discussed in greater detail in *sections 3.8.1 and 3.8.2* dealing with ‘presentation of credentials; and ethical issues respectively. It was also very time consuming and difficult to obtain a representative sample.

Also, very common in survey methodology is the use of questionnaires which involved planning and delivering of research questionnaires to chosen participants as yet an approach to data collection (Yin, 2003). According to Yin, use of questionnaires in surveys research studies also prove to be an excellent way of targeting a certain section of people and also when asking people personal or potentially embarrassing question. However, the problem with this method is that one cannot be sure of number of responses you will receive until longtime period has passed (Miles and Huberman, 1994). As such, use of questionnaires in survey studies, it is believed that the truth as which of the two approaches is most important probably lies between the two extremes and a combination of both approaches is chosen to maximize on the benefits resulting from combining of qualitative and quantitative methods in a research study. Finally, to go about asking questions door to door, or mailing questionnaires, it is essential for the researcher to obtain ethical approval and personal consent ahead of the interviews providing the interviewers the right to privacy and confidentiality, right to respond or refuse to progress with the interview.

Gorard and Taylor (2004), argue that the case for combining multiple research approaches and provide practical guidance for researchers interested in using the mixed methods approach. They argued three different motivations or goals of mixing study design include to provide; combination; complementary and triangulation. Because no design is perfect, using a variety of study designs in this study will assist to lessen the effects of flaws in any one design. Therefore this study used both qualitative and quantitative research methods as complementary rather than competitive, as both methodologies are useful and no question of inherent supremacy considered (Ghauri et al, 1995). Also, Yin (2003), argues that quantitative and qualitative approaches used in the same research complement each other to provide methodological triangulation and improve the quality and reliability of the study and help improve the rigor and validity thereof. Further, the choice to use the case study protocol as a basis for this study was to help increase the reliability of the study as this ensures that the instrument as well as the procedures and the general rules used in this research process provided guidance, unbiased and accurate research data.

3.2 Research method used in this study

A combination of qualitative and quantitative methods is used in this study. The qualitative research method is used to help answer questions about the nature of phenomena with the purpose of describing and understanding them from the participants’ points of view. On the

other hand, the quantitative approach assisted in testing the theory (Creswell, 1997), composed of variables, measured with numbers and analyzed with statistical procedures in order to determine whether the predictive generalizations of the theory hold true. However in contrast Creswell (1997), defined a qualitative study as ‘inquiry process of understanding a social or human problem, based on building a complex, holistic picture; formed with words; reporting; detailed views informants and conducted in a natural setting’. Also, Denzin and Smith (1998) added that ‘qualitative research is multi-method in focus, involving an interpretive; naturalistic approach to its subject matter’. This means that the qualitative research approach helped the researcher study things in their natural settings, attempting to make sense of, or interpret phenomena in terms of the meanings people brings to them. As a form of qualitative research, case studies are defined by interest shown in individual cases, not by methods of inquiry used. They draw attention to the question of what specifically can be learned from the cases. Therefore, in this research multiple case studies are used to support arguments by an in depth analysis of a person, a group of persons, an organization or particular project. Further, this study is not limited in value; rather, it provides an in depth analysis of the subject area being studied.

Also, in adopting this research approach, guidance from Yin (2003) six kinds of case studies based on a 2 x 3 matrix were heavily relied on that is: Firstly; case study research can be based on single or multiple case studies; second; whether single or multiple, the case study can be exploratory, (descriptive or explanatory (causal)). A single case study focuses on a single case only, while a multiple case study may include two or more cases in the same study. Any exploratory case study (whether single or multiple) is aimed at defining the questions and hypotheses of a subsequent study or at determining the feasibility of the desired research procedures. A descriptive case presents a complete description of a phenomenon within its content. An explanatory case study presents data bearing on cause – effect relationships, explaining how events happened. Therefore, almost any phenomenon can be examined by means of the case study method.

Whereas some researchers focus on the study of one case because of its unique or exceptional qualities, other researchers study multiple cases to make comparisons, build theory, and propose generalizations (Leedy and Ormrod, 2005; Yin, 2003). According to Yin (2003), the logic underlying a multiple case study is that each case must be carefully selected so that it either (a) predicts similar results (literal replication) or (b) produces contrasting results but for predictable reasons (a theoretical replication). Ghauri et al, (1995), argues that a multiple case study or collective case study may have a distinct advantage as evidenced from the ‘cases’ is often considered more compelling. This study combines all three case study types as it investigates how procurement practices influence business survival in a turbulent environment.

3.3 Quantitative versus qualitative research methodology

As stated earlier, a combination of qualitative and quantitative research methods formed the basis is this study. Although most researchers emphasize one or the other, qualitative and quantitative, both approaches have been combined and used in this study. The differences and distinguishing characteristics in the emphasis between qualitative and quantitative methods are illustrated in tables 3.1 and 3.2 below:

Table 3.1: *Comparative analysis of qualitative and quantitative approaches*

Qualitative Methods	Quantitative Methods
<ul style="list-style-type: none"> • Emphasize on understanding 	<ul style="list-style-type: none"> • Emphasize on testing and verification
<ul style="list-style-type: none"> • Focus on understanding from respondents / informants point of view 	<ul style="list-style-type: none"> • Focus on facts and or reasons of social events
<ul style="list-style-type: none"> • Interpretation and rational approach 	<ul style="list-style-type: none"> • Logical and critical approach
<ul style="list-style-type: none"> • Observations and measurements in natural settings 	<ul style="list-style-type: none"> • Controlled measurement
<ul style="list-style-type: none"> • Subjective ‘inside view’ and closeness to data 	<ul style="list-style-type: none"> • Objective ‘outside view’ distant from data
<ul style="list-style-type: none"> • Explorative orientation 	<ul style="list-style-type: none"> • Hypothetical – deductive; focus on hypothesis testing
<ul style="list-style-type: none"> • Process orientation 	<ul style="list-style-type: none"> • Result oriented
<ul style="list-style-type: none"> • Holistic perspective 	<ul style="list-style-type: none"> • Particularistic and analytic
<ul style="list-style-type: none"> • Generalization by comparison of properties and context of individual organization 	<ul style="list-style-type: none"> • Generalization by population membership

Source: Reichardt and Cook (1979)

Distinguishing characteristics of quantitative and qualitative methods are summarized in the Table 3.2. Essentially, Table 3.2 provides a comparative analysis of the main characteristics of the two approaches.

Table 3.2: *Summary of comparison of quantitative versus qualitative approaches*

Question	Quantitative Method	Qualitative Method
What is the purpose of the research?	<ul style="list-style-type: none"> • To explain and predict • To confirm and validate • To test theory 	<ul style="list-style-type: none"> • To describe and explain • To explore and interpret • To build theory
What is the nature of the research process?	<ul style="list-style-type: none"> • Focused • Known variables • Established guidelines • Predetermined methods • Somewhat context free • Detached view 	<ul style="list-style-type: none"> • Holistic • Unknown variables • Flexible guidelines • Emergent methods • Context bound • Personal view
What are the data like, and how are they collected?	<ul style="list-style-type: none"> • Numeric data • Representative, large sample • Standardized instruments 	<ul style="list-style-type: none"> • Textual and / image based data • Informative, small sample • Loosely structured or non-standardized observations and interviews
How are data analyzed to determine their meaning?	<ul style="list-style-type: none"> • Statistical analysis • Stress on 	<ul style="list-style-type: none"> • Search for themes and categories

	<ul style="list-style-type: none"> • objectivity • Deductive reasoning 	<ul style="list-style-type: none"> • Acknowledgement that analysis is subjective and potentially biased • Inductive reasoning
How are the findings communicated?	<ul style="list-style-type: none"> • Numbers • Statistics, aggregated data • Scientific style 	<ul style="list-style-type: none"> • Words • Narratives, individual quotes • Literary style

Source: Leedy and Ormrod, 2005

3.4 Justification for choice of selected research methodology

The case study research method was used in this phase. Case study research is used to study the contemporary phenomenon in its real-life context (Yin, 1994) and it can be used where the research and theory are at their early, formative stages (Benbasat et al, 1987). Given that little research has been conducted on procurement practices influence on business in a turbulent environment, there is need to understand the subject area based on real-life practice. Therefore, the case study method seemed appropriate for this phase. Multiple case studies were conducted as the methodology to investigate the prevalent procurement practices and how they influence business performance in a turbulent business environment. According to Herriott and Firestone (1983), evidence from multiple cases is often considered more compelling, and an overall study with multiple cases is therefore regarded as being more robust. The case selections were based on literal and theoretical replication. They were based on the requirement to answer the research questions. Therefore, random selection was not used, and instead a purposeful selection procedure was conducted and the data collected from the cases was analysed to shape the emerging theories.

For this research, the multiple case study approach was chosen. According to Donnellan, 1995 and Yin, 1994, argue that choosing the multiple case study approach over the single case approach as multiple cases provide capacity to handle the complexity of the phenomena under study. Furthermore, Leonard-Barton 1990, argue that multiple case studies augment external validity and helped guard against observer bias. The multiple case study approach uses replication logic to achieve methodological rigour (Donnellan 1995; Yin 1994) and triangulate evidence, data sources and research methods (Eisenhardt 1989).

The first phase involved a detailed and focused literature review, which led to the development of the preliminary research model representing possible procurement practices adopted by firms. Furthermore, the reviewed literature was used in building this study's research model. Several models of procurement practices and how they theoretically influence business performance are identified and discussed – *Baily and Farmer's Five Rights of Purchasing Model*; *Procurement Practices Support Pillars*; *Procurement Centralised, decentralised and hybrid models and trust in procurement practices model*. An initial model of factors that could possibly influence procurement practices was drawn from the literature review. This prior model was then used to help develop the preliminary research model, and also focus the data-collection phase.

A multiple case study research method is selected for this study to increase the understanding of the in-depth data gathered relative to each case or event for the purpose of learning more about procurement practices and resultant inter-organizational relations in turbulent economy. It is further believed that multiple case studies will assist the researcher to make comparisons, build theory and make purpose generalizations. This study advocated the use of multiple cases in order to improve the quality of data collection and research findings (Yin, 2003; Parke

1993; Patton 1990; Bonoma 1985). Therefore, the basis of selecting this research approach is on doing the same case over again, not on ‘replicating’ the results of one case study by doing another case study.

This study combines all the elements of the three case study types. While case study research has been frequently criticized for its lack of rigor, in this research, a number of precautions and suggestions from previous studies (Eisenhardt, 1989; Leedy and Ormrod, 2005; Yin, 2003) were followed to ensure validity of this study. The method selected further allows the researcher to follow replication logic, confirm or disconfirm theory and offers a full variety of evidence. Also through use of multiple cases as sample units will assist to improve the quality of data collection and research findings (Yin, 2003; Parke 1993; Patton 1990; Bonoma 1985). Therefore, according to Yin, (2003), by adopting this approach, errors and biases during the study are greatly minimized.

Therefore, the decision to use a combination of qualitative and quantitative research approaches and use of multiple case studies were premised on the basis that:

- Since the focus of this research is to examine prevalent procurement practices in Zimbabwe’s banking industry influence on business performance, choosing a single case study would have compromise the quality of data collection and research findings.
- Face-to-face meetings with respondents provided understanding and information on several qualitative areas to help established buyer and supplier firms’ perceived importance and performance of business relationships.
- Multiple-case study provided robust insights and thus achieves a higher level of external validity and reliability.
- Cases were viewed and studied alone and across cases (within case analysis and cross case analysis, intra firm and inter firms), and provided comparison and contrast and richer detail and insights regarding the research issues.
- Use of a combination of qualitative and quantitative research methods enabled triangulation to take place.

Hence the combination of qualitative and quantitative research approaches were chosen for this research and data was collected from multiple case studies mainly through use of face-to-face interviews and self-administered questionnaires. The two approaches used to collect relevant data discussed further later in this chapter.

3.5 Research Process Phase 1 – Sample design

This section of the research covers in greater depth the research process phases taken in this project sample design. A case can be an individual, an organization, a nation, and so on therefore, the choice and selection of right cases is critical in any research study.

3.5.1 Selection of cases and choice of the unit of analysis

In a case study approach, random selection in sampling research is not recommended because it may not represent the ‘real world’ context in the case study (Eisenhardt, 1989; Tellis, 1997). Random sampling may also lead to data skewed to a particular subgroup and hence introduces sampling error (Eisenhardt, 1989; Patton, 1990) and is as a result not recommended for this research. Therefore, selection of companies for this study is a result of simple ranking of Zimbabwean banks based on their published financial results for the year ending 31st of December 2007. A further top ten suppliers of goods and services were selected based on banks total spent analysis and cost structure. It is mandatory for all banks to publish their

financial results on public domain including national newspapers. Through spend analysis of three of the selected banks' top ten suppliers of goods and services were identified and selected as additional cases to participate in this study. It is important to note that case studies are not meant to represent the entire population nor do they claim to be (Yin, 1998). The selected total of twenty research cases will provide reliable and valid data sufficient to assist in the study of buyer-supplier relationships in Zimbabwe's banking industry based on available resources such finance and time. The next chapter provided background of each of the buyer – supplier companies involved in the research case study and survey.

Also, use of the right unit of analysis is of importance and provides construct validity. Yin (2003) argues that as a general guide, the definition of a unit of analysis is related to the way the initial research questions are defined. The unit of analysis for this study comprises of the chosen case companies first line managers, middles management and senior management involved in relational exchange process.

3.5.2 Selection of samples and participants

Sampling is used in this study for a number of reasons summarized below. Table 3.3 gives a brief explanation of the sampling process.

Table 3.3 *Sampling approaches and processes*

Step	Description
1. Defining the population	The population is defined in terms of element, units, extent and time
2. Specifying the sample frame	The means of representing the elements of the population – for example telephone, book, map or city directory are described.
3. Specifying the sample unit	The unit for sampling is selected. The sampling unit may contain one or several population elements.
4. Specifying the sampling method	The method by which sampling units are to be selected is described.
5. Determining sampling size	The number of elements of the population to be sampled is decided
6. Specifying sapling plan	The operational procedures for selecting the sampling units are specified
7. Selecting the sample	The office and field work necessary for the selection of the sample are carried out

Source: *Shajahan, (2004)*

The sample size is determined by the size of the sample population (Nueman, 1997), and it should neither be excessively large, nor too small but should be optimum. It should fulfill the requirements of efficiency, representativeness, reliability and flexibility (Ghauri et al, 1995; Leedy and Ormrod, 2005; Shajahan, 2004) that are needed to ensure accurate sample size. Increased sample size will, in general, improve the quality of the statistical results (Ghauri et al, 1995). Yin (2003), suggest that sampling possesses the possibility of better interviewing (testing), more thorough investigation of missing, wrong, or suspicious information, better supervision and better processing than it is with complete coverage.

Subsequently, the reasons that compelled the researcher to choose sampling included cost limitations need for accurate results and required speed for data collection as determined by

time constraints. The sample size of 120 respondents mainly banks and their selected relational exchange partners / suppliers first line; middle and strategic levels managers who are involved in procurement arrangements were identified and consulted to participate in either face to face interviews and or to complete the self administered questionnaires that were send by email to 76 respondents and 44 respondents participated in the interviews.

The consulted participants included, Chief Procurement Officers, procurement executives; Marketing and Sales Directors; Chief Executive Officers; Chief Operating Officers; Team Leaders in procurement, administration and operations. The respondents were identified across all levels of the business including team leaders and supervisors involved in formation and development of relational exchanges between buyers and supplier companies in Zimbabwe banking industry. The reason to select respondents across all levels of management was to ensure that possible biases associated with certain levels within an organization were eliminated.

3.6 Research process 2 - instrument design and testing pilot study

The next section in the research protocol is to conduct pilot study as the final stage in interview and questionnaire design and testing. This section discusses instrument design and testing for this study. While Yin 1994; Eisenhardt 1989 emphasized the usefulness and importance of pilot studies, however, Zikmund, (1997), argues that a pilot study is not a pre-test but more like ‘a dress rehearsal’ and therefore not seeking to refine the problem definition. As such, the final preparation for data collection in this dissertation was through conducting of pilot case study and the various stages followed are discussed in greater depth.

3.6.1 Use of pilot study as final preparation of data collection in this study

In this thesis, the use of pilot study involved selecting a small number of respondents including subject experts to help fine tune and rehearse the appropriateness of the questions and their understandability (Sekeran 2000; Zikmund 1997). This further helped the researcher to rectify any inadequacies in time, before and after administering the instrument orally or through a questionnaire. Also, other shortcomings in the interviewing process or questionnaire administrative process were corrected through the pilot study. The experience gained through conducting the pilot study was used to fine tune, the research design and field procedures. Also, through use of the pilot study, the researcher had a chance to review the research propositions and improved his conceptual understanding of the research issues (Sheu et al, 2006). Several protocol questions were rephrased and helped to provide further clarity to respondents.

3.6.2 Selection of pilot cases

To avoid incurring huge costs and expense at this stage of research preparation, participants were selected on the basis, convenience, access and geographic proximity. Six participants who included business professionals and subject experts were selected. Of the six respondents, equal number was selected from both buyer and supplier companies however, not necessarily from Zimbabwe banking industry. Also, assisting selection of participants included their availability and willingness to assist with feedback and comments. It should be noted however that this study depended heavily on the pilot case study to improve its conceptualization of procurement practices, activities and resultant relational exchanges. The pilot study is used to test out the interviewing questionnaires and identifying whatever shortcomings in the interviewing process (Zikmund 1997). The experience from the pilot study was used to ‘fine tune’ the research design and field procedures.

3.6.3 Interview questions design pilot study results and conclusions

Firstly, the respondents to the pilot study made it clear that a number of factors influenced procurement and relational exchange practices between banks and suppliers in Zimbabwe. As a result of this feedback, question 1 was later included in the questionnaire to ensure that behaviors, motives and intentions for each case study company were explored to greater depth at the introductory stage of the case study questionnaire. This question was critical in the sense that it helped the researcher to understand drivers of formation and development of relational exchanges between banks and suppliers in a turbulent environment. Also, critical changes were made to questions 2, 3, 4, 5, 6, 7 and 8 since it had been observed during the pilot study that interviewees were reluctant to answer long and ‘loaded’ questions hence all questions were reviewed and rephrased accordingly and further simplified. Rephrasing of the questions was done to ensure easy understanding by interviewees since a significant number of respondents were none specialist in the subject area. The revised instrument used the respondents’ language and was successful. The results of the pre-test were debriefed and recorded to allow for additional information and general reactions and response to the questions.

Also, through the pilot study process the researcher managed to rectify inadequacies in time, before administering the instrument orally or through a questionnaire. Initially the interviewing process was allotted between 25 minutes and 30 minutes. Through the pilot study, it became apparent that more time was needed for interviewing ranging between 50 minutes and 1 hour in some instances. It was observed that making the introductions as to why the researcher was carrying out this study and setting up the interview was rather slow and time consuming in most cases. Thereafter, the interviews progressed much faster unless interrupted by other disturbances particular no proper meeting rooms were used in some of the companies. Additional literature was sought, drawing from the terms introduced by the interview subjects. For example, subjects used terms from strategic management subject area such as critical success factor, key drivers of business performance, and relational exchanges so these terms were included in the literature review and the survey instrument. A summary of the interviewing sequence was therefore established after the pilot study and detailed in table 3.4.

Table 3.4 *Interviewing sequence*

<i>Duration in minutes</i>	<i>Interviewing Sequence</i>
5	Setting up the interview process (social and general questions about the organization)
5	Introduction and objectives of the interview (non controversial questions about drivers for the formation and development of inter-organizational relationships)
35	Questions on the seven aspects of trust as basis of formation and development of inter-organization relationships
5	Continue with general in depth questions on management support and commitment to formation and development of inter-organizational relationships

Source: Developed from pilot study findings

As shown in this section, the interview questions design pilot study was carried out to plan and prepare for case study interviews and subsequently survey questionnaire instruments. The pilot study was first carried out on the interviewing of six managers or procurement professional not necessarily from the targeted case study companies. The interviewing questions in Appendix A were asked and observed whether they are ambiguous. As discussed earlier in this section, the questions did not seem to be an issue as the interviewer is able to explain the questions and redirect the questions when the interviewer think the questions are not clear to the interviewees. However, it was also observed during the pilot study that interviewees were reluctant to answer when the questions were ambiguous or appeared to be sensitive. For example, it was observed that the interviewee was hesitant to answer the question ‘To what extent is you firm committed to interests of your suppliers?’ The respondent was more willing to answer when the question was rephrased to, ‘To what extent are buyers and suppliers firms in Zimbabwe banking industry committed to formation and development of inter-organisational relationships?’

Secondly, the pilot study is to help the researcher to ‘fine tune’ the interviewing time. The interviewing process was initially allotted only between 25 and 30 minutes. It was discovered that the researcher took required between 50 minutes and one hour to successfully complete each interview as proceeding always exhibited a slowly start off and the interviewers were comfortable starting by engaging in small talk and slowly explaining of the objective of the research. Another problem was the various disruptions experienced ranging ringing telephone calls from time to time and interruptions by other staff members as most of the interviews took place at the respondent work place during normal working hours. As such, the time allocated for the actual interviews is therefore extended from up to one hour in order to cover all the questions. Based on the observation from the pilot study, it is concluded that the whole interviewing process was not very structured in terms of the sequence of the questions asked. More time may be required than necessary in the interviewing process. Therefore, an interviewing sequence is developed and shown in table 3.4 to provide a more structured and effective interviewing process.

3.6.4 Survey questionnaire design pilot case study results and conclusion

A mail survey is very useful when seeking to gather information from a relatively larger number of respondents. The method allows researchers to obtain large amount of information from a large sample, gives respondents time to answer, allows respondents to remain anonymous and helps reduce interviewer bias (Mangione, 1995). Response rates have become one of the common yardsticks for judging successful survey research. Frohlich (2002), concluded that response rates are important for three main reasons: - when the percentage of non-response is high, there is risk that the data will be biased. Secondly, many statistical tests require a suitable number of cases and last but not least, high response rates indirectly reflect the relevance and rigor of the study. The respondents are more likely to return a questionnaire if they perceive that the study is important and warrants cooperation.

The survey questionnaire used in this research is relatively short with a total of 64 questions to be responded to. The pilot test provided information on the actual time needed to complete the questionnaire, which is between 20 and 25 minutes. As a result of the pilot study, corrective actions were undertaken, to resolve unclear, ambiguous questions and to reduce the time needed for completion of the questionnaire.

Non-response

Researchers are always concerned with the issue of non-response. According to Erdogan and Baker (2002), the most threatening issues for researchers conducting mail surveys is non-response. In general, the response rate depends on the motivation of the recipient to answer the questionnaire and send it back. Reviewed literature supports use of prior notification, anonymity, and follow up mail in postal surveys as capable of raising response rates (Jobber and O' Reilly, 1996). Erdogan and Baker (2002) found in an experimental design of a mail survey, that the 'original replacement condition' was the most effective follow-up technique. Greer et al (2000) studied the respondents' willingness to respond to a questionnaire in a business set up and made a conclusion from the results obtained that the content of the study is the most important factor in stimulating response participation. As such researchers are advised to pay attention to the format of the questionnaires and the length of the questionnaire. Obviously, shorter questionnaires are likely to produce better response rates than longer ones, especially because the questionnaires will be completed during company time.

In general, the following measures were taken, aimed at reducing non-response:

- For the initial mailing, an introduction letter on University of Southern Queensland logo was sent out and this emphasized academic relevance of this research project.
- A summary of results was offered to the respondents, reporting on the main conclusions of the study.
- The questionnaire was pre-tested to improve readability, question order and to improve ambiguous questions.
- The format and layout of the questionnaire were aimed at reducing the number of pages
- Five weeks after the initial mail out, a replacement questionnaire was emailed to all non-respondents (follow-up mail).
- Two weeks after follow-up mailing, remaining response received an email, asking them for the third and last time to participate in the survey and a replacement questionnaire added as an attachment.

Even though the research knew very well that use of pre-notification was likely to affect the response rate, in this study the respondents were not pre-notified as there was no adequate time to do so.

Responses

After an extensive analysis of the response and non-response, presented below is the results of the survey study. Consistently, the researcher will focus on answering the research questions. In this research, the response rate is defined as the percentage of total usage questionnaires returned by the respondents (Wiseman and Billington, 1984). A total number of 120 questionnaires was sent out, 116 reactions were received of which 4 could not be used, because the questionnaire were not completed. If at least 93% of the questionnaires were completed, a response was seen as valid. This means that the total valid response of the survey is 112 to be used for analysis. The sample consisted of 28 companies resulting in a response rate of $28 / 112 = 25\%$. Chronologically, the following stages were undertaken as shown in *table 3.5*.

Table 3.5 Chronological stages undertaken to issue and follow up on questionnaires

Week and year	Activity	Results
January 2008	First round of survey sent out by email	69 valid responses received
February 2008	Second round of survey send out by email to respondents	11 valid responses received
July 2009	First round of additional survey sent out by mail	19 valid responses received
August 2009	Second round of survey send out by email	13 valid responses received
September 2009	Mail box closed	N = 112

Source: *Developed from this study*

Low response rates are typical of business mail surveys and 20 – 30% response rates are considered to be good in a business research (Erdogan and Baker, 2002). Some 20% of the respondents bear Director or Head as job title. The other procurement practitioners accounted for almost 80% of the respondents and were classified as procurement managers; sourcing managers; supply managers; procurement team leaders, senior buyers and small groups of others (Table 3.6)

Table 3.6 Profiles of respondents

Job title	Frequency	Valid percentage
Director / Head / CPO	28	25%
Purchasing Manager	20	21%
Supply / sourcing manager	8	4%
Procurement team leaders	28	25%
Senior buyers	28	25%
Total	N = 112	100

Source: *Developed for this study*

All questions are answered by managers with procurement responsibilities in either buyer or supplier firms. Assessing respondents' perceptions is the most meaningful way to measure variables, since decisions will be made on managers' perceptions of relevant conditions (McCutcheon and Stuart, 2000). This is the main argument for measuring perceptions. Essentially all decisions in business are made on the basis of interpretations and perceptions of conditions and circumstances. According to Aldrich and Mindlin (1978), studies focusing on environmental uncertainty, as perceived by decision makers, have generally made use of subjective indicators of the environment.

The pilot study conducted on the survey questionnaires found that some of the questions were repetitive as there was very close meaning of other attributes of trust that were measures. Typical example was the closer meaning of 'openness' and 'honesty'. Questions 2 and 3 asking about openness and honesty attributes of trust were changed several times as they were construed as easy to think that they were asking for similar responses. The decision taken was to specifically include the factor being measured in each and every question to avoid any confusions which may have led to wrong responses being provided hence affecting the research outcome. By rephrasing all the questions asked and the rearranging the sub questions in a systematic way made it much easier for the respondents to complete the questionnaire as well as for the researcher to input the responses. As such, both the

respondents and the researcher saved significant time as a result of the changes made to the survey questionnaire.

Initially, the question required the respondent to answer questions about perceived importance first and last about perceived performance. As such the instrument covered four A4 sheet of paper which was a significant cost particularly where these were to be printed and send out as printed copies. This layout made the questionnaire unnecessarily too long, hence attract high risk of low response rate as respondents showed less interest in rather too long questionnaires. This approach resulted in all the questionnaire being fitted on two A4 sheet of paper compared to initial 4 x A4 sheet size (refer. Appendix D).

Table 3. 7 Revised layout of the survey questionnaire

	PERCEIVED PERFORMANCE							PERCEIVED IMPORTANCE						
	Very low		Moderate		High		Very high	Very low		Moderate		High		Very high
	1	2	3	4	5	6	7	1	2	3	4	5	6	7
On a scale of 1-7, evaluate each of the four categories of staff in your firm extent to which they perceive performance and importance of:														
Commitment to each other by stakeholders during procurement arrangements as being critical to business success.														

Source: Extract of the used survey questionnaire used in this study

Further, the researcher found out that the interviewees would potential half the time they would usually have taken to complete the new questionnaire as the instrument required the interviewee to fills one set of questionnaires to rate accordingly on a Likert scale of 1 -7 by marking ‘x’ or for both perceptions as shown in table 3.7. The new method will encourage the respondent to quickly complete the questionnaire in less time. Furthermore, the result may be more accurate as the interviewees have a better perspective as they fill the perceived performance followed by performance. The researcher will also benefit from the new layout as he only needs to collect and record the research data faster.

3.6.5 Data collection

Data collection for case studies can rely on many sources of evidence including documents, archival materials, interviews, direct observation, participant observation, and physical artefacts. No single source has complete advantage over all the others. In fact, the various sources are highly complementary, and a good case study will therefore want to use as many sources as possible. For case studies, the most important use of documents is to corroborate and augment evidence from other sources, in verifying the correct spellings and titles or names of organizations, and in drawing inferences about the nature of the organization. Participant observation and physical artefacts, as two other sources of evidence, have no potential relevance to the present study.

Data for the pilot study was collected through conducting in-depth interviews with professionals and subject experts from retail banks, manufacturers and supplier firms. Probing statements such as ‘Can you tell me more about that?’ ‘Can you give me an example of that?’, ‘Why do you say that?’ were asked to stimulate respondents to elaborate a particular subject area. By adopting this approach, the researcher ensured that new primary data was generated and more background information gathered that was used to fine-tune the rest of the research processes and procedures.

In this study, self-administered questionnaires and face-to-face interviews were the primary data collection techniques. Both techniques are complemented with other secondary sources of evidence including library researches and online or web browsing. Based on the reviewed literature, both instruments set of questions used were developed and summarized in *table 3.7* below based on the theoretical framework and concepts learnt through the reviewed literature.

Table 3.8 *Grouping of case study interview questions*

<i>Theories relied on</i>	<i>Trust attribute</i>	<i>Case study questions</i>
Trust	<i>Commitment</i>	To what extent are buyers and suppliers in Zimbabwe banking industry committed to formation and development of inter-organizational relationships?
Trust / social exchange	<i>Openness</i>	Do buyers and suppliers under study value open communication, information and expertise sharing, transparency, winning together and overlapping of interests when relating with each other?
Trust / social exchange, interactions	<i>Honesty</i>	How honest and sincere are buyers and suppliers in Zimbabwe’s banking industry to each other?
Trust / social exchange	<i>Closeness</i>	To what extent do buyers and suppliers relate with each other in their everyday business?
Trust / economic exchange	<i>Competence</i>	Do buyers and suppliers in Zimbabwe’s banking industry view formation and development of inter-organizational relations as a complex and complicated process that require any special skills and capabilities?
Trust / economic exchange	<i>Dependability</i>	Do buyers and suppliers in Zimbabwe’s banking industry value issues of dependability or reliability as basis for formation and development of inter-organizational relationships?
Trust / social exchange	<i>Security</i>	To what extent do buyers and suppliers in Zimbabwe’s banking industry view business risks as a threat to formation and development of inter-organizational relationships?

Source: *Developed for this study*

The first set of questions sought to explore whether ‘commitment’ of stakeholders within and between relational exchange partners in a procurement arrangement influence business success. In the literature review, it is noted that the extent to which inter-organization relationships influence formation and development of business relationships is dependent on

the organizational level at which relationships are established and natured in each organization.

The second set of questions sought to explore whether '*openness*' between stakeholders within and between exchange partners influenced business success in Zimbabwe's banking industry. The reviewed literature suggested that key attributes of openness within and between exchange partners include effective communication; information and expertise sharing; transparency between firms doing business together; and overlapping of interests between firms for beneficially reasons based less on power play and more on value exchange. Also, firms that values being open with their associates in business are more willing to share relevant ideas information, expertise and capabilities, believe in clarifying goals and problems with their partners, and communicate efficiently at all levels across the supply chain.

The third set of questions sought to explore the extent to which firms in Zimbabwe viewed being '*honest and trustworthiness*' of stakeholders within and between firms in procurement arrangements influence business success. The reviewed literature on the interactions, social economic and trust theories suggest that organization honest and trustworthiness can only be addressed at personal, departmental and organizational levels.

The fourth set of questions is to find out the level and extent of '*closeness*' between stakeholders in different procurement arrangements within and between firms in Zimbabwe's banking industry. The reviewed literature revealed that there is realization by firms that it was possible to increase profitability through shifting from adversarial to collaborative relationships / partnerships. The fifth set of questions sought to explore the extent and level at which '*competence*' of relational exchange partners determined the relational exchange process in procurement arrangements between buyers and suppliers in Zimbabwe banking industry. The reviewed literature relating to the economic exchange theory suggest that resources exchange between trusting parties, reduces uncertainties of an form, decrease transaction costs, knowledge transfer becomes less costly and newly acquired knowledge will be absorbed and retained much faster.

The sixth set of questions sought to ascertain the extent to which '*reliability / dependability*' between buyer and supplier companies influenced relational exchanges in companies procurement arrangements. The reviewed literature indicated that parties in strategic partnership depend and trust each other and deliver on their promises. The seventh set of questions sought to establish the level at which issues of '*security*' influenced buyer and supplier companies' relational exchange processes in Zimbabwe banking industry procurement arrangements. The literature review suggest that firms want to ensure guaranteed and secure businesses, therefore, firms deliberately seek to be involved with those firms they believe will protect their interests and not engaged in activities that are harmful to their business.

3.6.6 Interviewing Process

The advantages of using the interview method in this thesis is that it will be possible to get complete responses on more complex information, where necessary qualifying answers and generally obtaining results with greater depth (Leedy and Ormrod, 2005). In addition to offering greater control over the flow of information by the researcher, interviews are more personal than questionnaires and therefore tend to produce better response rates.

The next step involved explaining to the interviewee how the interview data would be collected. The interviewer however used pen and paper to capture all critical points from the

respondent's feedback. The third stage of the interviewing process involved asking the interviewee how they viewed each of the seven attributes of trust when relating with their relational exchange partners. The introduction question used was subject area content – free in order to capture the interviewee's perception (Perry 1998; Dick 1990). Further questions to the interviewees were based on the interview framework questions laid out in *table 4.1*.

The interviewer avoided asking leading questions to avoid influencing the interviewees' perceptions (Edwards, 1998). Further, the interviewer sought clarification during the interviews. The adopted interviewing process therefore, enhances the research data reliability and provided rigor to the research. At the end of the interview, the interviewer thanked the interviewees for their co-operation and also assured them that their responses were to remain confidential in the report and codes were used. Furthermore, their responses were also to be coded according to the data coding system explained in the research methodology chapter of this dissertation. Lastly, the interviewees requested for further co-operation were additional or further clarification of their comments was required during the data analysis stage.

3.6.7 Survey questionnaire process

The objective of the survey research was to rate perceptions of relational exchange importance and contribution to business performance in both buyer and supplier companies. On the other hand, the chosen approach allowed the respondents to rate buyer and supplier management perception of importance and performance of relational exchange process. The self-administered questionnaire was structured to cover the seven trust attributes identified in the literature review as forming basis of formation and development of inter-organizational relationships. The set of questions are divided each into four groups in order to simplify the coding process of the answers and help in the subsequent data analysis. This was because both instruments are meant to measure same elements during the study. This provided consistency in comparing the research results from the two research methods for the same companies.

The 7-point Likert scale was used in the questionnaire because it was the most popular method used to measure attitudes because it was easy to administer (Zikmund 1997). In this research the 7-point Likert scale was chosen as it provided more accurate comparisons between different respondents as compared to the commonly used 5-point scale. However, the researcher was aware that the Likert scales may introduce inaccuracy inadvertently because the scales used were not perfect and error in measurement by the interviewees (Sekaran, 1992), were possible. Also, use of the odd scale allowed the respondents to choose the neutral answer (point 4) if they were not sure of the answers. Therefore, each research survey question require the respondent to rate both the importance and performance of each trust attribute as perceived to influencing the form of relationships prevalent in their organization. The rating of the later is done via a 7-point Likert scale.

The average or mean value of the Likert rating is the popular usage indicator for measuring the factor's importance. The higher the mean value on the Likert scale is an indication that the factor is more important. By arranging the factor in descending order with respect to the mean value of their importance, it is possible to identify the criticality of the trust attribute factor at each company. The importance and perceptions of each of the seven trust attributes as perceived by different employee levels is used to test the hypotheses explained in chapter two of this dissertation.

3.7 Research process 3 - data collection process and analysis

For primary data the combination of methods ensured thorough coverage in as far as resources could go. Secondary data covered library research for relevant literature from all possible sources and formats; including journal articles books, thesis, the internet, and expert contacts. The pilot survey was necessary for adequate questionnaire coverage, and to ensure clarity of the questions.

3.7.1 Data collection process

At least for each of the case studies, in-person interviews with senior management were conducted followed by four mail surveys to the rest of the management team involved with procurement. Primary data was obtained from the preliminary and main questionnaires, and on site visits, interviews and observations at the case companies. Other documents used were (financial reports, spend reports) from firms. Interviews and observations following the questionnaires were used to clarify and fill in possible gaps in the completed questionnaire.

3.7.2 Analysis of case studies data

In order to analyse case study data, both *within case*, and *across case* analysis was conducted. In theory within-case analysis is often done before *across-case* analysis, when a multiple case study strategy is adopted for research design (Yin 1994; Perry 1998). Therefore, the case study analysis started with the analysis of each individual case, in which the cross stakeholder analysis within one case was included. The *across-case* analysis of all case firms was then followed, with the focus of the factors being confirmation and disconfirmation.

The selected cases from both buyer and supplier firms were then analyzed further using qualitative data. The reason for not including all the twenty-eight cases' in-depth qualitative analysis was because the selected cases could well present similar types of other cases. Therefore, it was unnecessary to describe all the cases in detail. The within case analysis was focused on cross-stakeholder analysis.

3.7.3 Cross-case analysis

Cross-case analysis was used to gain insights into the factors from summaries and analyses of the findings from all twenty-two cases. The intention of *cross-case* analysis is to generate insights, and not to prove anything or draw generalisations (Yin 1994). Insights into each of the factors and their impact on procurement practices influence on business performance were drawn from similar themes and patterns that emerged from the within-case analysis (Carson et al. 2000). *Cross-case* analysis focused on the analysis of each factor from cross case respondents. The 'new' factors that were identified by the case study participants were discussed, as they were one of the main contributions of the case studies. Then the analysis of the factors that were confirmed by the case studies was followed by the supportive evidence from each case study and a detailed description and /or definition of each factor. Finally, some factors that were not quite supported by case studies were discussed.

Therefore, each research survey question require the respondent to rate both the importance and performance of each trust attribute as perceived to influencing the form of relationships prevalent in their organization. The rating of the later is done via a 7-point Likert scale. The average or mean value of the Likert rating is the popular usage indicator for measuring the factor's importance. The higher the mean value on the Likert scale is an indication that the factor is more important. By arranging the factor in descending order with respect to the mean value of their importance, it is possible to identify the criticality of the trust attribute factor at each company. For the analysis of the seven trust attributes factor both importance and

perceived factor performance is used so as to assist gauge performance gaps. In addition, the logistic regression was used to conclude the statistical tests for the separate two variables perceived performance and importance of the procurement function as measured by maturity of the seven attributes of trust. These results underscore the most important conclusions of this study.

In contrast to case studies, survey questionnaires have certain advantages:

- They reach a geographically dispersed sample simultaneously and at a relatively low cost;
- Standardised questions make the responses easy to compare;
- They capture responses people may not be willing to reveal in a personal interview;
- Results are not open to different interpretations by the researcher (Davis & Cosenza 1988; Zikmund 1997).

Survey methodology was used to answer the three research questions and attempt to explore what has been done by the real world regarding those factors in a broader range of organisations. The cross sectional design was then chosen using mail questionnaires and survey techniques, because they have the ability to economically describe features of large numbers of people or organisations (Easterby-Smith et al 1991). This suited the purpose of this phase.

3.7.4 Design for quality

Each method, tool or technique used in this research as discussed has unique strengths and weaknesses (Leedy and Ormrod, 2005; Reichardt and Cook, 1979; Romano, 1989). Since different methods have different effects, it made sense for this research to use different methods to cancel out the 'method effect'. Yin (2003), data triangulation by collecting data from multiple sources was used for this study because multiple sources of data rated better than those that rely on single sources of information. To improve the accuracy of judgment and results data for this study, presented and analyzed data through different methods to use in this study. Also, multiple case studies assisted in minimizing the errors and biases during the study (Yin, 2003). Use of multiple case sample units will assist to improve the quality of data collection and research findings.

Through the process of triangulation, any findings or conclusion is likely to be much more convincing and accurate if it is based on several different sources of information, following a corroboratory mode. This study adopted the data triangulation techniques by using a combination of data sources with the effect that the strengths and weaknesses in each source are compensated when used together. The aim was to improve the validity of the findings. Also, the combined research approach further enables comparison of relationship between different types of prevalent exchange processes prevalent in a typical turbulent economy.

3.8 Field procedures 4 - general information and procedural reminders

The objective of this section is to provide a brief description of each of the twenty two firms that are involved in the case study and survey interviews. In order to satisfy the ethical issues and to keep the confidentiality of the respondents and their companies, the buyers who in this case are the retail / commercial banks and suppliers are coded from C01 to C28, while C01 – C10 are top ten banks in Zimbabwe and C11 – C28 represents suppliers of goods and services to the banks.

3.8.1 Presentation of credentials

Initially, phone calls were made to each of the selected banks procurement functions (as this is the function responsible for dealing with suppliers in many companies) and self-introductions

were made heads of targeted departments. Also, request for an appointment to meet and discuss the objective of the research was made with dates and times agreed on. Such meetings took place each company's premises where these functions are located.

A letter of introduction is issued to the interviewees during the face-to-face meetings, which formally seek for permission to record the interview, and a clause that clearly assures respondents of confidentiality throughout the proceedings is drafted for circulation. Questionnaires were electronically sent to chosen respondents across all levels of management. In the covering letter accompanying the questionnaire, respondents were thanked in advance for taking part in the research. Also, a final letter thanking all those who took part in the completing and returning of the questionnaire is send out by email as personalized letters.

3.8.2 Ethical issues

The ethical issues considered in this study include worthiness, consent, and confidentiality. To ensure informed consent, respondents and all those who participated in this study were provided with all the relevant information about this study in order to ensure that they understood the nature of the study, objectives of the research and the benefits to the researcher. This was done via the letter of introduction that was send to the interviewees seeking access to organizations and to individuals, to collect, analyze and report on findings. This process further ensured that the study did not transgress the behavioral norms established by organizations being studied. Also, findings were reported in a complete and honesty fashion, without misrepresenting any responses given or intentionally misleading readers and researchers interested in this study.

Further, this study respected participants' right to privacy. This research report is either orally or written, presented in such a way that others become aware of how a particular participant responded or behaved (unless, of cause, the participant has specifically granted permission, in writing, for this to happen). Each case study and participant was allocated alphanumeric codes used throughout the research process instead of using their actual names.

3.8.3 Data and drawing of conclusions

The final process in data collection was analysis and verifying of data in order to make conclusions. This involved drawing meaning at the several levels of investigation and inquiry (Yin, 1994). The process involved summarizing of data about each case study and this assisted to identify patterns for each studied case which can be compared to other cases during cross case analysis (Eisenhardt, 1989). The findings of the analysis were presented on pie charts, spreadsheets, statistical graphs and tables. These data displays were used to draw meaning and verify conclusions.

3.9 Limitations of the chosen research methodology chosen for this study

There are potential limitations to this research that offer opportunities for future research. First, the results are based on cross sectional data of Zimbabwe industry and commerce, making it hard to make inferences about cause and effect. Secondly, the results are based on the survey of a single service industry, the Zimbabwe retail banking industry. Naturally, the findings are most likely to hold for similar or identical type of business. However, the general business environment will further influence forms of relationships forming, and the results of this dissertation are likely to be relevant for related industries under more or less macro and micro business environment similar to those prevalent in Zimbabwe at the time the research is

conducted. Never the less, the applicability of the findings of this study to other set ups and contexts needs further research.

3.10 Conclusion

The case protocol is a road map to carry out the whole research to ensure the case study is conducted with rigor and managed smoothly (Yin, 2003). Firstly, it provides the research background and reminds the interviewer of the research issues. Secondly, it forces the researcher to examine each stage of the protocol for weaknesses and identify solutions to mitigate the problems before the actual field work is conducted. Thirdly, it helps the interviewer to focus on the various stages of the research process during the field process in order to ensure the 'completeness' of the research. This chapter presented the research methodology for this dissertation. The use of a combination of qualitative and quantitative method approach in a multiple case study research forms the basis of the research methodology of this dissertation. A justification for the use of the later approach to investigate the area under research is explained in greater detail. In addition, detailed discussions on research parameters such as process steps, case selection and the unit of analysis; data collection process, data analysis and design for quality were covered in this chapter. The chapter established a foundation for data collection and analysis making a good introduction to the next chapter, which is focusing on research findings, and analysis of results.

This study adopted the data triangulation technique by using a combination of data sources with the effect that the strengths and weaknesses in each source are compensated when used together. The aim was to improve the validity of the findings. The literature is full of examples of this approach as seen by Caraway (1995), Jones (1998), Lekau (1998), and Parsons (1987). This research used interviews followed by a self administered survey questionnaire sent by email to all selected respondents. Parsons (1987), for example, relied on several methodological tools including on-site study of a single university press, in person interviews and surveys. Jones (1998) used a diversity of methods including a survey questionnaire and a series of semi-structured interviews to allow for triangulation. In addition to questionnaires and interviews as main instruments, Lekau (1998), supplemented these methods with documentary analysis and informal observation.

CHAPTER 4

RESULTS PRESENTATION AND ANALYSIS

This chapter presents empirical and survey research findings analysis and discussion from a total of twenty-eight investigated cases. A total of twenty-two case firms out of the twenty-eight cases participated in both empirical and survey research and the other six cases participated in the survey only. As such, a total of twenty-eight cases participated in the survey. The chapter concludes with a summary of case studies and survey research findings.

4.1 Case study results presentation and analysis

In-depth case studies (Eisenhardt, 1989; Ellram, 1996; Miles and Huberman, 1994; Strauss and Corbin, 1998; Yin, 1994) were used to gain a greater understanding of the complex dynamics-underpinning firms' prevalent procurement practices and how they influence business survival in a turbulent environment. The case studies were primarily exploratory in nature in an effort to build theory and are tested using survey data (Ellram 1996). Table 1 summarizes some of the information regarding the case study firms.

In brief, there were three steps in the case study data analysis. Within-case analysis of individual cases was carried out first. This included a general description of each case and its perceptions of trust in procurement practices influence in business performance. A summary of the responses from firms' stakeholders' perceptions of importance and performance of the trust factors in procurement practices influence on business performance. Secondly, the between / across-case analysis was conducted and a summary of major findings from the case study analysis was prepared, and a summary of important outcomes identified.

4.2 Cases Profile Analysis

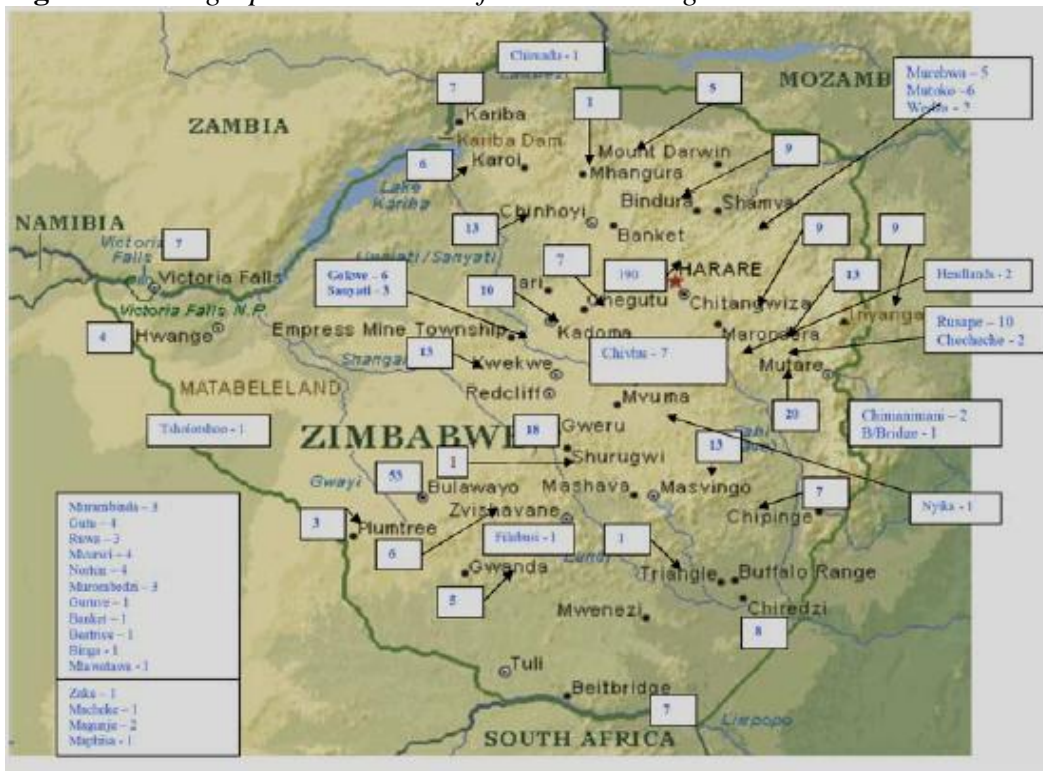
A summary of some background information for each case is provided in *Figure 4.1, Tables 4.1 and 4.2*. Table 4.3 gives a detailed summary of within case stakeholders analyses of Cases C01 – C22 as the representatives of the buyer and supplier firms chosen for this study which include multinational global and indigenous banks, manufacturers of high tech goods – ATMS, telecommunication equipment; manufacturers and distributors of automobiles and motor vehicles; construction firms – property refurbishments and building works; professional services firms – printing and reprography, domestic and international courier services, and high tech services – security, repairs and maintenance services. Also, included in the case profiles is cases general background information, like the nature and the size of the case organisations, and whether indigenous, global, multinational or regional.

As discussed and justified in Chapter 3, twenty-eight firms in Zimbabwe's banking industry were selected for the case study in this research. In order to respect the privacy of the participating organisations and individual interviewees they were not identified by their real names or actual position titles. Organisational employee numbers, annual revenue and assets were rounded rather than using exact number. The cases were referred to as Case C01 through to Case C22. Tables 4.1 and 4.2 provide an overview of the twenty-two case organisations. In order to respect the privacy of the participating organisations and individual interviewees they were not identified by their real names. While Cases C01 – C10, represent banks, Cases C11 –

C22 are suppliers to the banks. The criteria for selection and justification of these cases were presented in Chapter 3 when case study methodology was discussed.

In brief, there were three steps in the case study data analysis. Within-case analysis of individual cases was carried out first. This included a general description of each case and a summary of the stakeholders' responses to interview questions. There were also detailed within case across stakeholders' analyses of Cases C02, C05, C11 and C12 as the representatives of the different sized organisations. Secondly, across-case analysis of all those factors was conducted. Lastly, a summary of major findings from the case study analysis was prepared, and a set of factors that impact upon prevalent procurement practices influence on business performance was identified.

Figure 4.1 Geographical locations of overall banking services in Zimbabwe



Source: Reserve Bank of Zimbabwe Governor's Monetary Report published in the Herald newspaper of Tuesday 2nd October 2007

Table 4.1: Profiles of selected banks by provincial dispersion of branches

Firm Code	Harare	Bulawayo	Manicaland	Mashonaland East	Mashonaland Central	Mashonaland West	Midlands	Matabeleland North	Matabeleland South	Masvingo	Total branches
C01	11	2	2	1	1	4	2	1	2	3	29
C02	17	4	1	1	1	1	3	1	1	2	32
C03	10	2	1	2	0	5	4	1	1	2	28
C04	5	2	1	0	0	1	3	1	0	1	14
C05	11	1	2	0	0	0	1	1	0	1	17
C06	2	1	1	0	0	0	0	0	0	0	4
C07	5	2	1	0	0	0	1	0	0	0	9
C08	10	2	1	0	0	1	2	0	0	0	16
CO9	9	2	2	3	2	2	2	2	1	2	27
C10	5	2	4	1	0	4	2	1	1	0	20

Source: Developed for this study

Further, table 4.3 provides the profiles for the eighteen suppliers firm providing goods and services to Zimbabwe's banking industry.

Table 4.2 Detailed profiles of selected case study firms

Firm Code	Background	Experience in nature of business	Nature of business	Annual spent through procured goods US\$
C01	Global	Established 17 centuries ago	Banking services	1.5 Bn
C02	Indigenous	Established in 1991	Banking services	135 – 145m
C03	Regional	Established in 1993	Banking services	5 – 6.5m
C04	Global	Established 150 yrs ago	Banking services	1.6 – 2Bn
C05	Indigenous	Established in 1979	Banking services	INA
C06	Indigenous	Established in 1996	Banking services	INA
C07	Indigenous	Established in 1995	Banking service	50 – 55m
C08	Indigenous	Established in 1995	Banking services	45 – 50m
C09	Indigenous	Established in 2005	Banking services	90 – 100m
C10	Indigenous	Established in 2004	Banking services	20 – 23m
C11	MNC	Established 62 years ago	Manufacturer and distributor of ATMs,	400 – 410m
C12	Franchise of an international firm	Established 35 years ago	Supplier of auto-mailer and statement printers,	20m
C13	Indigenous	Established 40 years ago	Security and general printing services	175 – 200m
C14	Indigenous firm	Established 75 years ago	Security consultancy services and cash handling services	75m
C15	Subsidiary of	INA	Supplier of electricity	5 – 30m

	an international		generators, offers installation, repairs and maintenance services	
C16	Indigenous	Established 65 years ago	Manufacturer and distributor of high tech networking and telecommunications technology	75 – 80m
C17	Regional firm	INA	Access control and physical security	50 – 65m
C18	MNC	INA	International and national courier services, logistics and supply chain management services	2bn
C19	Indigenous	Established in 1994	Motor vehicle dealer;	INA
C20	MNC	Established in 1956	Manufacturer and distributor of high tech reprographic	60m
C21	MNC	Established in 1860	Construction and refurbishments	INA
C22	Global	INA	Manufacture and distribution and servicing of saloon, light and heavy duty vehicles	INA
Notes: 1. MNC – Multi-national Company 2. Indigenous companies are companies wholly owned by local shareholders 3. Regional company – a company with regional shareholding and network 4. INA - Information Not Available 5. US\$ - United States of America dollar 6. Bn – Billion 7. m – Million				

Source: Developed for this study

4.3 Within case analysis

This section describes the within case analysis, before the discussion of detailed findings of individual case. Table 4.4 summarises interviewee responses to interview questions. Responses to different factors are shown for each case by either a ‘tick’ (√) as confirming exhibited evidence, or an ‘X’, where factor constructs are not exhibited and (-), where exhibit is limited. Most important, Table 4.4 depicts procurement practices prevalent in Zimbabwe banking industry.

Findings of Case C04

This bank has a history of over 150 years in banking and operates in many of the world’s fastest growing markets with an extensive global networking of over 1400 branches in over 50 countries in greater China and Japan, Middle East and Pakistan, Korea, South East Asia, India and South Asia, Americas, Europe and Africa.

According to secondary sources of information, this firm was incorporated with limited liability and Royal Charter in England in 1853. Also this firm is listed on the London Stock Exchange and the Hong Kong Stock Exchange and is consistently ranked in the 25 among

FTSE-100 companies by market capitalization. Furthermore, the bank was established in Zimbabwe in 1892 as part of the bank's worldwide strategy and has a branch network of 27 outlets throughout the country. The firm is the second largest bank in Zimbabwe, and has a total annual spend on sourcing and procurement of goods and services US\$1.6 – US\$2 billion of which about US\$160 – US\$175 million is spend annually in Zimbabwe subsidiary.

The company and procurement organization

A respondent who had worked for the bank for over thirty confirmed that the firm's procurement practices changed remarkably in the last ten years. Cited as the causes of the changes in the firm's procurement practices includes *'changes in-group wide procurement policies and also the prevailing economic changes in Zimbabwe and world over'*. Another respondent advised that the *'outsourcing of business none core operations over the years also played a critical role over the years in shaping the firm's procurement practices'*.

A respondent advised that, *'before 2002 the firm's procurement was outsourced to a United Kingdom headquartered procurement specialist consultancy firm to manage its third party spend for businesses in Africa and the Middle East'*. Furthermore, the respondent advised that *'the outsourcing relationship fell apart because of poor performance by the consultancy firm and the company resolved to setting up in-house multi-level or hybrid local procurement function during 2002 and 2004'*.

According to the respondent, *'the setting up of local centralized procurement departments providing autonomy to local procurement teams to be business first point of contact and to provide guidance and advice on commercial issues'*.

Another respondent stressed the importance of the firm's procurement practices to business overall success. According to the respondent, *'procurement role in the firm grew tremendously in the last five years following implementation of category management strategy'*. Respondents also cited *'continued deterioration in the country's economy, is yet another driver helping bolster the role of procurement in the firm'*.

As stressed by another respondent, *'the continued supplies shortages have essentially exerted pressure on the firm's procurement to work closely with both its internal and external stakeholders to ensure continued business success'*. Essentially, one other respondent emphasized how critical and integral to business success procurement had become.

According to a respondent, *'the firm's procurement arm was the firm's source of intelligence on supply market information and plays a critical role in firm's high-level decision making'*. Another respondent cited that, *'procurement play a critical role in ensuring bonding between the firm and suppliers of goods and services'*.

Also stated by another respondent, the firm's procurement practices are grounded on highly coordinated procurement approaches and driving business operations through working in cross-functional teams.

Firm's perceived performance of the procurement practices

Now more than ever firms depend on the contribution of supply or relational exchange partners to deliver high performance that positively impact on the services given to customers and the creation of value for stakeholders. For Case C04, procurement is moving towards specialist technical skills to achieve high standard of procurement efficiency and effectiveness.

As mentioned by the respondent, that in order to coordinate the procurement activities within and between different categories, cross functional teams are formed and their main focus is to improve quality, transparency in procurement process and joint approach to solving supplies related problems.

A respondent advised about the challenges confronted by the firm's in enforcing procurement cost savings and efficiency. Cited as pausing threat to procurement practices is dwindling supply market; uncertainty and looming global crises of the 21st century threatening world business.

According to the respondent, *'the firm procurement performance is however integral to management reporting system that monitors the group wide compliance to company's standards for procurement to act in a responsible behavior socially, ethical and environmental perspective'*.

Also stressed by the respondent, is the critical role-played by internal user teams and suppliers alike in driving procurement performance and ensuring mutual benefits. According to the respondent, *'procurement performance is largely dependent on the quality of relational exchanges forged between the firm and its suppliers as a result of the firm's procurement practices'*.

Although the respondent cited a several challenges confronting the firm's procurement practices the firm's ethical, social and environmental considerations form the basis of how procurement practices are shaped, monitor and evaluate. The prevalent turbulent environment is cited as the *'major deterrent to the firm's realization of the highest level of procurement practices'*.

However, the respondent stressed the integral role played by the firm's group procurement policies; internal and external stakeholders in supporting and embracing of shared responsibility and upholding of highest standards of environmental, social, economic and ethical practices as minimum requirements to achieving high levels of procurement performance.

Finally, a respondent expounded on the criticality of stakeholder commitment to achieving mutual benefits as the main driver of procurement performance in their firm. As such, the respondent stressed on the firm's strategy to engage with stakeholders committed to success of the firm.

Firm's perceived importance of the procurement practices

In many firms procurement practices are considered less important compared to other professions such as finance, marketing, human resources as so forth. However, in Case C04, a respondent stressed that procurement is considered to be of equal importance and contributes significantly to business performance. Similarly to other professions such as finance, procurement practices in Case C04 is considered as a strategic business partner, which provides guidance and direction on commercial and technical matters and integral to business overall performance through working closely with both internal and external stakeholders.

According to a respondent, *'the role of procurement practices is relied on by the business as critical to business performance through providing advisory and strategic direction to the firm*

on sourcing and procurement arrangements, establishing of right relationships with right suppliers committed to working collaboratively on a mutual benefits’.

As stressed by the respondent, Case C04 compliance with its Know Your Supplier (KYS) group wide procurement guidelines involves a deliberate approach to identification, selection and engaging with high performing, trusted and committed suppliers. However, the major challenge for many firms is garnering stakeholder commitment and willingness to pursue such medium to long-term collaborative relational exchanges. According to the respondent, as for Case C04, it is the role of procurement to spot opportunities to form and nurture mutual beneficial relational exchanges with strategic suppliers of goods and services.

According to the respondent, *‘the firm’s procurement function has a critical role to share with trusted suppliers the firm’s approach to managing risks; and spot and pursue opportunities in an open and collaborative manner to achieve business success for all involved relational exchange partners’.* A respondent stressed that *‘under the KYS scheme, the bank is committed to focus its resources on suppliers that are of the greatest risk to the bank, to the environment and to the communities they operate in’.*

Further the respondent, stressed that, *‘the procurement is mandated to do business with suppliers who value pursuing ethical and cost effective products and services and work jointly with supply partners to take steps to align and achieve common and mutual beneficial objectives’.* It is apparent that Case C04 values effective engagement with strategic supply or relational exchange partners in an open and collaborative manner for the efficient and mutual benefit.

As stressed by a respondent, *‘by engaging positively with suppliers; commercial and technical capabilities are shared to firms’ mutual benefit’.* Typical examples of shared information common to Case C04 include joint training key staff to achieve set objectives, stressed the respondent. Apparently, in return for a relational exchange partner commitment such high standards, Case C04 supports them too by offering commitment to long term, mutual beneficial relationships aimed at creating shareholder value for both organizations. Likewise, according to a respondent, *‘in return for this commitment, Case C04 requires higher level of performance, openness, and collaboration, from trusted supply partners’.* In other cases, Case C04 selects suppliers on the basis of a joint commitment to improvement.

A respondent advised that, *‘the firm’s procurement processes aim to bring ethical issues to the surface and where serious ethical issues are identified, suppliers are de-listed or removed from the firm’s approved supplier list and thereafter will not be allowed to engage in further business with the bank’.* Another respondent stressed that, *‘the bank procurement processes help assessment of potential risk suppliers who may unnecessarily damage the environment in the way they produce, consume and dispose of materials’.*

As advised by a respondent, *‘wherever practical, the Case C04 favors suppliers who recycle and re-use products and encourages priority suppliers to improve their environment performance’.* It is the firm group procurement policy that the procurement process takes account of each of the listed issues and to ensure enforcement this policy. Suppliers who perform poorly in any of the areas discussed are excluded from doing business with the bank. Furthermore, supplier of goods and services form an essential part of the company’s procurement decision making process and as such considered as an important resource to be

carefully selected and invested on in terms of time, financial resourcing / financial funding which therefore require monitoring and critical evaluation.

Through this study, it is established that bank procurement staff have the full mandate and an ambition of working according to the overall mission of the firm, co-operate with other functions and suppliers of goods and services, and strive for open, joint and collaborative relations to assist both firms maximize shareholders value. The bank has chosen initially to assess all suppliers entering into a business relationship with the bank based on the Know Your Supplier scheme. As much as possible, the bank supplier selection is underpinned by three critical issues suppliers should satisfy namely, human rights, ethics and the environment.

Suppliers are without exception expected to adopt and be able to demonstrate human rights policies that reflect the international legislation, such as the Universal Declaration of Human Rights, and which are consistent with the banks own standards. It is apparent that the bank significantly invests in the formation and development of relevant relational exchanges with the chosen supply partners. As such, it is judged that the relative comparison of the seven elements of trust is being balanced between the bank and its supply partners' business objectives.

Survey findings for Case C04

At the end of in-depth interviews four managers at different levels involved direct or indirect with the firms procurement practices, were each asked to rate a list of factors perceived importance and performance in procurement practices influence on business performance based on developed main research framework on a Likert seven point scale, where seven was highly important, and one was not important at all. Table 4.3 presents a summary of average responses for provided by respondents from case company C04.

Table 4.3 Average scores for firm C04

Variable	Perceived Importance	Perceived Performance	Perceived Gap	Ranking of factor importance
Commitment	6.0	6.75	-0.75	6
Openness	6.125	6.50	-0.375	5
Honesty	6.75	6.75	0	1
Closeness	5.875	6.5	-0.625	7
Competence	6.375	6.5	-0.125	4
Reliability	6.625	6.875	-0.25	2
Security	6.75	6.375	0.375	3
Average	6.36	6.61	-0.25	

Source: Developed from survey results of this study

- The respondents feel that commitment attribute is rated to be of high importance (6.0) and of very high performance (6.75).
- The openness attribute is rated to be of high importance (6.125) and also has a high performance rating (6.50).
- Honesty attribute is rated as being of very high importance (6.75) and has a high performance rating (6.75).
- Closeness attribute is rated as above average in importance (5.875) and high performance (6.5).
- Competence attribute is rated as being of very high importance (6.375) and of very high performance (6.5).

- Reliability / dependability attribute is rated as being of very high importance (6.625) and of high performance (6.875).
- Security attribute is rated as being of very high importance (6.75) and performance variable is rated as being high (6.375).

The results show that case C04 ratings for both perceived importance and performance ranked depict that honesty (6.75 and 6.75 ratings for both perceived importance and performance); as very high, followed by reliability (6.625 and 6.875); security (6.75 and 6.375); competence (6.375 and 6.5); openness (6.125 and 6); commitment (6 and 6.75) and closeness (5.875 and 6.5). Overall, the average ratings for the seven factors taken together were rated 6.36 and 6.61 for perceived importance and performance respectively. With average ratings or means of 6.36 and 6.61 for perceived importance and performance respectively, shows a high assessment.

4.4 Salient points from Case C04 research findings relevant to research questions

There are some important points eminent from Case C04 research findings relevant to answering of '*research questions 1 and 2*' are stated below:

- The firm's procurement practices evolve from time to time as a result of drivers both internal and external to the organization. Changes in company policy and strategy (outsourcing); economic down turn; need to ensure guaranteed competitive business; prevalent environmental uncertainties and related risk; unpredictability of customer demand due to continued changes in customer taste and preferences; and cost efficiency and effectiveness were cited as influencing the firm's procurement practices.
- Also, eminent from the case study is the internal and external orientation of the firm's procurement practices and role played in influence overall business decision making process
- Survey results, presented in Table 4.3 show that different factors are rated differently in terms of importance and performance in firms' procurement practices effect on business performance.
- It is also observed from the firm's research findings that perceived performance of procurement practices effect on firm's business performance is rated higher than the perceived importance.

4.5 Summary of research within cases and across of the case studies

This section presents detailed summary of the 22 case studies as part of the within case analysis as depicted in Table 4.4. At the end of the in-depth interviews four respondents were requested from each case firm to rate a list of factors that were generated from the preliminary research framework on a seven-point scale for the perceived importance and performance of trust in procurement practices effect on business performance.

Table 4.4 Summary of case studies research findings

	Case studies – Buyer Firms										Case studies – Supplier Firms											Total	
	C01	C02	C03	C04	C05	C06	C07	C08	C09	C10	C11	C12	C13	C14	C15	C16	C17	C18	C19	C20	C21		C22
Section 1: Drivers of Prevalent Procurement Practices																							
<i>Economic down turn</i>	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	22
<i>Outsourcing</i>	√		√	√							√				√		√	√		√	√	9	
<i>Guaranteed business</i>	√	√	√	√	√	√	√	√		√	√	√	√	√	√			√	√	√	√	19	
<i>Company values</i>	√		√	√	√	√					√	√					√	√	√		√	11	
<i>Uncertainty & risk</i>	√	√	√	√	√			√					√	√	√	√	√	√	√	√	√	16	
<i>Changes in customer preferences</i>	√										√	√		√		√			√	√		8	
<i>Unpredictability of customer demand</i>	√	√	√	√				√			√	√				√	√	√	√	√		12	
<i>Unpredictability of supplies market</i>	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	22	
<i>Nature of business</i>											√	√			√			√	√	√	√	7	
<i>Supplier base reduction</i>	√			√							√				√	√			√	√	√	9	
<i>Containment of supply costs</i>	√	√	√	√							√				√	√		√	√	√	√	12	
Section 2: Closeness																							
<i>Joint decision making</i>	√	-	√	√	X	-	√	x	x	X	√	√	X	√	√	√	x	√	√	√	√	14	
<i>Building joint outcomes</i>	√	-	√	√	X	x	√	x	x	X	√	√	X	√	√	√	x	√	√	√	√	14	
<i>Social bonding</i>	√	√	-	√	X	x	X	x	x	X	√	√	X	√	√	√	x	√	√	√	√	13	
<i>Sharing of information</i>	√	-	-	√	-	x	X	x	x	X	√	√	X	√	√	√	x	√	√	√	√	12	

Continued....

3 Openness																							
<i>Internal stakeholder engagement</i>	√	X	-	√	√	X	x	x	X	x	√	√	√	√	√	√	x	√	√	√	√	√	14
<i>External stakeholder engagement</i>	√	X	√	√	√	X	√	x	X	x	√	√	X	-	√	√	x	√	√	√	√	√	14
<i>Working together</i>	√	-	√	√	√	X	√	x	X	x	√	√	X	-	√	√	x	√	√	√	√	√	14
<i>Willingness to disclose trade secrets</i>	√	X	X	√	-	X	x	x	X	x	√	-	X	x	-	x	x	-	x	√	x	√	5
4 Commitment																							
<i>Senior management support</i>	√	-	√	√	-	X	-	-	X	-	√	√	-	√	√	√	x	√	√	√	√	√	13
<i>Long term relationship</i>	√	X	√	√	x	X	-	x	X	x	√	√	X	√	√	√	x	√	√	√	√	√	13
<i>Coordinated arrangements</i>	√	-	X	√	x	X	x	x	X	x	√	√	√	√	√	√	x	√	√	√	√	√	13
<i>Structured organization</i>	√	√	√	√	√	X	√	√	X	√	√	√	√	√	√	√	x	√	√	√	√	√	19
<i>Willingness to make idiosyncratic investment</i>	√	X	√	√	x	X	x	x	X	x	√	X	X	x	-	-	x	√	√	-	x	√	7
<i>Leadership and accountability</i>	√	X	√	√	x	X	x	x	X	x	√	-	X	√	-	√	x	√	√	√	√	√	11
<i>Visibility</i>	√	X	√	√	x	X	-	x	X	x	√	√	√	√	√	√	x	√	√	√	√	√	14
<i>Willingness to take risk</i>	√	X	√	√	x	X	x	x	X	x	√	√	X	√	√	√	x	√	√	√	√	√	13
5 Security																							
<i>Track record / History</i>	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	22
<i>Credibility</i>	√	√	√	√	√	√	√	√	√	√	√	√	-	√	√	√	√	-	√	√	√	√	20
<i>Character endorsement</i>	√	√	√	√	√	√	√	√	√	√	√	√	-	-	√	√	√	-	√	√	√	√	19
<i>Acceptance of duty to protect rights of partners</i>	√	√	√	√	√	√	√	√	√	√	√	√	X	√	√	√	√	-	√	√	√	√	20
<i>Acknowledgement of duty to protect interests of partners</i>	√	√	√	√	√	√	√	√	√	√	√	√	-	√	√	√	√	√	√	√	√	√	21

Continued....

6 Honesty																								
<i>Ethical conduct</i>	√	√	√	√	√	-	x	√	X	x	√	√	√	√	√	√	√	√	√	√	√	√	√	18
<i>Transparency</i>	√	√	√	√	√	-	x	√	X	x	√	-	-	√	√	√	-	√	√	√	-	√	√	14
<i>Open intentions / motives</i>	√	√	√	√	√	-	x	√	X	x	√	√	-	-	-	√	√	√	-	√	-	√	√	13
7 Competence																								
<i>Credibility</i>	√	√	√	√	x	√	√	√	√	√	√	√	-	√	√	√	√	√	√	√	√	√	√	20
<i>Character endorsement</i>	√	√	√	√	x	√	√	√	√	√	√	√	-	√	√	√	√	√	√	√	√	√	√	20
<i>Traceable reference</i>	√	√	√	√	x	√	√	√	-	√	√	√	X	√	√	√	√	√	√	√	√	√	√	19
8 Dependability																								
<i>Reliable</i>	√	√	√	√	√	-	-	-	√	-	√	√	√	√	√	√	√	√	√	√	√	√	√	18
<i>Deliver on promises</i>	√	√	√	√	√	√	√	-	√	-	√	√	-	√	√	√	√	√	√	√	√	√	√	19
<i>Walk the talk</i>	√	√	-	√	√	√	-	-	-	x	√	√	√	√	√	√	√	√	√	√	√	√	√	17
<i>Flexibility</i>	√	√	-	√	√	-	-	x	-	-	√	-	-	√	√	√	√	√	√	√	√	√	√	14
Total scores (√)*	31	17	24	31	16	10	14	12	9	9	31	22	11	27	28	30	12	31	30	31	28	32		
% Score	100	56	78	100	53	34	47	41	31	31	100	69	34	84	88	94	38	97	94	97	88	100		
Total score (x)*	0	8	2	0	12	15	11	15	19	18	0	2	11	2	0	1	16	0	1	0	2	0		
Total scores (-)*	0	6	5	0	3	6	6	4	3	4	0	7	9	3	4	1	4	1	1	1	2	0		
Key: √ Evidence shown x No evidence - Limited evidence * Only scores for the seven attributes of trust considered																								

Source: Developed from responses to case study in depth interviews

The section presents the findings of all twenty-two case studies on the whole. Table 4.4 provides a comprehensive summary of within case findings. It includes all factors identified by case studies and the literature review and their overall assessments for the individual cases. To assist in arriving at an overall assessment of the important factors that impact on procurement practices influence on business performance, a summary of within case analysis of the twenty-eight cases has been summarized in show that:

4.6 Between or across-case analysis

Section 1: Drivers of prevalent procurement practices

Table 4.4 depicts that 22 (100%) of the cases prevalent procurement practices are primarily driven by *economic down turn* and *unpredictability of supplies market*. However, other drivers of prevalent procurement practices vary between firms. A summary of secondary drivers of procurement practices in the twenty two cases presented in Table 4.4 depict in addition to the two primary drivers, secondary drivers: outsourcing influenced 9 (41%); guaranteed business influenced 19 (86%); company values influenced 11 (50%); need to secure value for money goods and services 16 (73%); changes in customer preferences 8 (36%); unpredictability of customer demand 12 (55%); nature of business 7 (32%); supplier base reduction strategies 9 (41%) and continued need by firms to achieve supplies cost containment 12 (55%). It is apparent that firms' prevalent procurement practices are driven by more than one factor. Some firms for instance Cases C01; C04; C11; C19 and C20 prevalent procurement practices are driven by as many as ten to eleven factors. Also, other firm Cases C09; C13 and C17 whose procurement practices are driven by as low as two, three to four constructs only. Essentially, firms' procurement practices seem to be influenced mainly by economic downturn and unpredictability of supply market as shown by all 22 (100%) case firms studied. This is the case with both buyer and supplier firms. As such, it is clear that different firms' procurement practices are influenced by different factors. Two factors that were visibly supported as main drivers of firms' procurement practices were: economic down turn; and supply market uncertainty. Additional to the two primary factors, other different factors applied to different firms.

Section 2: Closeness factor

Four constructs of closeness factor were identified as exhibiting closeness between stakeholders; joint decision making; building joint outcomes; social bonding and sharing of information. According to observations made, 14 (64%) of the cases investigated on average were supported by stakeholders joint decision making constructs; 14 (64%) out of the 22 (100%) were supported by stakeholders building of joint outcomes; 13 (59%) out of the 22 (100%) were supported by stakeholders social bonding; while a further 12 (55%) were supported by of information. It is apparent that 12 (55%) of the cases exhibited being supported by all the four constructs of closeness factor. Five (23%) exhibited not being supported by closeness factor in its procurement practices. The remaining five firm exhibited limited and not being supported by the four constructs of closeness factor. Overall, 13 (59%) of the cases on average exhibited that closeness between stakeholders in procurement practices influence their firm's business performance.

Section 3: Openness factor

A total of four constructs of openness factor were investigated; internal stakeholder engagement; external stakeholder engagement; working together; and willingness to disclose trade secrets. According to observations made, 14 (64%) cases on average were supported by internal stakeholder engagement; 14 (64%) were supported by external engagement; 14 (64%) seem supported by stakeholders working together; and 5 (23%) were supported by stakeholders' willingness to disclose trade secrets. It is also shown that 5 (23%) of the case were supported by all the four constructs of openness factor and another 5 (23%) were not supported by any of the

four constructs of openness factor in its prevalent procurement practices. However 12 (55%) of the cases reacted differently to each of the four constructs of openness factor and were not consistent in their approach. Overall, 12 (55%) of the cases on average exhibited that openness between stakeholders in procurement practices influenced their firm's business performance.

Section 4: Commitment factor

A total of eight constructs of commitment factor were considered: senior management support; establishment of long term relationship; coordinated procurement arrangements; structured procurement organization; willingness to make idiosyncratic investments; leadership and accountability; visibility; and willingness to take risk. According to observations made, 6 (27%) of the cases on average were supported by all the eight constructs of commitment and 3 (14%) were not supported by stakeholders' commitment in their prevalent procurement practices. However, 13 (59%) cases exhibited being supported by different elements not in any particular order. Overall, 13 (59%) of the cases on average exhibited that commitment between stakeholders in procurement practices influenced their firm's business performance.

Section 5: Security factor

A total of five constructs of security factor were considered: traceable reference; notable credibility; character endorsement; acceptance of duty to protect rights of partners; and acknowledgement of duty to protect stakeholders' interests. According to observations made, 19 (86%) of the cases are supported by the five constructs of security factor in their prevalent procurement practices. Three (14%) of the cases exhibited being supported by different constructs of the security factor, however, not in a particular order. Overall, 19 (86%) of the cases on average exhibited that security in procurement practices influenced their firm's business performance.

Section 6: Honesty factor

Three constructs of the honesty factor were considered: ethical conduct; transparency; and open intentions / motives. According to observations made, 11 (50%) of the cases on average were supported by all the three constructs of honesty factor and 3 (14%) of the cases (C07; C09; and C10) exhibited no support. However, 8 (36%) exhibited being supported by different constructs of honest factor. Overall, 15 (68%) of the cases on average exhibited that honesty in procurement practices influenced their firm's business performance.

Section 7: Competence factor

Three constructs of competence factor were considered: credibility; character endorsement; and traceable reference. According to observations made, 19 (86%) of the cases on average were supported by the three constructs of the competence factor. Case C05 was not supported by the three constructs. Cases C09 and C10 exhibited being supported by different constructs of the competence factor however; not in any particular order. Overall, 20 (91%) of the cases on average exhibited that competence in procurement practices influenced their firm's business performance.

Section 8: Dependability factor

Four constructs of dependability factor were considered: reliability; walking the talk; flexibility; delivering on promises. A total of 14 (64%) of the cases on average exhibited being supported by all the four constructs of dependability factor. However, 8 (36%) of the cases exhibited being supported by different constructs of the dependability factor. Overall, 17 (77%) of the cases on average exhibited that dependability in procurement practices influenced their firm's business performance.

A review of all the factors show that a total of 31 constructs of the seven attributes of trust were investigated in the twenty two cases. Everything taken together, it is apparent that 4 (18%) of the cases exhibited being supported by all the 31 (100%) constructs of the seven factors of trust in prevalent procurement practices. However, 18 (82%) of the cases exhibited being supported by different constructs. The worse cases (C9 and C10) exhibited being supported by 10 (45%) of the trust constructs. Case C10 exhibited not being supported by 19 (86%) of the constructs of trust in procurement practices and there was limited evidence of the other four constructs.

Overall, Table 4.11 depicts that cases C01; C04; C11 and C22, out of the twenty-two cases exhibited being supported by all the 31(100%) constructs of trust in procurement practices. Essentially, the other 18 cases exhibited being supported by different constructs of trust in their prevalent procurement practices.

4.7 Salient points from within and across cases analysis relevant to answering research questions 1, 2 and 3.

- Firms' primary drivers of procurement practices: economic down turn and unpredictability of supply market.
- Combined primary and secondary drivers both internal and external to the firms influence prevalent procurement practices effect on business performance.
- On average more than 71% of the firms exhibited that closeness; openness; commitment; security; honesty; competence and dependence in procurement practices influenced business performance.
- Competence; Security and dependability in procurement practices effect on business performance were rated as highly critical.

4.8 Survey results presentation and analysis

An analysis method for a quantitative outcome and two categorical explanatory variables are discussed in this section in such a way that each experimental unit (subject) is exposed to any combination of one level of one explanatory variable and one level of the other explanatory variable, followed by a two way ANOVA. Because there are two different explanatory variables, the effect on the outcome of a change in one variable may either not depend on the level of the other variable (additive model), or it may depend on the level of the other variable (interaction model). A two way ANOVA is an appropriate analysis method for this study as two categorical variables are used and the usual assumptions of normality, equal variance, and independent errors apply. Tables of descriptive statistics and profile plots were produced to assist in interpreting the final results. Also a Levene's test is adopted in each case to explore data and a non-significant result of the Levene's test is indicative of the homogeneity of variance assumption being met.

Profile plots, Main Effects and Interactions

The effects of different levels of perception and respondents on research outcome were considered in this section. Six possible outcomes were shown in the profile plots of figures 4.2; 4.3; 4.4; 4.5; 4.6; 4.7; and 4.8. Table 4.5 shows the p-values from the two-way ANOVA of these seven test cases.

Table 4.6: P-values for various perception / respondents test cases

Variables	Perception	Respondent	Interaction
Commitment	.013	.000	.486
Openness	.510	.029	.532
Honest	.786	.000	.649
Closeness	.444	.000	.982
Competence	.142	.003	.784
Reliability	.001	.001	.883
Security	.020	.000	.618

Source: Developed from the SPSS analysis of survey results

Case A, shows no interaction ($p=0.486$) because on the scale of the error bars, the lines are parallel. Both main effects are significant because for either factor at least one level of the other factor there are two levels of the first factor for which the outcome differs. We also see that changing perception importance and performance (moving left or right on the plot) has effect on the outcome (vertical position) so perception of commitment is a significant exploratory variable ($p=0.013$). Also depicted as significant is changing level of respondents' commitment has a significant effect on the outcome, ($p<0.05$).

Figure 4.2: Profile Plot A

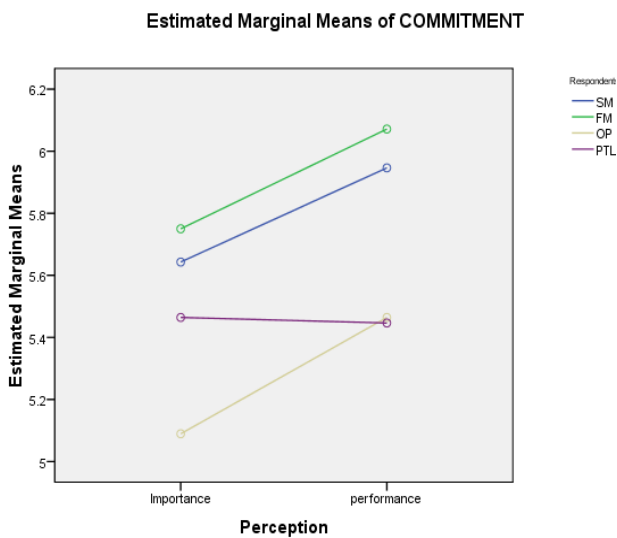
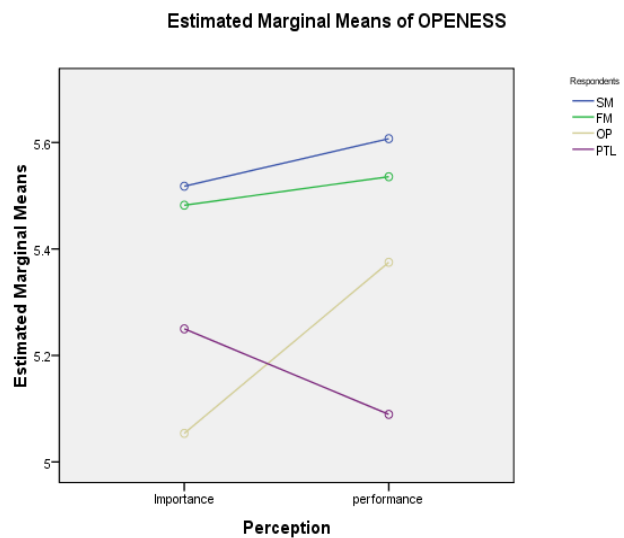


Figure 4.3: Profile Plot B



Case B, shows no interaction ($p=0.532$), because the scale of the error bars the lines are parallel suggesting that an additive, no interaction model is adequate and we should re-fit a model without an interaction term. We also see that changing perception importance and performance (moving left or right on the plot) has no effect on the trend of outcome (vertical position) so perception of openness is not a significant exploratory variable ($p=0.510$). However, depicted as significant is changing level of respondents' openness effect on the trend of the outcome, ($p=0.029$).

Figure 4.4 Profile Plot C

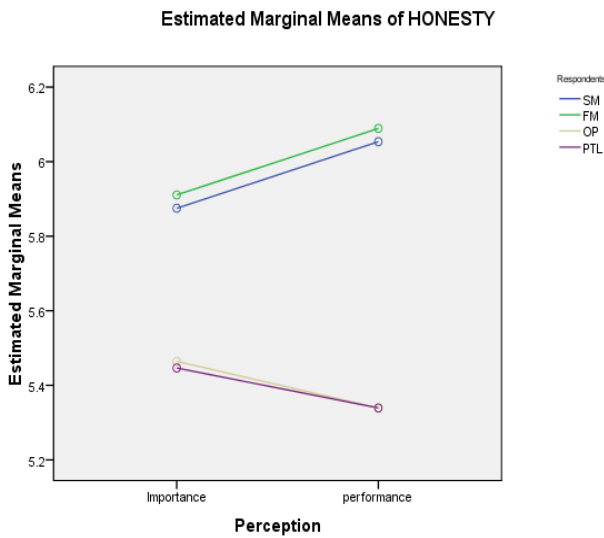
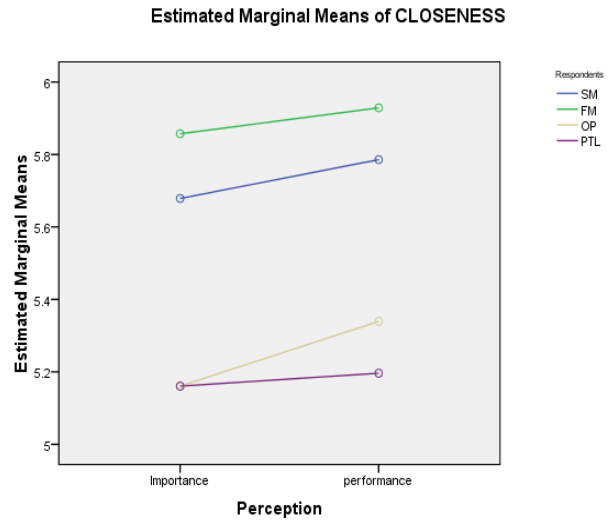


Figure 4.5 Profile Plot D



Case C (Honesty), D (closeness) and E (Competence) show no interaction. Common to all the three cases is the fact that perception factor is not statistically significant as shown by the fact that no perception level suggest changes to the trend of the outcome. However, the respondent factor is statistically significant because changing trends between different levels of respondents' show effect on the outcome.

Figure 4.6 Profile Plot E

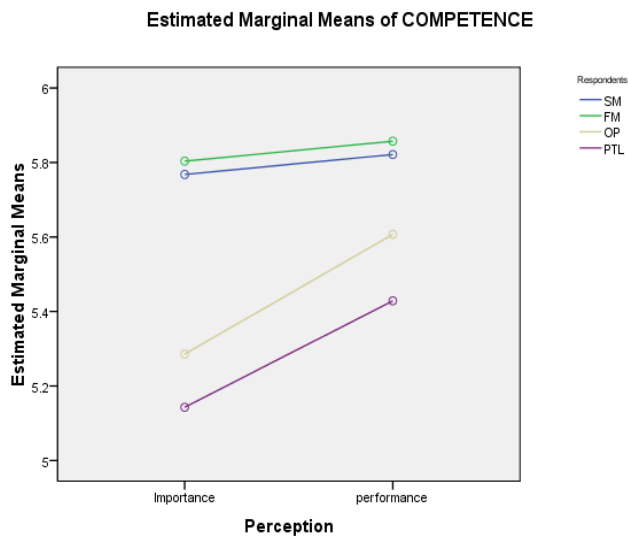
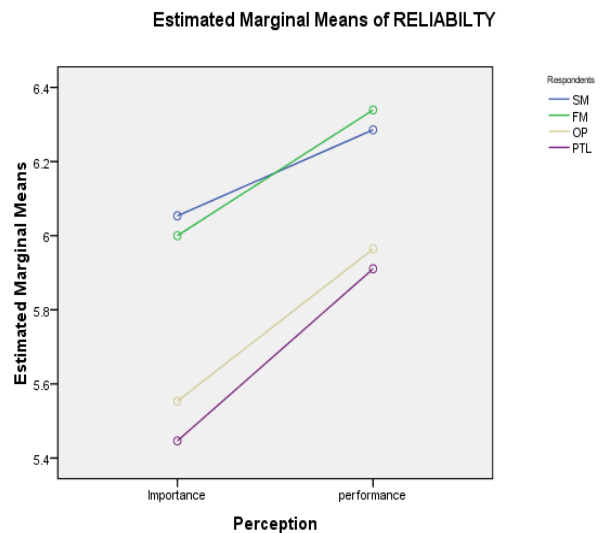
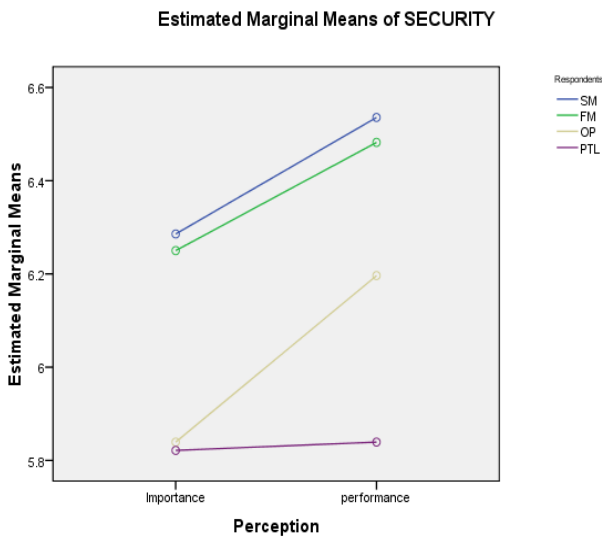


Figure 4.7: Profile Plot F



Cases F (Reliability) and G (Security) show no interaction. In both cases, perception and respondent exploratory variables are significant, because of the changing trend effect on the outcome.

Figure 4.8: Profile Plot G



In summary, using a significance level of $\alpha = 0.05$ we can see that respondents effect on outcomes were statistically significant for all factors. However, perception effect on outcomes is different for different factors. The main results of test cases depict that the interaction between the explanatory variables respondents and perception across all the seven factors were not significant; so we have no evidence to reject the additive model, and we conclude that respondents effects on the outcome are the same for both perceived importance and performance of each of the seven attributes in procurement practices effect on business performance. If the interaction p-values were statistically significant, then we could have concluded that the effect on the mean outcome of a change of a factor depends on the level of other factors. However, in all test cases produced, the interaction p-value was not statistically significant. As such, a re-run of the ANOVA without the interaction as the main effect only additive model is considered for further statistical data analysis.

Re-run of ANOVA without the interaction

To further understand the statistical data, Levene’s test of equality of error means was carried out and results were presented in Table 4.6. The significance result for homogeneity of variance is $< .05$, for all factors which depicts that the error variances are not equal across means. As such, the assumptions of the ANOVA test were violated.

Table 4.6: Levene’s Test of Equality of Error Variances:

Exploratory variables	F	df1	df2	Sig.
Commitment	9.084	7	440	.000
Openness	3.564	7	440	.001
Honesty	12.821	7	440	.000
Closeness	9.689	7	440	.000
Competence	9.700	7	440	.000
Reliability	6.944	7	440	.000
Security	5.291	7	440	.000

Source: Developed from the findings of this study

Because no further information can be deduced as to which subject effects behave differently, as such, it is critical to look at the post hoc tests for different subjects. As such, follow up checks based on post hoc multiple comparisons were carried out to determine which specific subjects are

different from which others in order to complete the statistical analysis of the response data. Post hoc Analysis is shown in Table 4.7 it is therefore possible to concentrate on comparing the marginal means relative to the two independent variables since the results point to the subjects acting independently.

We already know from the ANOVA Table 4.6 that the effects of interaction between perception and respondents is not significant, however Games-Howell Post Hoc tests show which respondents produce significantly different outcomes.

Table 4.7: Games-Howell post hoc tests for subjects mean rating of perception of trust in procurement practices effect on business performance

Variable	(I) Respondents	(J) Respondents	Mean Difference (I-J)	Std. Error	Sig.
Commitment	SM	FM	-.12	.100	.655
		OP	.52	.124	.000
	FM	SM	.12	.100	.655
		OP	.63	.119	.000
		PTL	.46	.155	.019
	OP	SM	-.52	.124	.000
		FM	-.63	.119	.000
		PTL	-.18	.171	.724
	PTL	SM	-.34	.158	.144
		FM	-.46	.155	.019
		OP	.18	.171	.724
	Openness	SM	FM	.05	.143
OP			.35	.137	.056
PTL			.39	.180	.132
FM		SM	-.05	.143	.982
		OP	.29	.143	.170
		PTL	.34	.185	.261
OP		SM	-.35	.137	.056
		FM	-.29	.143	.170
		PTL	.04	.180	.995
PTL		SM	-.39	.180	.132
		FM	-.34	.185	.261
		OP	-.04	.180	.995

Continued

Closeness	SM	FM	.05	.143	.982
		OP	.35	.137	.056
		PTL	.39	.180	.132
	FM	SM	-.05	.143	.982
		OP	.29	.143	.170
		PTL	.34	.185	.261
	OP	SM	-.35	.137	.056
		FM	-.29	.143	.170
		PTL	.04	.180	.995
	PTL	SM	-.39	.180	.132
		FM	-.34	.185	.261
		OP	-.04	.180	.995
Honesty	SM	FM	-.04	.103	.986
		OP	.56	.133	.000
		PTL	.57	.188	.015
	FM	SM	.04	.103	.986
		OP	.60	.131	.000
		PTL	.61	.187	.008
	OP	SM	-.56	.133	.000
		FM	-.60	.131	.000
		PTL	.01	.205	1.000
	PTL	SM	-.57	.188	.015
		FM	-.61	.187	.008
		OP	.00	.205	1.000
Competence	SM	FM	-.04	.123	.991
		OP	.35	.146	.082
		PTL	.51	.195	.048
	FM	SM	.04	.123	.991
		OP	.38	.144	.042
		PTL	.54	.194	.028
	OP	SM	-.35	.146	.082
		FM	-.38	.144	.042
		PTL	.16	.209	.868
	PTL	SM	-.51	.195	.048
		FM	-.54	.194	.028
		OP	-.16	.209	.868

Continued

Reliability	SM	FM	.00	.104	1.000
		OP	.41	.120	.004
		PTL	.49	.178	.033
	FM	SM	.00	.104	1.000
		OP	.41	.123	.005
		PTL	.49	.180	.035
	OP	SM	-.41	.120	.004
		FM	-.41	.123	.005
		PTL	.08	.190	.974
	PTL	SM	-.49	.178	.033
		FM	-.49	.180	.035
		OP	-.08	.190	.974
Security	SM	FM	.04	.087	.955
		OP	.39	.099	.001
		PTL	.58	.155	.001
	FM	SM	-.04	.087	.955
		OP	.35	.101	.004
		PTL	.54	.156	.004
	OP	SM	-.39	.099	.001
		FM	-.35	.101	.004
		PTL	.19	.163	.660
	PTL	SM	-.58	.155	.001
		FM	-.54	.156	.004
		OP	-.19	.163	.660

Source: *Developed from SPSS analysis of survey data for this research*

Respondent perception of stakeholder commitment

Gomes-Howell tests show four sets of results that are statistically significant. The results show that commitment in procurement practices between senior managers and operational team leaders; senior managers and procurement team leaders; functional managers and operational team leaders; functional managers and procurement team leaders effect on business performance was significant ($p < 0.05$). *Everything taken together, the results seem to suggest that commitment in procurement practices between senior management (SM and FM) and first line managers (OP and PTL) effect on business performance was significant. The results suggest a significant gap between senior management and first line management perceptions of commitment in procurement practices effect on business performance. The gap at the same level of management (senior management or first line management) was not significant.*

Respondent perception of stakeholder openness

Gomes-Howell post hoc tests for subjects mean depict that openness in procurement practices between different levels of management was of no significance to business performance. *Everything taken together, stakeholders' openness in procurement practices effect on business performance was not significant ($p > 0.05$). Further the results suggest that the perceptions gap of openness in procurement practices effect on business practices was not significant between different levels of management.*

Respondent perception of stakeholder closeness

As is the case with openness, Gomes-Howell tests for subjects means depict that closeness in procurement practices between different levels of management was of no significance to business performance. *As such, it seems to that that stakeholders' closeness in procurement practices effect on business performance was not significant. The results suggest that the perceptions gap of closeness in procurement practices effect on business practices was not significant between different levels of management.*

Respondent perception of stakeholder honesty

Gomes-Howell tests depict eight sets of results are statistically significant ($p < 0.05$). The results show that honesty in procurement practices between senior managers and operational team leaders; senior managers and procurement team leaders; functional managers and operational team leaders; functional managers and procurement team leaders had significant effects on business performance. Also, the results depict that honesty in procurement practices between senior managers and functional managers; operational and procurement team leaders effect on business performance was not significant ($p > 0.05$). *Everything taken together, the results seem to suggest that honesty in procurement practices between senior management (SM and FM) and first line managers (OPTL and PTL) effect on business performance was significant. The results suggest a significant gap between senior management and first line management perceptions of honesty in procurement practices effect on business performance. The gap at the same level of management (senior management or first line management) was not significant.*

Respondent perception of stakeholder competency

Gomes-Howell tests depict three sets of results that are statistically significant. The results show that competency in procurement practices between senior managers and procurement team leaders; functional managers and operational team leaders; functional managers and procurement team leaders effects on business performance was significant ($p < 0.05$). However, competence in procurement practices between senior management (SM & FM) or first line managers (OPTL & PTL) effect on business performance was not significant for both cases. *Everything taken together, the result seems to suggest that competency in procurement practices between a senior managers or first line managers on their own has no significant effect on business performance. The results suggest a significant gap between senior management and first line management perceptions of competence in procurement practices influence firms' business performance. The gap at the same level of management (senior management or first line management) was not significant.*

Respondent perception of stakeholder reliability

Gomes-Howell tests show four sets of results that are statistically significant. The results show that reliability in procurement practices between senior managers and operational team leaders; senior managers and procurement team leaders; functional managers and operational team leaders; functional managers and procurement team leaders' effect on business performance were significant. However, reliability in procurement practices in senior management and first management on separately has no significant effect on business performance. *Everything taken together, reliability in procurement practices between senior management and first line management effect on business performance is significant ($p < 0.05$). The results suggest a significant gap between senior management and first line management perceptions of reliability in procurement practices influence business performance. The gap at the same level of management (senior management or first line management) was not significant.*

Respondent perception of stakeholder security

Gomes-Howell tests show four sets of results that are statistically significant. The results show security in procurement practices between senior managers and operational team leaders; senior managers and procurement team leaders; functional managers and operational team leaders; functional managers and procurement team leaders effects on business performance were significant ($p < 0.05$). *Everything taken together, security in procurement practices between senior management and first line management effect on business performance was significant. The results suggest a significant gap in between senior management and first line management*

perceptions of security in procurement practices influence business performance. The gap at the same level of management was not significant.

Welch / Brown-Forsythe Robust Test of Equality of Means between firms’ perceptions of trust in procurement practices effect on business performance.

Table 4.8 Robust Tests of Equality of Means: firms’ perceptions of importance of trust attributes in procurement practices effect on business performance.

Factor	Senior Management	Functional Management	Operational Team leaders	Procurement Team leaders
Commitment	.026	.004	.033	.032
Openness	.418	.645	.560	.589
Honesty	.517	.181	.086	.714
Closeness	.004	.100	.436	.945
Competence	.078	.005	.013	.717
Reliability	.038	.133	.001	.347
Security	.016	.016	.731	.046

Source: Developed form survey data

Table 4.8 depicts Welch / Brown-Forsythe Robust Test of Equality of Means that firms’ management perceptions of importance of commitment in procurement practices effect on business performance was significant. Further senior managers’ perceptions importance of closeness; reliability and security in procurement practices effect on business performance were significant. Functional managers and operational managers’ perceptions of importance of competence in procurement practices effect on business performance was significant. Operational managers perceptions of reliability in procurement practices effect on business performance was significant ($p < 0.05$). Also, procurement team leaders’ perceptions importance of security in procurement practices effect on business performance. *Everything taken together, the results depict that firms perceptions of importance of different attributes of trust in procurement practices effect on business performance varied significantly. The results suggest that there are gaps in firms’ perceptions of trust attributes in procurement practices effect on business performance.*

Table 4.9 Robust Tests of Equality of Means: firms’ perceived performance of trust attributes in procurement practices effect on business performance.

Factor	Strategic Management	Functional Management	Operational Team leaders	Procurement Team leaders
Commitment	.035	.056	.009	.034
Openness	.249	.147	.277	.139
Honesty	.845	.504	.063	.717
Closeness	.089	.367	1.000	.724
Competence	.587	.244	.109	.492
Reliability	.019	.222	.002	.011
Security	.062	.040	.144	.029

Source: Developed form results of this study

Table 4.9 depicts Welch / Brown-Forsythe Robust Test of Equality of Means those firms’ senior managers; operational team leaders and procurement team leaders’ perceptions of commitment and reliability performance in procurement practices effect on business performance were significant. Functional managers and procurement team leaders perceptions of performance of security in procurement practices effect on business performance was significant. *Everything*

taken together, the results depict that firms perceptions of performance of different attributes of different trust in procurement practices effect on business performance varied significantly. The results suggest that there are gaps in firms' perceptions of different trust attributes in procurement practices effect on business performance.

Table 4.10 Robust Tests of Equality of Means: Buyer – Supplier firms' factor perception performance and importance

Factor	Buyer Firm	Supplier Firms
Commitment	.094	.016
Openness	.670	.127
Honesty	.812	.356
Closeness	.320	.819
Competence	.216	.908
Reliability	.234	.000
Security	.238	.067

Source: Developed from the results of this study

Table 4.10 depicts Welch / Brown-Forsythe Robust Test of Equality of Means that buyer and supplier firms' perception of importance and performance of commitment and reliability in procurement practices combined effect on business performance was significant. However, buyer firms perceptions of importance and performance of trust attributes in procurement practices effect on business performance is not significant. *Everything taken together, there is a gap between buyer and supplier firms perceptions of importance and performance of trust attributes in procurement practices combined effect on business performance.*

Table 4.11 Robust Tests of Equality of Means: Firms factor performance of importance

Factor	Firms Factor Perception of importance	Firms Factor Perception of performance
Commitment	.000	.000
Openness	.256	.009
Honesty	.089	.622
Closeness	.061	.211
Competence	.003	.063
Reliability	.001	.000
Security	.624	.708

Source: Developed form results of this study

Table 4.11 depicts Welch / Brown-Forsythe Robust Test of Equality of Means that firms combined perceptions of commitment, competence and reliability importance in procurement practices combined have significant effect on business performance. Also, firms perceptions of commitment, openness and reliability performance in procurement practices combined have a significant effect on business performance. *Everything taken together, firms' perceptions of particular combinations of trust attributes in procurement practices effect on business performance are significant. Also, there are gaps between firms' perceptions of trust attributes in procurement practices combined effect on business performance.*

4.9 Salient points relevant to answering of research questions 3.

A number of salient points from the analysis relevant to answering questions 3 of the research include:

- *The interaction between firms' perceptions and respondents in procurement practices effect on business performance is not significant.*
- *There are significant gaps between senior management and first line management perceptions of commitment; honesty; competence; security in procurement practices effect on business performance.*
- *The gap at the same level of management (senior management or first line management) was not significant.*
- *The perceptions gaps of closeness and openness in procurement practices effect on business performance are not significant. Openness and closeness in firms procurement practices effect on business practices is not significant between different levels of management*
- *The gap at the same level of management (senior management or first line management) was not significant.*
- *There are gaps in firms' perceptions of trust attributes in procurement practices effect in business performance.*
- *There are eminent gaps in firms' perceptions of trust attributes in procurement practices effect on business performance.*
- *There are gaps between buyer and supplier firms' perceptions of importance and performance of trust attributes in procurement practices combined effect on business performance.*
- *There are gaps between firms' perceptions of trust attributes in procurement practices combined effect on business performance.*

4.10 Results Discussion

Conclusion about Research Question 1: *Is there relationship between firms' perceived performance and importance of procurement practices effect on business performance?*

This study investigated the various procurement practices prevalent in buyer and supplier firms in Zimbabwe's banking industry, to provide insights about different firms' perceived importance and performance of procurement practices effect on overall business performance. To find out the prevalent relationship between procurement practices importance and performance effect on business performance was determined by reviewing of identified 28 exhibits of the seven attributes of trust prevalent within and across firms. *Table 4.12* provides in summary the 28 exhibits of the seven attributes of trust in procurement practices *identified* in the case study findings of this study as influencing business performance.

Table 4.12 Summary of 28 exhibited trust attributes interconnecting firms' procurement practices and business performance

Exhibit	Alternative supporting exhibit
Closeness	
<i>Joint decision making</i>	Open communication of business decisions
<i>Building joint outcomes</i>	Core-workmanship / share risks and benefits
<i>Social bonding</i>	Relational exchange ties between stakeholders
<i>Sharing of information</i>	Effective communication
Openness	
<i>Internal stakeholder engagement</i>	Cross functional teams / joint decision making
<i>External stakeholder engagement</i>	Partnerships / team work
<i>Working together</i>	Knowledge exchange / joint training / share expertise
<i>Willingness to disclose trade secrets</i>	Open book approach / joint consultations
Commitment	
<i>Senior management support</i>	Empowerment / autonomy / resourcing
<i>Long term relationship</i>	Joint investments / collaboration / risk taking
<i>Coordinated arrangements</i>	Joint consultations
<i>Structured organisation</i>	Coordinated approach / decision making / controls / strategy / planning / coordination /
<i>Willingness to make idiosyncratic investment</i>	Supportive of joint programs
<i>Leadership and accountability</i>	Advisor / taking responsibility
<i>Visibility</i>	Outstanding / takes a leading role
<i>Willingness to take risk</i>	Joint investments / takes identified opportunities
Security	
<i>Acceptance of duty to protect rights of partners</i>	Reliable / respectful
<i>Acknowledgement of duty to protect interests of partners</i>	Accountable / responsible
Honesty	
<i>Ethical conduct</i>	Professionalism / respect / structure guiding principles

<i>Transparency</i>	Open book / open door policy
<i>Open intentions / motives</i>	Integrity / takes ownership of their mistakes
Competence	
<i>Credibility</i>	Good and regular standing
<i>Character endorsement</i>	Respectable / approved
<i>Traceable reference</i>	Track record / history / experience
Dependability	
<i>Reliable</i>	Loyalty
<i>Deliver on promises</i>	Consistence
<i>Walk the talk</i>	Trustworthy
<i>Flexibility</i>	Accommodating

Source: *Developed from case study research findings and reviewed literature*

In conclusion, this research study identified 28 interconnections of procurement practices and business performance existing within and across buyer and supplier firms in Zimbabwe's banking industry. The extent of firm's procurement practices effect on business performance in the investigated buyer and supplier firms depended on the exhibited level interconnection between performance and importance of trust attributes within and across firms practices. Further, the identified 28 interconnections of firms prevalent procurement practices effect on business performance exhibited in the research case study findings and reviewed literature can be broadly classified as behavioural based (intangible) or visible and tangible. Notably, the identified 28 interconnections of procurement practices and business performance are essentially 'new' insights in the broader area of procurement and supply chain management that are not addressed by the previous literature as critical to firms procurement practices and business performance. As such, further insights about the 28 interconnections of procurement practices effect on business performance provided precise and comprehensive lists of exhibits of trust attributes in a simplified way for management easy comprehension which is a contribution to body of knowledge as no previous research has revealed this finding.

Conclusion about Research Question 2: *Are there similarities and differences between firms' overall perceptions of procurement practices and business survival?*

This question investigated the various procurement practices prevalent in buyer and supplier firms identifying differences and similarities. It is apparent from the results of this research that firms have similarities and dissimilarities in perceived performance and importance of procurement practices effect on business performance. Also, revealed through this study results, is the fact that economic down turn and unpredictability of the supply market formed the primary drivers of firms' prevalent procurement practices. Both identified primary drivers of prevalent procurement practices are external to firms and essentially form part of the macro environmental factors. Based on the case study research findings, it is apparent that firms react differently to both internal and external drivers of procurement practices. Also, eminent from the findings of this study is that different firms exhibited having reached different levels procurement practices

sophistication / maturity. However, it is apparent that both buyer and supplier firms procurement practices were driven by several internal and external factors. Essentially, it is noted that management of firms have the can control internal factors and seek to minimize the impact of external factors influencing firms' procurement practices. Further analysis of the case study research findings also show that other inferred drivers of procurement practices in firms included size of firm; nature of goods and services and firm's background. Both case study and survey research findings show that firms consider procurement as an essential part of the business.

Conclusion about Research Question 3: *What gaps exist within and between firms' procurement practices and their effect on business survival in a turbulent environment?*

The research results show several gaps in firms' perceived importance and performance of procurement practices effect on business performance. However, only four of the several identified gaps showed significant effect on both within and across firms procurement practices effect on business performance. The findings of this study show eminent gaps in prevalent within and between firms' procurement practices effect on business performance. On the basis of this study, a conclusion has been reached that overall, perceived performance and importance of the procurement practices effect on business performance vary between firms. The identified gaps in procurement practices were reflected by difference in firms thrust between perceived importance (sacrifices and investments made by companies) and perceived performance (multifaceted benefits resulting from the sacrifices and investments made by companies). As such, the gaps show that prevalent procurement practices are disjointed both within and between firm in Zimbabwe banking industry.

This finding confirms that procurement is not that visible in firms and hence has little impact on business performance. There is clear indication that there is lack of shared viewed of procurement perceived importance and performance within and across firms as a strategic function which positively impact on firms purpose, direction, and contribution to overall performance of the business. The identified gaps show that due to lack of procurement visibility and impact within and across firms, practitioners lack confidence, motivation, empowerment, direction and leadership to operate effectively within clear parameters and process. The identified gaps also show that, prevalent procurement practices lack clearly defined processes and programme for effective stakeholder management, which includes clear process for identifying and engaging effectively for mutual benefits. It is apparent, that, teams within and across firms (managers at all levels, budget holders, user teams, supplier representatives), and lack a jointed / coordinated approach to procurement practices. Eminently, the results show that, there is lack of trust within and across firms as such resulting in low intensity of information exchange and mutual adjustment within and across firms. Essentially, there is significant evidence showing that firms struggle to strike a balance between perceived importance and performance of procurement practices aligned to overall business strategy and mission.

4.11 Research hypothesis testing

In the final section of Chapter 2 of this study, a research hypothesis was developed based on the reviewed literature. The research quantitative analysis examined each of the seven attributes of trust in procurement practices prevalent in buyer / firms in Zimbabwe's banking industry effect on business performance.

The main hypothesis of this study suggested that firm's perceptions of performance and importance of prevalent procurement practices effect on business survival is positively related to the single maturity of trust attributes (commitment; openness; transparency; communication; competence; reliability and security) exhibited in the investigated firms.

It was hypothesised that firms exhibiting single maturity of trust attributes in prevalent procurement practices positively affected firms' business performance compared to those firms exhibiting less maturity. A multinomial logistic regression was used to test the hypotheses and to predict as to which of two perceptions (factor importance or performance) a respondent is likely to belong to, given certain other information (seven attributes of trust – commitment; openness; honesty / integrity; closeness; competence; reliability and security / risk and firm). This statistical analysis is used to establish which variable(s) are influential in predicting the correct categories.

Table 4.13 MLOGIT statistical analysis results

Attribute	RR (95% CI)	p- value
Firm	1.20 (0.77 – 1.86)	0.43
Commitment	1.19 (0.92 – 1.54)	0.17
Openness	0.93 (0.72 – 1.87)	0.54
Honest	0.85 (0.67 – 1.08)	0.17
Closeness	0.97 (0.82 – 1.16)	0.77
Competence	1.00 (0.79 – 1.27)	1.00
Reliability	1.33 (1.03 – 1.72)	0.03
Security	1.13 (0.87 – 1.47)	0.87
Firm: 0 Supplier (<i>reference category</i>) 1 Buyer Perception: 1 importance (<i>reference category</i>) 2 performance		

Source: Developed from the survey results

Firstly, the results of the MLOGIT test show that proposed research model based on trust attributes influence on firm's procurement practices effect on business performance was significant ($p = 0.03$). Also, the results of the test show that when we adjusted for the seven attributes of trust in firms procurement practices effect on business performance, buyer firms appear to have about 20% ($RR = 1.20$) higher perceptions of the seven attributes of trust in procurement practices effect on business performance than suppliers. However, the difference in firms perceived performance of procurement practices effect on business survival between suppliers and buyers is not statistically significant ($P = 0.43$). Firms' perceived performance of commitment is about 20% higher than perceived importance. Similarly, firms' perceived performance of security in procurement practices effect on business performance is 13% higher than the perceived importance. Furthermore, the firm's perceived performance of reliability in procurement practices is about 33% higher than perceived importance with a p – value of 0.03. Firms' perceptions of perceived importance and performance of competence in procurement practices effect on business performance are similar in both cases. As shown, openness, honesty and closeness in procurement practices are perceived by firms to be of more importance to business survival in a turbulent environment than perceived performance risk ratio (RR) – 0.92; 0.85 and 0.97 respectively.

4.12 Refined research framework

Based on the above discussions, in summary with the main findings about the case studies, a refined research framework for factors in procurement practices critical to influencing business performance has been proposed in *Table 4.14* to aid the understanding of the issues. The refined framework explains in detail some factors that are fundamental for a firm seeking to improve on the performance of its procurement practices effect on business performance. The framework summarized key attributes exhibited in both high and low trust procurement practices. The new model in conjunction with the main hypothesis of this study is further refined research framework represented in this chapter is only an updated version of the preliminary theoretical framework (Figure 2.2) discussed in Chapter 2, the component called: ‘High – Low Procurement Practices Model’. Further details and information included in the revised model was added, based on the case study analysis as discussed in the previous sections of this chapter.

Table 4.14 Revised research model

Procurement practices	Perceived procurement performance	Perceived procurement importance	Orientation of procurement practice	Effect on business performance	Procurement organizational structure
Low trust	Informal	Unstructured	Partially / uncoordinated / unstructured	Short term benefits	Decentralized / Fragmented
	Tactical	Fragmented			
	Win loose	Clerical			
	Reactive	Invisible			
	Quick wins	Administrative			Centralized
High trust	High visibility of spend	Strategic business partner	Highly coordinated / structured	Medium to long term benefits	Centralized
	Stakeholder engagement in decision making	Integral to business performance			
	Sustainable cost savings and efficiencies	Internal and external oriented			
	Continuous improvement	Aligned to overall business ambition			
	Risk management	Business ethics and conduct			
	Relationship building	Business advisor			Hybrid

Source: *Developed from case study responses analysis*

4.13 Conclusion

This chapter analyzed the data collected from twenty-two case organizations via 44 in-depth interviews and the subsequent 112 surveys conducted in this research study. The analysis of the data was done by using both within case and cross case analysis facilitated by detailed content analysis. Firstly, the background of the case study organizations was provided and profiles of the case study respondents were provided in Chapter 3. Secondly, within and across case analysis for twenty-two firms, which participated in the interviews, are discussed in this chapter.

Both qualitative and quantitative analyses were included for overall assessment of identified factors and different perceptions across different stakeholders within and across cases. Thirdly, the findings of all the twenty-eight case studies were summarized. For each proposed factor, an across cases analysis was provided. According to overall across cases assessment, factors were divided into groups of *not supported by the case study*, *supported by the case study*, and *have conflict findings across cases* and are then discussed in detail in the conclusions chapter (Chapter 5). Finally, based on the case study analysis, a refined research framework for this study was developed from the case study.

CHAPTER 5

CONCLUSION AND RECOMMENDATIONS

This final chapter presents the main conclusions of this research study and seeks to answer the three fundamental questions of this research project. Also, recommendations are made for practitioners and academics from the findings of this study. Scholars and practitioners with interest in procurement and supply chain management broader issues may benefit from the insights and the experiences of this research project. Further, this chapter also explains how this study contributes to the body of knowledge in the subject area and also provides the implications to management of prevalent procurement practices effect on business performance in a turbulent economy. In conclusion, the chapter also suggests area and direction for future research.

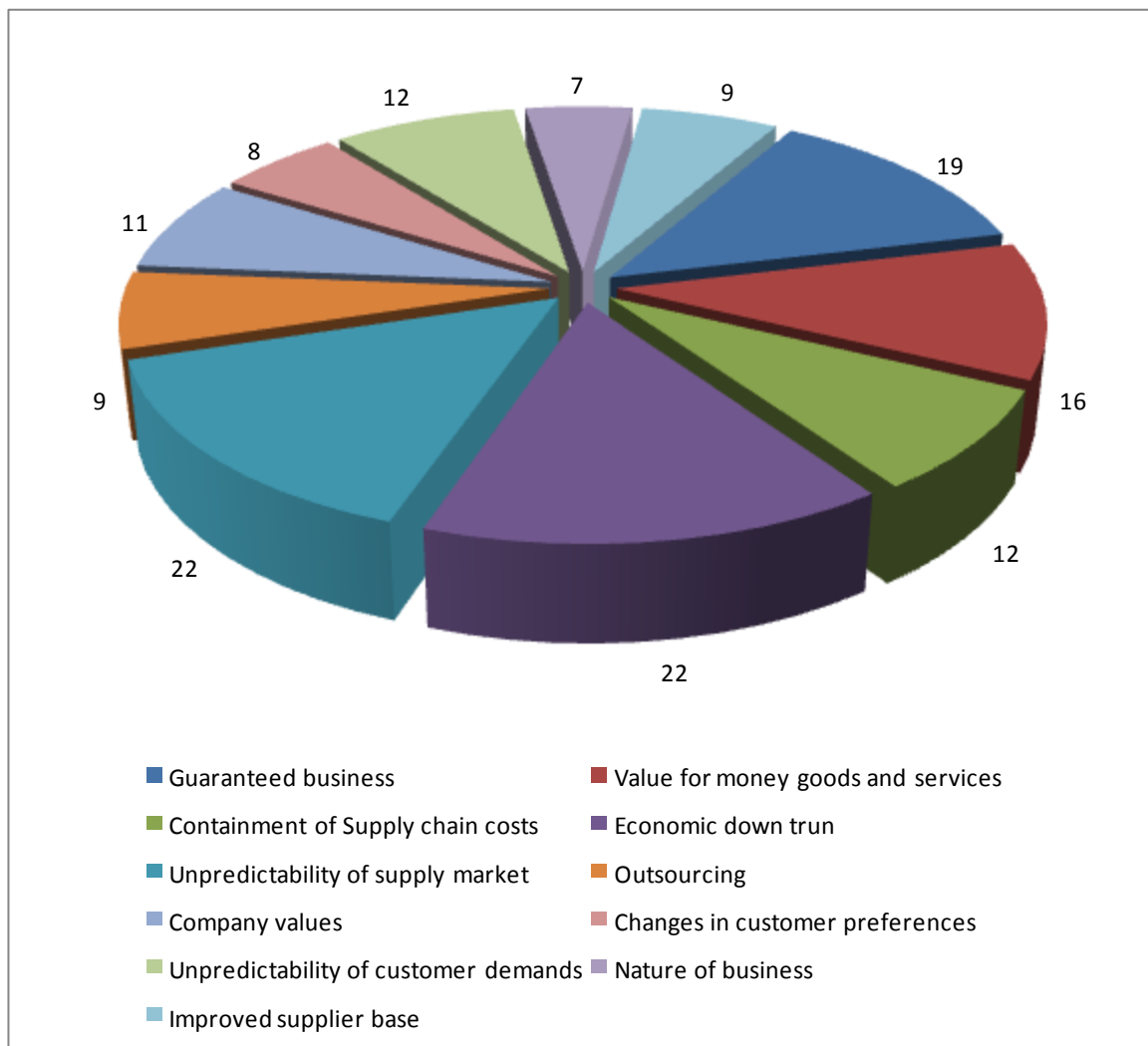
5.1 Summary of research findings and conclusions

The analysis and interpretation of the data from the case companies' qualitative and quantitative research findings are drawn out and discussed in Chapters 4. Detailed case study research findings are summarized in *Figure 5.1, Tables 5.1 and 5.2*, and survey findings are depicted in *tables 5.3 and 5.6*.

5.1.1 Case studies research conclusions

Figure 5.1 depicts several insights regarding drivers of prevalent procurement practices in buyer and supplier firms in a turbulent environment. Clearly, this figure summarizes the case study research findings upon which a number of conclusions are deduced. Firstly, it is concluded that firms in turbulent environment procurement practices effect on business performance is driven by economic down turn and unpredictability of supply market as the primary drivers of prevalent procurement practices. The findings of this study exhibited that all firm investigated 22 (100%); showed this element. Further, the findings of this study led to a conclusion that additional to primary driver are several secondary drivers of firms prevalent procurement practices also depicted in Figure 5.1 which include: outsourcing practices; which influence 9 (41%) firms; need for guaranteed business which influence 19 (86%) firm's; company values which influence 11 (50%) firms; need to secure value for money goods and services which influence 16 (73%) firms; changes in customers preferences which influence 8 (36%) firms; unpredictability of customer demands influence 12 (55%) firms; nature of business influence 7 (32%) firms; supplier base reduction influence 9 (41%) firms; and containment of supply chain related costs which influenced 12 (55%) firms; perceptions of procurement practices effect on business performance. It is apparent, based on the findings, of this research study that economic down turn and unpredictability of supply market and possibly need for guaranteed business are the main or primary drivers of prevalent procurement practices. Also, depicted are nine other secondary drivers of procurement practices in buyer – supplier firms in Zimbabwe banking industry.

Figure 5.1 Drivers of procurement practices prevalent in Zimbabwe's banking industry



Source: Developed from the research findings of this study

Further, *table 5.1* presents a summary of case study research findings highlights based on 28 exhibits of trust attributes (commitment; openness; competence; closeness; reliability; honesty; and security) in firms' prevalent procurement practices. The table depicts analysis of exhibited trust constructs within firms and 91% of the cases exhibited that competence in procurement practices had effect on business performance; 86% exhibited that security in procurement practices had effect on business performance. Reliability in procurement practices effect in business performance was exhibited in 77% of the firms; and 68% of the firms exhibited that honesty in procurement practices effected business performance. Also, 59% of the firms exhibited that commitment and closeness in procurement practices effect business performance. Finally, 55% of the firms exhibited openness in procurement practices influence on business practices. It is also inferred based on the research findings that size of firm, background, nature of business and products were further drivers of prevalent procurement practices.

Table 5.1 *Highlights from case study results*

Factor	Cases exhibiting factor evidence out of 22 Case studies	Cases exhibiting particular factor % Of cases studied	Simple ranking of factor dominance across cases
Commitment	13	59%	5
Openness	12	55%	6
Honest	15	68%	4
Closeness	13	59%	5
Competence	20	91%	1
Reliability	17	77%	3
Security	19	86%	2

Source: *Developed from the SPSS analysis of survey results*

Reviewed literature identified typical drivers of procurement practices in firms show similar findings. Typical drivers identified in earlier research studies include strategic importance of goods and services; unpredictability of customer demand; unpredictability of supplies and overall market conditions; nature or type of business; nature and characteristics of product or service, value of total spend on particular goods and services and attractiveness of customer account (Dubois and Perderon, 2002; Hines, 2004; Kraljic, 1993). Essentially, partners are motivated by need to maximize shareholders' wealth through ensuring secure, efficient and effective business operations. According to Kanter (1989), definition of buyer and supplier partnerships – it is a long-term process and should not be viewed as an instant cost saving exercise but rather as an investment, which is very much how Japanese manufacturers viewed relationships with suppliers of materials goods and services.

Based on the findings of this study, it is concluded that different combinations of identified primary and secondary factors influence firms prevalent procurement practices effect on business performance. Everything taken together, it can be concluded from the research findings of this study, that firms ranked top competence, security; reliability; honesty; closeness; commitment and closeness influence on firms procurement practices effect on business performance. Also, on average, it can be concluded that over 50% of the firms exhibited that the seven attributes of trust influencing on firms' procurement practices effect on business performance.

Also table 5.2 depicts those trust attributes exhibited in buyer and supplier firms in Zimbabwe banking industry prevalent procurement practices effect on business performance.

Table 5.2 Responses to Questions 2 to 8 summarized by firm

<i>Firm</i>	<i>Commitment</i>	<i>Openness</i>	<i>Competence</i>	<i>Closeness</i>	<i>Reliability</i>	<i>Honesty</i>	<i>Security</i>	<i>Score</i>
C01	√	√	√	√	√	√	√	7 (100%)
C02	√	√	√	√	√	√	√	7 (100%)
C03	√	√	√	√		√	√	6 (86%)
C04	√	√	√	√	√	√	√	7 (100%)
C05	√	X	√	√	X	√	√	5 (71%)
C06	X	X	√	X	X	X	√	2 (29%)
C07	X	X	√	X	X	X	√	2 (29%)
C08	√	X	√	√	X	X	√	4 (57%)
C09	X	X	√	X	X	X	√	2 (29%)
C10	X	X	√	X	X	X	√	2 (29%)
C11	√	√	X	√	X	√	√	5 (71%)
C12	X	√	X	√	X	√	√	4 (57%)
C13	X	X	X	X	X	X	√	1 (14%)
C14	X	X	X	X	X	X	√	1 (14%)
C15	√	X	√	√	√	√	√	6 (86%)
C16	√	√	√	√	√	√	√	7 (100%)
C17	X	X	√	√	√	√	√	5 (71%)
C18	X	X	X	√	X	X	√	2 (29%)
C19	√	X	√	√	√	√	√	6 (86%)
C20	X	X	X	X	X	X	√	1 (14%)
C21	√	√	√	√	√	√	√	7 (100%)
C22	√	√	√	√	√	√	√	7 (100%)

■ *Score* – total number of 'yes' out of seven attributes of trust
 ■ *High maturity of trust in procurement practices*
 ■ *Low maturity of trust in procurement practices*
 ■ *Moderate maturity of trust in procurement practices*
 √ *Exhibited evidence of factor*
 X *Factor not exhibited*

Source: Developed from analysis of case study findings of this study

According to table 5.2, the exhibited levels of trust attributes prevalent in different firms procurement practices taken together were are coded red, green or amber colour to indicate level of trust maturity which is the basis of the hypothesis developed and tested in this study. The green colour depicted those firms, which exhibited all the seven attributes of trust, while the red colour depicts those firms exhibiting the least constructs of trust in procurement practices as having least attributes out of the seven. The amber colour depicts those firms exhibiting moderate evidence of some of the seven attributes of trust in procurement practices influencing business performance.

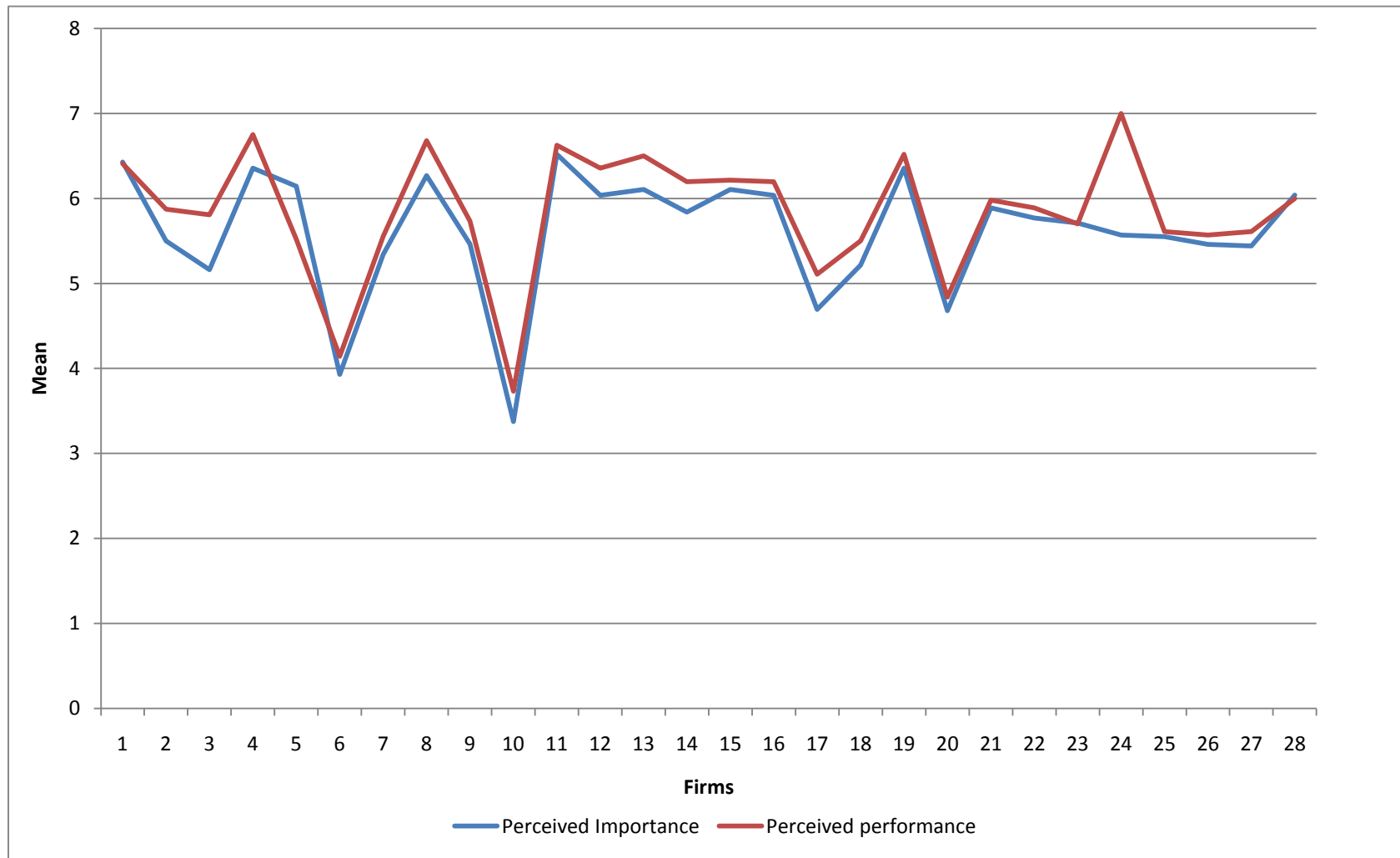
Everything taken together, it is concluded from the findings of this study that firms procurement practices exhibit different attributes of trust. As depicted in table 5.2, it is apparent that firms' level of trust attributes in procurement practices varies with size of firm, large (multinational firms) and small (indigenous) firms; background and type of goods and services the company is involved in. As such, it is concluded from the findings of this study that firms regardless of whether they are buyers or suppliers; manufacturers or distributors, large or small, perceived

differently the importance and performance of trust in procurement practices as effect on business performance.

5.1.2 Conclusions on surveys research findings

Table 5.3 depicts a summary of mean scores of firms' perceptions of procurement practices importance and performance effect on business performance revealed by the findings of this study. Based on the findings of this study, it also concluded that firms in Zimbabwe banking industry have a high perceptions of performance compared to importance of procurement practices effect on business performance. It is further concluded that four eminent gaps exist which are statistical significant in influencing firms business performance.

Table 5.3 Comparison of firms overall perceptions of performance and importance of seven attributes of trust in procurement practices



Source: Developed from the survey results of this study

The ANOVA tests carried out in Chapter 4, further supports the earlier conclusions of this study that there are eminent gaps in firms perceived importance and performance of trust attributes in procurement practices effect on business performance and provided further insights about the gaps:

Gap 1: *There is a gap between firms' senior managers (SM and FM); and first line managers (OPTL and PTL); perceptions of commitment; honesty; competence; and security in procurement practices effect on business performance.*

Gap2: *There is a gap between buyer and supplier firms' perceptions of trust attributes in procurement practices effect on business performance.*

Gap 3: *There is a gap between buyer and supplier firms' perceptions of importance and performance of trust attributes in procurement practices combined effect on business performance.*

Gap 4: *There is a gap between firms' perceptions of trust attributes in procurement practices combined effect on business performance.*

As such, it is concluded that firms' levels of management did not have a common perceptions of procurement practices effect on business performance. The findings of this study reveal that generally, senior and functional managers had a common perception different to that of operational team leaders and procurement team leaders. As such, it is concluded based on the findings of this study that firms investigated lack a shared view of procurement practices as a strategic activity by all stakeholders and lack of positive aspirations regarding the purpose, direction and contribution the function makes to overall performance. Also, it is concluded based on the findings of this study that relational exchange partners have different perceptions of the importance and performance of procurement practices effect on business performance as depicted by *Gap 2* identified in this study. *Gap 3*, lead to the conclusion that taken together gaps within and across relational exchange partners' perceptions of importance and performance of procurement practices effect on business performance had a combined effect prevalent procurement practices effect on business performance. Similar conclusions to the latter are arrived at based on *Gap 4*, supported by the findings of this study. The next section of this Chapter provides further relevant insights about major characteristics of the Zimbabwe banking industry context and settings as they underpinned the findings of this study.

5.2 Conclusion about particularities of Zimbabwe banking industry context and setting

The findings of this study provide interesting insights and particularities of Zimbabwe banking industry context and setting which form an essential part of this study. Based on the findings of this study following particularities are identified as playing a significant role in shaping prevalent procurement practices effect on business performance:

- Unpredictability of supply market as this element forms part of the primary driver of prevalent procurement practices is exhibited the findings of this study.
- Changing economic, political, social and technological dynamics
- Disastrous supply interruptions
- Immature / unsophisticated supply chain management
- Lack of attention to a distinctive approach to adoption of effective procurement practices
- Lack of well configured and well managed inter-organizational relational exchanges
- Lack of coordinated procurement approach aligned to overall business objectives and strategy.

Eminently, the findings of this study leads to a conclusions that three factors: 1) *environment*; 2) *structure*; and 3) *size of firm*, play an important role in shaping firms perceived performance and importance of procurement practices effect on business performance. In a way, the findings of

this study starkly stipulate that procurement practices effect on business performance in Zimbabwe banking industry are marred by *ambiguity, uncertainty, unpredictability / complexity risks, and distrust*. It is apparent from the findings of this study that in a turbulent environment firms have limited control of the supply chain dynamics. The lack of willingness by firms to acceptance of vulnerability, and commitment to reduction of uncertainty and complexity associated with the supply chain is a major challenge confronted by firms investigated in this study. However, Bhattacharjee, (2002); argue that relational exchange partners are only likely to accept vulnerability if they have a positive view of the other partner to whom they make themselves vulnerable.

Apparently, in a turbulent environment it is evident that relational exchange partners struggle to rely on the other partner as there are major challenges to predict the future of the business due to uncertainty and partners are more risk averse. It is eminent that firms in Zimbabwe's banking industry are faced with unpredictability / complexity of the macro environmental forces. However, De-George (2003) argue that there is no guarantee of trust between relational exchange partners even in perfect settings / or stable environment. Many scholars stipulate reduction of uncertainty as the most important function of trust in relational exchanges (Gefen, 2000; Gefen et al, 2003; Gallivan and Depledge 2003; Pennington et al 2004). Uncertainty in a turbulent environment faced by firms in Zimbabwe's banking industry is closely related to threat of business *performance, security and risk*. According to reviewed literature it seems that the most valuable attribute to a firm in a turbulent environment where control of the supply chain is lacking and future interactions are difficult building trust between partners.

According to Kwon and Suh, (2005), decision making uncertainty encapsulates the degree of predictability of firms and essentially, predictability of partners business performance and behavior reduce the uncertainty which in turn, result in increased reliability / dependability between firms leading to formation of high trust procurement practices. It is apparent that firms perceived procurement practices importance and performance effect in business performance were also influenced by background of firm, size and prevalent organizational structure. A general analysis of trends, show that large multinational firms perceived highly the importance and performance of procurement practices effect on business performance than indigenous firms. Also, the turbulent environment seemed to have limited effect of larger firm's structure compared to indigenous firms. The next section of this chapter makes conclusions about the research the three questions adopted to animate this research study.

5.3 Conclusions about the three research questions

This section presents the conclusions reached about the three research questions. A summary of the main contributions of the three research questions is depicted in *table 5.4*.

Table 5.4 Summary of the three research questions conclusions and contributions

Research Question	Conclusions based on the findings of this research	Contributions
1	<p>Is there a relationship between firms' perceived performance and importance of procurement practices effect on business survival? (Yes)</p> <p><i>Firms procurement practices effects on business performance are interconnect by 28 exhibits of the seven attributes of trust.</i></p> <p><i>The interaction between firms' perceptions and respondents in procurement practices effect on business performance is not significant.</i></p>	<p>Not supported by current research findings</p> <p>Not supported by current research findings</p>
2	<p>Are there similarities and differences between firms' overall perceptions of procurement practices and business survival? (Yes)</p> <p><i>Primary drivers of procurement practices are similar for both buyer and supplier firms</i></p> <p><i>Secondary drivers of procurement practices vary across different firms</i></p> <p><i>Firms perceptions of importance and performance of firm procurement practices effect on business performance show both similarities and dissimilarities within and across cases</i></p>	<p>Partially supported by current research</p> <p>Empirically new research finding</p> <p>Finding not supported by existing research findings</p>
3	<p>What gaps exist within and between firms' procurement practices and their effect on business survival in a turbulent environment? (4 significant gaps)</p> <p>Gap 1: <i>There is a gap between firms' senior management and first line management perceptions of commitment; honesty; competence; and security in procurement practices effect on business performance.</i></p> <p>Gap2: <i>There is a gap in firms' perceptions of trust attributes in procurement practices effect on business performance.</i></p> <p>Gap 3: <i>There is a gap between buyer and supplier firms' perceptions of importance and performance of trust attributes in procurement practices combined effect on business performance.</i></p> <p>Gap 4: <i>There is a gap between firms' perceptions of trust attributes in procurement practices combined effect on business performance.</i></p>	<p>Gap supported to some extent by several previous research findings but not tested.</p> <p>Gap not supported by previous research findings.</p> <p>Gap not supported by previous research findings.</p> <p>Gap not supported by previous research findings</p>

Source: Developed from reviewed literature and research findings

5.4 Limitation of the study

The limitations of a study imply that the results concluded may not be transferable to other sectors in different contexts and settings (Yin 2003). All companies in this study are located in Zimbabwe. In essence, Zimbabwe's economy is unique compared to most economies of the world because of the prevailing socio - political and economic situation. As such, this element therefore impacts on generalization of research findings and applicability to other economies of the world with different contractual settings. Other factors limiting this study include, time and financial constraints, lack of modern technology to enable easy communication and collection of relevant information, confidentiality and regulatory or compliance issues, were major limitations that affected the scope and proceedings of this study. Due to prevailing economic challenges facing the economy of Zimbabwe, firms procurement practices are manual based, hence a major limitation to development of sophisticated procurement practices and use of electronic data interchange which enhance exchange of information between buyer and supplier firms. This limitation also affected the research proceedings as information was manually collected from company records, trade journals. Notably, another limitation of this study is that the findings of this study are restricted to buyer and supplier firms in Zimbabwe banking industry and such a limitation may give different research findings and results if this study is to be replicated in other sectors with different context and settings. Further limitation of this study is that it was, with a few exceptions, conducted from the procurement function's point of view. This perspective may have biased the answers that were given to the research questions and findings.

Future researches in this area of study should seek more input from buyer and supplier firms in other sectors and economies. Ideally, both selected and eliminated suppliers should be studied in order to gain a better understanding of perceived importance and performance of procurement practices across different industries. An additional limitation of this study was the size of the case study companies. The respondent companies comprised of very large and medium size companies with average annual spend between US\$30 million and US\$500 million and exclude smaller firms (SMEs). These case study organization demographics could potentially limit the generalizability of the research findings to companies of similar size and market clout. Future research should seek to include even smaller firms, which may have complete may have different procurement practices. However, despite these identified limitations, this study has made an attempt to draw up the findings that have implications for both current and future research theory and practice by investigating a much broader spectrum of firms across different sectors such as in manufacturing; distribution; services industry; construction industry; automobile industry to mention a few to improve on the generalization of the research findings.

5.5 Conclusion about the research topic

Everything taken together, the findings of this study lead to several conclusions about the research topic that: 1); firms procurement practices effect on business performances is interconnected by 28 exhibits of the seven attributes of trust discussed in Chapter 4 and explored for the first time in this research study; 2); several drivers both internal and external to the firms influence procurement practices. 3); largely driven by an accumulation of several primary and secondary drivers (economic down turn and unpredictability of the supply market) both internal and external to the firm. The results of this study show that secondary drivers of procurement practices in businesses included the need for guaranteed business; value for money goods and services; quality goods and services; containment of supply chain related costs; continued business; better ways to serve customers; and the need to build mutual beneficial long term relationships with relational exchange partners. 4); Inferred drivers of procurement practices also identified based on the trends established from the results of this study included size of firm; background of firm and nature of goods and services; and 5); lastly, the results also show that firms have different

perceptions of importance and performance of procurement practices effect on business performance and led to conclusions that four gaps within and between firms' had effect on business performance were identified for management consideration. Everything taken together, it is concluded that procurement practices effect on business performance is influenced by level of trust in procurement function importance and performance. The next section of this study, seek to expound further on the latter argument and how this contributes to literature and theory.

5.6 Contribution of research findings and conclusions to literature and theory

From the research results and literature reviewed, new theory has been developed referred to as the *High – low trust procurement practices model* developed from reviewed literature in Chapter 2, *Figure 2.7* and later revised in *Table 4.18*. Further study of contemporary theories underpinning firms procurement practices effect on business performance were explored and conclusions made about primary and secondary drivers of firms procurement practices. Also identified for the first time in this research are the 28 exhibits of trust interconnecting firms performance and procurement practices. Also, new insights about gaps between and within firms prevalent procurement practices effect on business performance were also identified. It is concluded that several new insights in the procurement practices effect on business performance existed in Zimbabwe banking industry firms which were confirmed or disconfirmed based on empirical evidence rather than on theory alone.

The insights from reviewed literature, as well as from this research findings were reviewed at various key stages of this study and led to the development of the '*High – low trust procurement practices models*' which is a major contribution to theory in the broader area of procurement and supply chain management. After the within case and across case analysis findings in Chapter 4, a revised research model was developed to depict broader procurement practices and exhibited perceptions of importance and performance effect on business performance. The final model is therefore explained further and concluded in the next sections of this study.

5.6.1 High trust procurement practices

Reviewed literature indicated that procurement practices evolved substantially over the years resulting in firms having to seek ways to devise ways to align procurement practices effect on business performance to overall business strategy. As such, the new world order exerts pressure on buyer and supplier firms jointly to go above and beyond their conventional responsibilities to achieve mutual benefits. Also, the debate on perceived importance and performance of procurement practices effect on business performance remain top of the agenda for many firms in the wake of continued *economic down turn and continued unpredictability of the supply market*. As such, devising of best spoke procurement practices that significantly influence business performance is becoming more critical now than ever for most firms regardless of the type and nature of the business to review their procurement practices.

According to Garczor, (2009) and Giunipero et al (2006); the future of procurement in firms is bright only if buyers can add value to the business beyond cost reduction and this shift necessitates a new role for procurement professionals and experts based on devising bespoke procurement practices oriented on influencing business performance through ability to influence internal and external business decision making process. Kourim, (2009); added that having procurement technical skills alone is no longer adequate for procurement professionals to assume their new role anymore as entrepreneurial and other soft skills – general management and relationship management skills are now a must to have for buyers to ensure maximum performance of the procurement function in contemporary organizations. Several other sources and research findings show that going forward procurement will be responsible for more strategic

activities such as management of supply chain relational exchanges through provision of technical expertise and interactions with both internal and external stakeholders that goes into planning, sourcing, negotiating, managing relationships, risk management, manufacturing and distribution of the final product (Giunipero et al 2006; Hines, 2004) in an effective and most efficient way. Consequently, procurement practices in firms have become a topical issue and essentially stimulating much interest in the boardrooms today than ever. It is therefore worthwhile to examine in detail procurement function performance or contribution to achieving business ambitions and importance to business survival.

5.6.2 Characteristics of high trust procurement practices

In a high trust procurement practices, the forming and development of inter-organizational partnerships and collaborative relations is based on buyer and supplier firms compatibility of interests; mutual need; willingness to be open, sharing information as well as the benefits resulting from the relationship and; perhaps of the greatest importance trust (Baily et al, 1998; Lysons and Farrington, 2006). As such, to develop a strategic partnership that will lead to a competitive advantage, parties must commit to long term business relationship founded on trust between relational exchange partners and their willingness to make significant investments to improve both parties profitability (Chopra and Meindl, 2003; Hines, 2004; Lysons and Farrington, 2006; Porter 1990). As discussed in this study, trust is broadly defined as ‘willingness to accept vulnerability’, (Gallivan and Depledge, 2003; Pennington et al 2004), firms in Zimbabwe banking industry have to recognize the benefits of trust in improving performance of exchanging partners (Hines, 2004) by fully embracing and believing that an exchange partner will behave in the interest of the relationship and therefore significantly facilitate joint / mutual benefits.

Eminently, this change in attitude and behavior leads to a partnering process, thus evolving from the authoritarian form of relationship driven by firms need to maintain and improve product and service quality (Samli 1998, Aaker 1998) as a strategy to achieve sustainable competitiveness based on mutual benefit. The foundation to successful strategic partnerships includes working towards mutual trust, open communication, common goals, dependable / reliable; closeness, competence and credible commitments (Chopra and Meindl 2003; Baily et al 1998; Lysons and Farrington, 2006; Nair, 2004). Accordingly, such development will lead to high levels of trust between exchange partners leading to reduction in decision making uncertainty (Gao et al 2005). A number of recent studies have shown that most world leading organizations are shifting from smattering of individual suppliers to deeply interwoven supply networks, evocative of Japanese ‘keiretsu’ or South Korean ‘chaebol’ (Chopra and Meindl, 2003; Hines 2004; Ritter 2000). As such, in this form of relationship; partners “put their money where their mouth is”.

Firms, take risks to “expand the pie” – to give the partnership a strategic advantage over to other companies (Handfield, 2002), thus resulting in a strategic partnership that is founded on a win-win type of relationship (Dobler and Burt 1990, Lee and Billington, 1992). Both firms benefit from such form of relationships because the size of the pie will have increased for the advantage of both parties. Also, strategic partnerships are created explicitly to uncover and exploit joint opportunities (Mohr and Speckman, 1994). Members in strategic partnerships depend and trust on each other heavily; they share goals and agree on how to accomplish them; and their willingness to take risks, share confidential information, and make significant investments for the sake of their relationship is critical to all parties (Montgomery, 1998; Porter 1990), hence maintaining a strategic partnership that seek to accomplishes goals for both firms.

5.6.3 Low trust procurement practices

The traditional procurement practices took a rational, negotiated approach to procurement of goods and services, changing from one supplier to another, seeking to maximize benefits to best advantage at the expense of the other party (Bailey and Farmer, 1985). Predominantly, the relational exchanges between the buyer and supplier firms centered on exchange partners exploiting each other weaknesses and strengths of each party's to best advantage (Bailey et al, 1998). As a result of this simplistic view of what procurement entailed, essentially the role of procurement function was perceived in many companies as being tactical in nature, that it is a low value, back office administrative function involved in 'paperwork and pen pushing'; keeping an eye on the minutiae of contracts; processing of purchase orders, expediting of deliveries, settling claims, keeping purchases and supplier records up to date (Bailey et al, 1998; Bailey and Farmer, 1985). Storey et al (2005); added that though buyers got involved in significant interactions with supplier representatives at different levels, senior management in buyer and seller firms actually initiated such instructions and orders.

According to Westing et al. (1976) and supported by Lee and Dobler, (1977), traditionally, buyers were encouraged to take an adversarial position to suppliers using different negotiation techniques (threat, fear, emotion, persuasion and logic) to gain control. Primarily, traditional buyers focused more on cost cutting through squeezing suppliers of goods and services for lowest prices. Put simple, the procurement process involved requesting for comparable quotations from any potential suppliers of goods or services required by the business and play one supplier against the other in a bid to get lowest possible prices (Bailey et al, 1998). Then, the view of procurement centered on lowest price and nothing less, and negotiations were founded on '*I win and you lose*' basis and sacrificing other aspects critical to business mainly quality of goods and services supplied.

5.6.4 Characteristics of low trust procurement practices

In a typical low trust procurement practices, procurement arrangements are based on simple transactional exchanges between buyer and supplier interacting with each other on an arm's length basis. The buyer hands money to the seller and the seller passes the goods or services of equivalent value to the buyer (Baily et al 1998, Hines, 2006). The underlying principle in this form of procurement practice is that the buyer should acquire as much value as possible for as little money as it is necessary to pay. As such the emphasis of this form of procurement practice is getting quality goods and services at reduced costs than on creating greater value through a full exploration of what each partner has to offer to the exchange and value creation process (Hacker et al, 1999; Lockamy III and Smith, 2000; Sahay, 2003). Therefore, price is the dominant variable and no attempt is made to build up trust or long-term commitment.

Also, futurity is not a consideration: the next time a similar purchase is to be made, another transaction can take place (Lyson and Farrington, 2006). It is however simple, quick, inexpensive and straightforward. Both buyer and seller believe that the only way to go is to "get a good deal", at others expense (Achrol, 1991). Therefore, the supply chain and interactions between buyer and seller is traditionally predicted on the notion of some form of power relationship. Buyer and sellers rely on their power to give business or to take it away, often setting up a 'win-lose' situation. Arms-length relationships can be one of transactions between organizations or they can be repetitive transactions that do not develop in any form of relationship between parties.

It can be concluded that transactional oriented relations involve confrontationalist interactions and negotiations, an adversarial atmosphere many times dominate every stage of the relationship (Baily et al, 1998, Hines, 2004; Lysons and Farrington, 2006). Individual firms seek to achieve

competitive terms and conditions to their best of advantage as part of the effort to build economic efficiencies through cost, quality and prompt deliveries at other part's expense. As a result, there is lack of common goal between trading partners.

5.7 Implications for management practice

This research study has a number of implications for practicing managers. Firstly, the study explicitly explores procurement practices prevalent in Zimbabwe banking industry and their effect on business performance. Eminently, the nature and extent of gaps between the idealized depictions and the prevalent procurement practices effect on business performance are underpinned by major dynamics which require appropriate management intervention at different levels. The levels of engagement and interactions within and between relational exchange partners require a 'top – down' approach by firms if the challenge to achieve efficient procurement practices effect on business performance.

It is apparent, from the findings of this study that strength of existing bonds between firms show major weaknesses. Also, directly linked to the strength of prevalent relationships in Zimbabwe banking industry firms is level of trust between partners. As revealed through the hypotheses tested in this study confirm findings of earlier research studies that without trust, business performance become fragile and vulnerable (Gao et al 2005). Eminently, there are three factors influencing prevalent procurement practices effect on business performance in Zimbabwe banking industry which include, *the environment; organizational structure; and size of firm*. It is apparent, that the *uncertainty* surrounding the prevalent procurement practices glitches in Zimbabwe banking industry is largely attributed to firms inability to predict the supply market and business risks. As such, decision making uncertainty, defined by Gao et al (2005), as 'the degree to which partners cannot anticipate or accurately predict the environment. This situation in Zimbabwe banking industry is as a result of the environmental volatility and diversity. Gao et al (2005); argues that trust between partners reduces decision making hence firms commitment to trusting relational exchanges reduces decision making uncertainty. To help improve the situation faced by managers, existing supply and demand mismatch is promoting mistrust within and between firms hence paralyzing business relationships. Although there are many other factors associated with the weaknesses of the prevalent procurement practices effect on business performance, many solutions are suggested to management to alleviate the degree of uncertainty which is a major characteristic threatening business performance in Zimbabwe banking industry.

Of great importance to management is the conclusion of this study which stipulates that there is a positive relationship between level of trust in perceived performance and importance of procurement practices effect on business performance. As such, management decision making uncertainty encapsulates the degree of predictability of relational exchange partners (Kwon and Suh, 2005). According to Ford, (2002), distance of relationship contributes to the overall state of the relational exchange process. Essentially, closeness between relational exchanges partners can assist, and enhances the stability and longevity (Laing & Lian, 2005); of forged inter-organizational relations is recommended to firms in Zimbabwe banking industry. According to Chen et al (2004); procurement practices can engender sustainable competitive sustainable advantage by enabling firm to foster close working relationships, promote open communication and to develop a long-term strategic relationship orientation to achieve mutual gains. Yet another challenge affecting procurement practices effect on business performance is lack of effective communication between relational exchange partners which is also a finding of this study. The weakness in relational exchange between partners means that firms lacked critical information required for effective decision making. Essentially, management should make top priority interactions between relational exchange partners.

Furthermore, this study findings show that firms prevalent procurement practices effect on business performance requires relevant level of trust between parties and according to the findings of this study, managers should understand that trust does not come without unquestionable transparency, reliability / dependability, openness, security, effective communication, which as a single maturity allows partners to take risk in doing business. The ability to identify and understand the effect of different drivers on firm's procurement practices and ultimately on business performance is critical for managers with delegated authority to make strategic decision. As such, managers will have a good appreciation of effects of different drivers and also determine which drivers fall within or outside the firm's control. Notably, drivers falling with the firms' control are those internal to the organization compared to those external. However, measures can be taken by firms to minimize the effect of those factors external to the firm.

Everything taken together, the findings of this study assist managers directly or indirectly involved in firm's procurement practices understand the relationship between the firms' prevalent procurement practices and firm's business performance. There is need for managers to identify exhibits interconnecting firm's procurement practices effect on business performance.

Also, the research study identified four major gaps between perceived importance and performance of trust attributes in procurement practices effect on business performance to be considered by management in their attempt to devise best spoke procurement practices for their firms. However, for many, trust is intangible, insubstantial, and is not quantifiable. As such if it remains that way, then firms struggle to achieve high trust procurement practices as they are ignorant of how to get their arms around it or how to improve it. But the fact is, the costs of low trust in procurement practices are very real and they are quantifiable. As shown by the results presented in this study, when trust in procurement practices is low, in a firm, it places a 'latent' / 'hidden' costs on every procurement arrangement and transaction: every communication, every interaction, every strategy, every decision is affected as a result, bringing speed down and sending costs up. Based on reviewed literature it can be concluded that low trust in procurement practices effect on business performance in essence doubles the cost of doing business and triples the time it takes to get things done (Bailey et al 2005; Hines 2004). By contrast, firms in support of high trust procurement practices according to the findings of this study earn and experience reduction in decision making uncertainty, (Gao et al, 2005); mutual business improved performance (Hines, 2004); as such, the opposite of 'latent / hidden cost' - a "dividend" that is like a performance multiplier, (Laing & Lian, 2005); enabling exchange partners to succeed in their communications, interactions, and decisions, (Bailey et al, 2006; Hines, 2004), and to move with incredible speed towards high performing practices.

Based on the conclusions made from the findings of this study, the researcher contend that the ability to establish, grow, extend, and (where needed) restore trust in procurement practices among stakeholders is the critical competency of a procurement department needed to improve chances of business survival in a turbulent economy. Essentially, stimulating trust in procurement practices is in fact, a competency that can be learned, applied, and understood by firms. It is something that firms can get good at, something they can measure and improve. Unless management takes significant and radical approaches in procurement practices, firms will struggle to achieve best spoke procurement practices that significantly assist business survival without trust. As such, "procurement practices not founded on basic principles of trust is a contradiction with fundamental principles of business survival."

Also, many other studies support the conclusions of this study that instituting of high performing procurement models is a difficult and challenging task as there are several difficulties associated

with it (McHugh et al, (2003); Simatupang and Sridharan, (2003)), and remain highly dynamic, as there is no scientific explanation that would comprehensively cover the phenomenon involved. As such, it is apparent that procurement practices are highly complicated and cannot be examined in a vacuum as events and activities can only be understood in their social, cultural and historical contexts. Managerial implications generated by the increased understanding of perceived performance and importance of the procurement practices in relation to business performance remain “hidden” in the sense that businesses use rather ‘philosophical’ approach to procurement practices effect on business performance without prescriptive and normative elements. Finally, this study shows that perceived procurement function performance and importance require management to make some sacrifices or investments towards a targeted level of benefits. It has been shown that there is a causal link between perceived importance and performance of procurement function and business survival.

Essentially, most of the firms observed lacked commitment to deploy required resources, set up processes and provide relevant tools needed to fully execute high trust procurement practices and strategies. Secondly, the observed firms’ procurement practices are not properly connected or aligned to organization decision-making or sufficiently integrated into key corporate planning processes and protocols. Thirdly, decision-making authority and responsibility associated with observed procurement practices in average firms observed lacked clarity and extremely undefined in some instances.

Last but not least, an average firm observed in this study lacked appropriate information technology systems to enable effective and efficient procurement practices resulting in fragmented procurement function, impeded efficiency a situation clouding the visibility of procurement practices necessary to ensure alignment of the procurement organization to overall business objectives and ambitions. In order to mitigate these problems and improve the firm’s procurement practices to firms’ mutual benefit, a number of the observed firms essentially must evaluate and reengineer their procurement practices and align them firstly along five fundamental dimensions: people; organization; process; management and technology (see table 2.1 in the literature review section of this study). Together these five elements determine the effectiveness and efficiency of ‘what’ question of a firms procurement function mainly observed during the qualitative research findings. The ‘how’ part of a procurement function covering the soft side of the procurement function show that procurement practices in an average firm are either based on high or low trust.

5.8 Summary of conclusions

Regardless of the whether an economy is turbulent or stable, buyer and supplier firms’ perceptions of performance and importance of procurement practices effect on business performance varies greatly. Essentially, firms whether buyer or suppliers perceive highly performance of the procurement function in an organization compared to perceived importance. As shown by the findings of this research study, firms expect high performance from their procurement functions varying from as basic as low prices and cost efficiencies, to as high as influencing stakeholders decision making process. The size of the organizations involved and the nature of products and services greatly determine firms’ perception of performance and importance of the procurement function. The gap between perceived importance and performance intra and inter firm between buyer and supplier firms required attention by both firms. Larger organizations with a multinational background have higher perceptions of both performance and importance of procurement function compared to local or indigenous firms. Secondly, the nature of business equally influenced the procurement model different firms adapt regardless of their background

5.9 Directions for future research

This study can be replicated with a larger, more representative sample in more stable socio-political and economic environment. It is also recommended that this study be replicated in different business sectors within Zimbabwe other than the banking industry. Further, the study can be replicated in different environmental contexts and setting, which may provide additional insights about the subject area. Furthermore, it would be interesting to know whether the observed findings hold for other sectors as well, in Zimbabwe. More research is needed in this subject area to close the gap between firms perceived performance and importance of the procurement practices effect on business performance and ascertain further the extent to which these gaps influence business performance in both turbulent and stable environments. Major contextual and settings to be considered in future researches should consider insights from this study influencing procurement practices effect on business performance including the three factors: 1) *environment*; 2) *structure*; and 3) *size of firm*, as also playing an important role in shaping firms perceived performance and importance of procurement practices effect on business performance. In a way, future researcher should consider that the findings of this study starkly stipulate that procurement practices effect on business performance in Zimbabwe banking industry are marred by ambiguity, uncertainty, unpredictability / complexity risks, and distrust as a result of prevailing turbulent environment during the time the research was conducted.

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Appendix A

Interview framework questions and purpose

Question	Intended purpose of question
1). What are the drivers of the perceived role of the procurement department in your organization?	This question sought to introduce the respondents in to the subject area and most importantly, to assist the researcher gain in depth understanding of companies' drivers of perceptions of the role of their procurement departments.
2). How does the role of procurement department influence stakeholders commitment to relational exchange processes in your firm?	This question sought to determine whether company's procurement departments perceive stakeholders' commitment in a relational exchange process is critical to business success.
3). How does the role of procurement department influence stakeholders openness / transparency in your firm?	This question sought to determine whether company's procurement departments perceive stakeholders' openness and transparency during relational exchange as critical to business success.
4) To what extent does your company's procurement department perceive stakeholder competence in relational exchange processes?	This question sought to determine whether company's procurement departments perceive stakeholders' competencies are perceived as being critical to business success.
5). To what extent does your organization's procurement department perceive stakeholder security?	This question sought to determine whether company's procurement departments perceive stakeholder security during relational exchange processes is perceived as being critical to business survival.
6) To what extent does your organization's procurement department perceive to be the role of stakeholders to ensure effective communication?	This question sought to determine whether companies procurement department perceive effective communication by stakeholders during relational exchange processes as critical to business success.
7) Evaluate the extent to which your company's procurement department perceives stakeholders commitment to deliver on their promises?	This question sought to determine whether company's procurement department perceives stakeholders commitment to delivering on their promises as critical to business success.
8) Evaluate the extent to	This question sought to determine whether the

<p>which your company's procurement department perceives integrity of stakeholders in relational exchange processes?</p>	<p>company's procurement department perceives stakeholders integrity during relational exchange processes as critical to business success.</p>
<p>9) How is overall performance of the procurement department measured in your organization?</p>	<p>This question sought to determine whether companies measure performance of their procurement departments and if yes, what yardsticks they used.</p>

Source: *Developed for this study*

Appendix B

Case study responses

Critical determinant factors

Case study responses analysis of critical determinant factors

Responses to question 1	Respondents grouped by data code
<ul style="list-style-type: none"> • Need to secure guaranteed or continued business • Need to retain customers and be assured of long term business success • To obtain value our business is based on provision of service and support and not mere sale of goods and services • need to provide value for money goods and services • need for quality goods and services • need to manage business operating costs across the supply chain • To optimize on the benefits of partnership and collaboration • Need to continuously improve our business performance through continuous review of our processes and systems • Need to identify and establish ways to serve our customers better than our competitors • Need to make right and informed decisions on how we can do business better and more profitable • Need to influence decision making at all levels both internally and externally • Need to keep our business going for we are in business to make money • Need to built trust and long term relationships with our customers to establish long term relationships 	<p>All</p> <p>C01; C02; C02; C04; C05; C11; C12; C15;C19</p> <p>C11; C12;C15; C17; C20; C01; C02; C03; C04; C05</p> <p>C01; C02; C03; C04; C05; C06; C07; C08; C09; C10; C11; C12; C15; C16; C18; C19; C20</p> <p>C11; C12; C13; C15; C17; C18; C19; C20;</p> <p>C01; C04; C05; C08; C10</p> <p>C01; C04; C05; C08; C11; C12; C15; C19; C20</p> <p>C11; C12; C15; C01; C02; C04; C05; C09</p> <p>C12; C13; C15;C21; C22</p> <p>C13; C18; C20; C21; C22</p> <p>C01; C02; C04; C08; C10; C11; C12; C15</p> <p>C01; C02; C04; C05; C08; C09</p> <p>C06; C07; C13; C18</p> <p>C11; C12; C13; C14; C16; C18</p>

Source: *Developed for this study*

Commitment attribute

Case study responses analysis of commitment attributes

Responses to question 2	Respondents grouped by data code
<ul style="list-style-type: none"> • Our organization remain committed to doing business in the most professional way and to the benefit of all stake holders • Due to prevailing environmental challenges, committing to any other business partners is not that easy for our organization • It is our organization policy that we remain committed to our obligations to all the stake holders in our business regardless of the prevailing economic hardships • Our organization will not be committed to any forms of inter-organizational relationships beyond what we can afford, we therefore continue to review our position from time to time • Our organization commitment to anyone is situational as the environment is unpredictable • We try hard to remain committed to our promises and obligations to our partners however, we can no longer guarantee anyone our commitment as it is situational • We are a global leading brand and we cannot afford to renege on our commitment and we have supporting structure in place that ensure that we deliver on our obligations at all time • We review our business structures and processes and tailor-make our services accordingly and revise our customer propositions accordingly • Given the prevailing environment, our business cannot be committed to any one as we have to approach each day as it comes 	<p>C01; C02; C03; C04; C05; C08; C11; C12; C15; C16; C19</p> <p>C06; C07; C09; C10; C13; C20</p> <p>C01; C03; C04; C11; C16</p> <p>C02; C05; C06; C07; C09; C10; C13; C14</p> <p>C13; C18; C20; C06; C07; C10</p> <p>C12; C17</p> <p>C01; C03; C11</p> <p>C02</p> <p>C17; C18</p>

Source: *Developed for this study*

Openness / transparency attribute

Case study responses analysis of openness / transparency attributes

Responses to question 3	Respondents grouped by data code
<ul style="list-style-type: none"> • Our organization is transparent to an extent pending on the sensitivities surrounding the information • We have problems promising our partners that we lay our cards on the table mainly because of the own going illegal foreign currency dealings that most organizations including our company source the scarce resources on the formal market namely fuel and foreign currency • We are open and transparent in every way we do business and its part of our group worldwide policy that we can compromise • Because of the illegal foreign exchange market which has become the major source for funding businesses in Zimbabwe, disclosing certain information may be detrimental to the day to day operation of our business hence transparency under such circumstances is virtually impossible particularly for our organization. • Openness / transparency is the basis upon which our organization is founded • For the survival of our organization we have made it clear with our clients that they take it or leave as we have no control over the way the economy is operating and our obligation is to keep our business going • Due to prevailing environmental conditions, maintaining integrity in the way business is done is greatly compromised in our organization. • We value openness and transparency when forming and developing inter-organizational relationships with third parties 	<p>C05; C15</p> <p>C13; C14; C17; C18</p> <p>C01; C08; C11; C19</p> <p>C15; C20</p> <p>C16</p> <p>C13</p> <p>C06; C07; C09; C14</p> <p>C01; C02; C03; C04; C10; C11; C12</p>

Source: *Developed for this study*

Competence attribute

Case study responses analysis of competence attributes

Responses to question 4	Respondents grouped by data code
<ul style="list-style-type: none"> • Due to ongoing brain drain and human skills flight, our organization is left with no choice but to make do with what is there • Staff training is not sustainable anymore and paying for the fewer skills available is a major constraint for my organization • We accredit all organizations doing business with us to ensure that they provide us with value for money goods and services • Better skills and high competence levels across the supply chain is what enable us to offer and deliver value for money goods and services • Unfortunately, while the environment we currently doing business in require high skilled and competent individuals our organization is hard hit with shortage of skills availability • Regardless of the prevailing environmental constraints our organization continue to provide in-house staff training and development to our staff as this a group policy matter that cannot be overlooked • This is an area we have managed to keep our organization ahead of competition and we also accredit our partners on the same basis. 	<p>C13; C17; C18; C20; C21; C22</p> <p>C12; C14</p> <p>C01; C02; C04; C05</p> <p>C01; C02; C04; C05; C08</p> <p>C11</p> <p>C01; C02; C03; C04; C05; C06; C07</p> <p>C08; C09; C10; C16; C19</p> <p>C15; C16; C21; C22</p>

Source: *Developed for this study*

Security attribute

Case study responses analysis of risk attributes

Responses to question 5	Respondents grouped by data code
<ul style="list-style-type: none"> • Foreign currency exchange and time value for money cause serious loses to our organization due to prevailing hyper inflation and this continue to threaten the future of our organization • Our business is to manage any form of risk threatening shareholder wealth therefore we vet whosoever want to do business with us so as to minimize our exposure • To keep our business going, we have to be sensitive to certain levels of exposure • We do not indulge in any form of business relationship deals, we even decline being involved in high risk low returns kind of 	<p>All</p> <p>C01; C02; C04; C05; C08</p> <p>C03; C06; C07; C09; C10; C11; C12</p> <p>C13; C14; C15; C16</p>

business <ul style="list-style-type: none"> • Doing business in Zimbabwe is a major risk to our organization, hence we now take chances 	C19; C20
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Source: *Developed for this study*

Communication attribute

Case study response analysis of communication attributes

Responses to question 6	Respondents grouped by data code
<ul style="list-style-type: none"> • Our organization always insist on having proactive rather reactive and fire fighting meetings and our counterparts always don't find time for proactive meetings 	C11; C12; C15
<ul style="list-style-type: none"> • Planned periodic contract and service review meetings are not welcome by our clients. 	C11; C12; C15
<ul style="list-style-type: none"> • Our clients do not appreciate the need for effective communication (they always want us to communicate with them yet they themselves to don't communicate with us likewise) 	C13; C14
<ul style="list-style-type: none"> • With the pace at which changes happen in a turbulent environment, we have no or limited time to communicate changes to our counterparts (for instance down the supply chain, price quotations are valid for less than an hour) 	C20
<ul style="list-style-type: none"> • We continue to try our level best to keep our communication lines very open however the challenge is that at times communicating on its own is no longer sustainable as it can be a major cost to our business (we now charge to give quotations to some of our clients so as to cushion ourselves against ever soaring overhead costs) 	C13; C14
<ul style="list-style-type: none"> • Any form of communication is now costly therefore we now only communicate when it is really necessary that we do so 	C06; C07; C09; C10
<ul style="list-style-type: none"> • For our business to achieve best results, we realize that we are not merely running machines in the factory as dealing with our clients means interacting with people to achieve deals and value for both parties. 	C01; C03; C04; C16
<ul style="list-style-type: none"> • We have an open door policy in place and a clear escalation channel in place 	C01; C04
<ul style="list-style-type: none"> • Our organization has a departmental budget set aside to ensure that we have effective communications with all stakeholders along the supply chain 	C01; C02; C04; C05; C08; C11; C12; C13; C14; C15; C16; C17; C18; C19; C20
<ul style="list-style-type: none"> • Information is power and a strong basis for 	C01; C02; C04; C08; C11; C12; C15

<p>our company to make informed decisions as a result communication is enshrined in our company policy</p> <ul style="list-style-type: none"> • Communication is our cause for existence and we therefore cannot compromise in anyway 	C16
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Source: *Developed for this study*

Reliability attribute

Case study responses analysis of reliability attributes

Responses to question 7	Respondents grouped by data code
<ul style="list-style-type: none"> • The ongoing shortage of fuel and foreign currency greatly impact on our organization effort to be reliable and deliver on its promises 	All
<ul style="list-style-type: none"> • Because of the prevailing economic conditions, our organization continue to hire and loose skilled staff hence are services are no longer reliable 	C11; C12; C13; C14; C17; C18; C20
<ul style="list-style-type: none"> • Our organization now faces serious problems delivering reasonable products and services to the market that are correctly priced and offering value for money to the end customer 	All
<ul style="list-style-type: none"> • Being reliable is our cause for existence otherwise we risk losing our reputation and without it we have no business 	C16
<ul style="list-style-type: none"> • If we anticipate or experience any challenges regarding meeting our promises to our customers and any other stakeholders, our policy is that we should communicate with all those affected well in advance we ensure that our customers are kept informed 	C01; C04; C11; C15; C16; C19
<ul style="list-style-type: none"> • Our organization is founded upon establishing good will and maintain good reputation in the markets in which we do business therefore we seek to continue to be reliable regardless of the prevailing environmental challenges facing our business 	C01; C02
<ul style="list-style-type: none"> • We keep trying hard to keep our promises, but like many other organizations today we have given up to and take each day as it comes 	C13; C14

Source: *Developed for this study*

Integrity attribute

Case study responses analysis of integrity attributes

Responses to question 8	Respondents grouped by data code
<ul style="list-style-type: none"> • Our organization continue to experience challenges regarding integrity doing day to day business due to prevailing economic constraints • Staff greatly compromise by entering into secret and confidential contracts with customers (customers accept such arrangements so as to obtain lowest maintenance and support services and the staff on the other hand are seeking to raise extra income as salaries are never sufficient) • Technical staff provide solutions to customers outside standard terms and conditions of buyer-supplier agreed contracts • Confidentiality between buyers and suppliers continue to rise as each member is fighting firstly for own survival and later on that of their partners. • Despite prevailing environmental conditions we maintain our integrity and operate above board at all times • The existence of parallel exchange control for foreign currency maintain of integrity in the way we do business and conduct ourselves very difficult though we continue to try very hard to maintain our standards • We distance ourselves from any form of practices that seek to compromise our integrity 	<p>All</p> <p>C12; C14; C18</p> <p>C12; C14; C18</p> <p>C13</p> <p>C01; C02; C03; C04; C05; C08; C10; C11; C12; C15; C16; C19</p> <p>C13; C14; C15; C17; C18</p> <p>C01; C04; C11; C16; C19</p>

Source: Developed for this study

Appendix C

Detailed Case Studies

Case company - C01: Brief background

The case company is a subsidiary of leading global commercial bank headquartered in the United Kingdom (U.K). This firm was established during the 17th century and today operates in over 26 countries worldwide. In 1912, the firm opened its doors in Zimbabwe and now operates 29 branches in the large commercial cities and towns across the country. Group wide, the firm employs over 123 000 staff worldwide, 1000 of whom are based in Zimbabwe. Also group worldwide, the firm has an annual total spend with third party suppliers of goods and services in excess US\$1.5 billion, and US\$200 – US\$220 million is spend in Zimbabwe alone.

The firm and the procurement organization

During the 1990s the world economies took a downturn and, as such many global companies restructured their procurement departments. According to a respondent, the firm made a decision in conjunction with some consultants, to move away from a fragmented procurement organization to a more structured and coordinated approach between 2001 and 2005 to assist improve the overall efficiency and enhance the degree of cooperation and coordination of procurement activities across the group. As stated by the respondent, this development marked a major transformation across the business, which led to significant changes to procurement organization across the group, resulting in the establishment of multi-level or hybrid procurement functions led by the regional office team based in Dubai. According to the respondent, local procurement office provides the first point of contact for the local business with regards to any procurement guidance and commercial advice. Also stated by the respondent, the local procurement department has a dual reporting line as such, - local procurement arrangements are reported in country through the Chief Operating Officer (COO), and generate monthly and quarterly procurement reports for the regional procurement offices in accordance to the company's compliance and performance monitoring protocol. According to the respondent, the regional procurement office assists local procurement teams with compliance, guidance on procurement strategy and policy formulation; coordination of staff training and development in line with the group mission and vision.

Firm's perceived performance of procurement practices

According to the respondent, the local procurement practices performance is measured by the function's ability to work with and influence decision-making by internal and external key stakeholders in support and embracing the company's vision and mission to enable both buyer and supplier firms to maximize their shareholders economic value. As stated by the respondent, performance of the firm's procurement practices is measured by the function's ability to engage with suppliers committed to delivering high performance that directly and positively contributes to the firm's services it offers to its customers, the community and ability to create value for both parties' shareholders.

As advised by the respondent, the group sourcing and procurement guidelines stipulates that the performance of the local procurement function is also measured in line with the group code of ethics; the United States Sarbanes Oxley Act, Zimbabwean laws and any other obligations that may apply. Further, the respondent stressed that, the performance of local procurement function is increasingly being measured against the department's ability to strive to do business with a

smaller number of trusted suppliers who uphold standards of the company, demonstrate commitment to shared responsibility as a minimum requirement and take account of social, ethical and environmental aspects in all procurement arrangements.

As stressed by the respondent, the management expects the procurement function to agree on performance targets and measures and obtain each party's sign off prior to engaging into any contracts for supply of goods and services. Performance indicators monitored and evaluated by the procurement department include supplier quality of goods and services, lead-time, ability to deliver on their promises, dependability and willingness to offer support and remedial actions and solutions, explained the respondent. As such, the company uses specific tools and methods to monitor suppliers' corporate responsibility as part of the ongoing supplier management and provide suppliers with constructive feedback where appropriate. Further, the suppliers will be expected to provide the company procurement function reasonable access to information and premises and to cooperate in any Corporate Responsibility assessments and audits using reasonable endeavors to ensure that the subcontractors do the same.

Furthermore, the respondent stressed that the procurement function performance is measured by the function's ability to work collaboratively with suppliers and cross-function or commodity teams where significant risks and opportunities are identified. As such, the respondent further advised that the procurement function welcome honesty and openness regarding any failure by supplier or their sub-contractors emphasized the respondent. As further affirmed by the respondent, the firm's procurement function in line with the group procurement policies does not apply higher standards to suppliers than own policies can meet and therefore accepts alternative standards where suppliers can achieve the equivalent or exceed the firm's standards. The firm's procurement practices promotes working openly and collaboratively with selected suppliers and commodity teams to maximize the value and minimize the risks associated with different procurement arrangements stressed the respondent.

Firm's perceived importance of the procurement practices

As affirmed by the respondent, the firm's procurement function is perceived as a strategic business partner integral to overall business operations with the mandated to source and procure greater value for money goods and services. Accordingly, the respondent stressed that the relationship between procurement function with both internal and external stakeholders is highly regarded by senior management and essentially, the procurement function is involved in high-level decision-making processes and provides leadership in the firm's strategic procurement arrangements. As stressed by the respondent, the procurement function provides commercial and technical advice to all functions across the firm through working closely with suppliers and commodity teams and enforce joint commitment to continuous improvement and engaging positively in supporting both firms ambitions in short, medium and long-term business agreements. According to the respondent, essentially, the procurement function is considered as the company's advisor on control and management of supply related risks, supply market intelligence and supplier relationship management.

Within case analysis

According to the respondent, the establishing of multi-level or hybrid procurement function 2001 / 2005 was essentially a reaction to supply risks associated with continued global challenges and crises of the 20th century threatening business survival. Eminently, the company's procurement function is considered as integral to business survival. As such, all responses taken together, it is evident that the firm's procurement practices influence business strategic direction and decision-making between internal and external stakeholders in strategic procurement initiatives.

Furthermore, the procurement practices are highly perceived as both highly important and critical to business survival. Equally, procurement is perceived as integral to business survival and therefore playing a strategic role in the overall business strategic direction. As such, the establishment of local procurement function provides autonomy and empowerment to local business through taking a leadership role in all procurement arrangements taking place across the firm as stressed by the respondents.

Through the findings of this case study, the performance of the case company's procurement practices is perceived to be multi-faceted. As such, measures used by the firm in evaluating performance of procurement practices in influencing business survival includes; ability to delivery multiple outcomes; innovative solutions; long-term concessions periods; innovative risk allocation and relational exchanges essential for the business to deliver on its ambitions. Categorically, the firm's perceived performance of the company's procurement practices is by far greater in scope than Bailey and Farmer's 'five rights of purchasing' performance objectives (sourcing and purchasing of right goods; at the right quality; from the right source; in the right quantity; at the right price). Furthermore, it is apparent that the perceived performance of the firm's procurement practices involves ensuring right procurement model; right relationships; right human resources and right technology. As repeatedly mentioned by different respondents right risk levels is also critical to procurement function performance and overall contribution to business survival.

As stressed by the respondents, the firm's procurement practices require that selected suppliers to agree on risk-based approach to implement agreed standards. As such, the firm's procurement practices are founded on shared responsibility with suppliers of goods and services to providing appropriate training and guidelines to relevant key staff stressed the respondent. As mentioned by the respondent, it is procurement function's responsibility to engage with suppliers who show willingness to undertake joint corrective action through working jointly to align and achieve both parties' objectives. As such, an open and collaborative approach will be adopted for the efficient and fair resolution of disputes. As stressed by the respondent, parties agree to use of all inclusive, transparent cost models open to both parties scrutiny and able to give predictability around cost drivers and value drivers leading to the bank and the supplier agreeing to a continuous improvement approach and plans on a case by case basis and eventually adoption of ethical and cost effective goods and services. As advised by a respondent, clearly, it is important for the company to ensure that the best price is obtained equally it is important for the bank to avoid adversarial approaches when dealing with suppliers of goods and services.

As stated by the respondents, the firm's procurement practices are perceived as providing leadership and advice to business through forging relationships with trusted suppliers, co-operate with other functions, and strive for joint and collaborative relations with supply partners to assist both firms maximize shareholders value. Essentially, the procurement function is perceived as highly important and a strategic business partner enabling the firm to make informed strategic decisions under strong support and commitment of both internal and external key stakeholders.

Summary of responses to question 2 – 8 for Case Company C01

Case study	Analysis of the 7 trust attribute
C01	Committed to obligations Open and transparent in all business interactions with third parties Develop in house skills and competence Highly sensitive to economic, financial and reputation risk Structured proactive communication systems in place and well supported Reliability is guaranteed Maintain high levels of integrity

Source: Developed from the results of this study

Case company - C02: Brief background

This company was set up by the Government of Zimbabwe in 1983 to support Small to Medium Enterprises (SMEs), as part of the Black Empowerment Programs (BEP) pursued by the Government following the country’s independence in 1980. Headquartered in Harare, the ill-fated bank collapsed in 1991, followed by a takeover by several shareholders with the Government of Zimbabwe retaining 50% shareholding in the new bank. Subsequently, the period after the takeover saw significant restructuring and change management programs undertaken as part of the new bank turnaround strategies.

The early 1990s was a period of liberalization of the financial services sector, a move which drastically increased competitiveness in the banking sector, as such this newly established company grabbed a brilliant opportunity to expand and diversify its business operations and client base. Further, the bank began to consider moving towards accommodating the financial services needs of both small and large firms. In 1997 the firm was privatised, and the Government of Zimbabwe retained 20% shareholding. Currently the firm is the third largest bank in Zimbabwe, with 32 branches around the country and employs about 850 employees across its network. The firm spends between US\$135 and US\$145 million in sourcing and procurement of goods and services.

The company and the procurement organization

According to the respondent, as part of its turnaround strategies, the firm took a strategic decision of consolidating the once fragmented and decentralized procurement to a centralized and coordinated procurement practices as part of the company wide implementation of cost efficiency program and turnaround strategies. As stated by the respondent, today the procurement function is literally involved with everything from ordering to do with procurement arrangements for instance obtaining and examining quotations, negotiating terms and conditions to best advantage, order processing, and making effective processes for purchase – to - pay (P2P) system.

As further advised by the respondent, also the company’s daily procurement work is now synchronized and user departments raise purchase requisitions and forward them to the procurement department who will take over the sourcing and procurement of the required goods and services. However, one of the respondents felt that the major challenge negatively affecting the effectiveness and efficiency of the company’s procurement practices in effecting business survival is lack of adequate resources and skills to assist further development of the newly established procurement department and leaving user departments to manage relationships with suppliers. According to the respondent, the firm’s procurement practices are negatively affected by shortage of staff and appropriate systems to drive the sourcing and procurement end – to - end processes resulting in significant delays in supply of required goods as the procurement

department is reportedly overwhelmed with requisitions and inquiries resulting in user departments and management loss of faith in the performance of the firm's procurement function.

As advised by a respondent, for major procurements, cross functional teams are formed to assist with technical and specialist expertise, and this helps the procurement department need to reflect the corporate set up and that the experienced user departments always provide a additional knowledge and information collected from the previous experiences with particular type of goods and supplier and the changing business situation and requirements. The respondent stressed that choice of suppliers is a mutual decision between the user and the procurement department for high value and high-risk procurement arrangements.

Firm's perceived performance of the procurement practices

According to the respondent, there is a missing link between the firm's procurement practices and user departments, and procurement's reputation of failing to source and deliver right goods at the right time has led to the overall business loss of trust in procurement practices. Furthermore, the respondent advised that the firm's procurement practices half the time worry about obtaining three quotations and negotiating of prices at the expense of business operations. Another respondent, directly involved with the sourcing and procurement of goods and services, suggested that the function's biggest struggle was how to cope with manual processes and deliver on cost reduction targets which is the main element used by both management and user departments to measure the performance of the procurement function. Also, the respondent stressed that cost reduction is essentially accepted by the company as one acceptable approach for measuring the performance of the procurement function.

According to the respondent, the approved process for choosing the right supplier acceptable to the company is firstly, a supplier offering the lowest and cheapest price; secondly, supplier capability to provide the required goods and services and supplier reputation and proof that the supplier is a legally registered and operating business. As such, for every supplier the firm engages with should demonstrate by way of providing basic documents that show that the firm implicated in some illegal activities. Variables connected to supplier capability considered by the firm during supplier selection and decision to supply to the bank include among other examples cited were, supplier conduct as reflected by references from current clients, problems regarding scheduled deliveries, quality, returns policy, answering questions and in general the overall purchase to pay (P2P) process. As confirmed by the respondents, the suppliers' willingness to do business with their firm is determined by the supplier's proposed terms and conditions of supply stipulated in the provided quotations. At present, a respondent expressed reservations as to whether the company valued joint action and investments with suppliers of goods and services as a preferred procurement strategy citing costs as the major constraint. However, the respondents agree that this area to be explored in the future with resources permitting.

As raised by the respondent, the firm's perceived performance and importance of the procurement practices is a major handicap and the volume of requisitions and inquiries having to be processed through the department and the user departments expected services level against available resources. As stated by the respondent, all purchases regardless of value are processed through the procurement function and to help improve the turnaround time, lately management authorized that for low value purchases, the user departments obtain the three quotations and send them to procurement function at the same time with the purchase requisition so that procurement can process the purchase orders.

Firm's perceived importance of the procurement practices

According to the respondent, management considers the establishment of a centralized procurement function in mid 2007 as a step in the right direction. Furthermore, the respondent advised that the challenges being experienced in sourcing and procurement of goods and services is a direct result of current procurement practices, the firm wants current procurement practices to fully control the departments' sourcing and procurement arrangements and the present model is considered as a guinea-pig to be improved on in due course when the economy improve. As such, the respondent stressed that the firm has a high regard of importance of the procurement practices as critical in controlling of procurement processes, and cost reduction, in accordance with the firm's mission and vision.

Within case analysis

According to the respondent, the company established a centralized procurement function 2007 as implementation of standard procurement processes and procedures to improve visibility and insight into the firm's operational expenses and control of the sourcing and procurement activities. Essentially, at present the procurement function is providing administrative support to the business core functions and keeping an eye on the finer points of contracts, processing of purchase orders, expediting of deliveries and keeping supplier and purchase records. Further, according to the respondent, the procurement function is overall not fully accepted by some user departments as a value-adding department claiming that in the past they use to sourced and procured goods and services without having to go via procurement. However, the current procurement practices fail to balance between cost, quality of goods and service delivery due to inadequate resourcing.

As stated by the respondent, regardless of having established a centralized procurement function, the firm perceived performance of commitment procurement function remains positive as the current model is seen to be a 'stop gap' measure. However, the performance of the procurement practices is determined by procurement functions' ability to negotiate for lowest prices to ensure effective cost cutting through playing one supplier against the other in a bid to get lowest possible prices. Essentially, by showing high perception the performance of procurement practices as delivering on overall business ambitions, the prevalent procurement practices sacrifice other aspects critical to business such as quality of goods and services, customer care, business relationships and risk management.

As stated by the respondent, management perceived importance of the procurement function is purely based on future benefits. Regarding the restructuring of the central procurement department, the respondent see obvious limitations regarding handling of suppliers and their strategic role in assisting the company achieve expected levels of efficiency and effectiveness. Essentially, the difference between centralized or decentralized, multi-level or hybrid procurement models is in the decision making process as such, management need not regard centralized procurement practices as being more superior for business survival. According to the respondent, perceived importance of the centralized procurement practices is in its potential to aggregate overall spend across the business units and create a springboard to leverage on during negotiations with third parties and control procurement arrangements on behalf of all user departments across the firm.

Summary of responses to question 2 – 8 for Case Company C02

Case study	Analysis of each of the 7 trust attributes
C02	Committed to obligations to a limited extent Open and transparent in all business interactions with third parties to a limited extent Supplier competence critical to business Firm highly sensitive to economic, financial and reputation risk Communication systems between stakeholders supported to an extent Reliability between key stakeholders critical High levels of integrity critical

Source: Developed from the results of this study

Case company - C03: Brief background

This firm is a subsidiary of one of Africa’s leading banking and financial services group headquartered in South Africa, and has representation in 17 strategic Sub-Saharan markets and extends to 21 countries on other continents including the key financial centers of Europe, The United States of America and Asia. In addition to banking, the company has strategic interest in the insurance industry through its control of one of Africa’s leading life insurance offices and financial services groups. The bank was established in Zimbabwe in 1993 after acquiring another commercial bank that had gone under. At present the bank operates 16 branches countrywide and has annual total spent of US\$5 - US\$6.5 million on local procurement arrangements controlled in country by different user departments.

The company and the procurement organization

According to a respondent, who has worked for the firm since its inception in Zimbabwe in mid 1993, local user departments are responsible for coordinating of sourcing and procurement arrangements with the company’s procurement department based at the company’s headquarters in the Republic of South Africa (RSA), a neighboring country and also a strategic trade partner for Zimbabwe. As stated by the respondents, the firm does not have a formal local procurement function apart from an administrative stores and inventory management department which is responsible for inventory management and stock control for general stationery items and computer consumables which they order through the group central procurement office based in RSA. According to the respondents, the firm operates a robust online system for ordering goods and services. As stressed by the respondent, this fully centralized procurement system is based on a technologically driven end-to-end process. Purchases are generated and authorized on line and electronic purchase orders placed with approved suppliers in SA with whom the bank has contracts that are managed at group level. A respondent advised that every head of department or their appointed budget holder have access to this online procurement requisitioning and ordering system.

Firm’s perceived performance of the procurement practices

According to the respondent, in country, the firm’s user departments are responsible for managing their own purchase requisitioning procurement arrangements via an online group procurement technology managed by central procurement system. According to the respondent, the firm perceives the performance of the procurement function as user friendly and highly efficient and effective particularly for sourcing and procurement of high value and risk goods. As stated by the respondent, despite the system being remote, local management was satisfied with the quality of goods, lead times, level of online information and order tracking facilities. As advised by the respondent, for small value and low risk purchases, each department uses bank credit cards, which they use, and control in accordance with the company’s financial policy.

Firm's perceived importance of the procurement practices

As advised by a respondent, the headquarters central procurement function is perceived as a strategic business partner responsible for leading and providing advice on commercial and technical issues pertaining to different procurement arrangements through working with selected strategic suppliers. According to the respondent, the procurement function has a far more strategic importance to the operation of the business as they manage both internal and external relationships with key stakeholders mainly user departments and suppliers through provision of technical expertise and interactions that includes planning, sourcing, negotiating, managing relationships and related supply risks.

According to the respondent's explanation, for high value and high-risk procurements, user departments prepare a business case detailing what is required and obtain budget and commitment to spent sign off from the headquarters finance and procurement departments and the headquarters will lead the procurement, as most of the approved suppliers are offshore. The respondent confirmed that the central procurement based at the headquarters does all supplier selection and accreditation. Our bank deals mainly with South Africa based supply partners apart from very exceptional circumstance where local suppliers act as channel partners of the foreign based supply partners. "All aspects of sourcing and supplier management such as identification and selection of right suppliers is the responsibility of group head office staff. Again, this is a central procurement department responsibility and most of the suppliers of goods and services are based in the Republic of South Africa.

User teams report supplier related complaints through their contact person based at the Group Head Office who then liaise with the category manager and follows up with the respective supplier. Such complaints are first escalated through the respective heads of department who will determine whether the problems cannot be resolved internally before escalating to head-office. According to the respondents, in country the bank does not have a formal methodology for monitoring and evaluating supplier performance and relational exchanges

Suppliers of goods and services collaborate with the central procurement department based at the group head quarters in the Republic of South Africa. A respondent advised that the group head quarters central procurement department was also better placed to respond to specific questions regarding collaboration and supplier relationships. In other cases, it is acceptable to select suppliers on the basis of a joint commitment to improvement. Believe in engaging positively with suppliers; obtain an undertaking of permanent corrective action. As such, supplier relational exchanges are split between the head office central procurement office and the bank in country user department. Respondents further advise that the head office handled supplier relationships. On a number of occasions, supplier representatives flew or drove to Zimbabwe from the Republic of South Africa to assist the bank resolve technical problems and provide after sales services or train local staff on different courses as suppliers are required to provide appropriate training.

Within case analysis

According to the respondent, local user departments coordinate their own sourcing and procurement arrangements through the headquarters central procurement hub via an online procurement system. Essentially, the online procurement system is a critical tool used to support the company adopted complete centralized procurement model. For all model was all about as these were mostly managers from user departments who had minimal interaction with procurement department.

At very high level, the bank operates a highly centralized procurement department at its group headquarters in the Republic of South Africa. As such, the bank has high stock holding cost from a huge central stores operating from Harare as a distribution centre and further distribution and costs and insurance costs are incurred by the bank. At present the central procurement department is responsible for the bank procurement practices and relational exchange processes. As such user departments are left to focus on the actual banking operations as supplier relational exchanges issues and concerns are synchronized through central procurement department. Group head office has sole responsibility to ensure stimulation of relational exchanges with the foreign suppliers. As such, the relations between procurement team, with other functions of the company and supply partners in country does not have influence the strategic direction of the business in any way. It is evident that in country procurement staff do not have mandate to influence business direction through working with supply partners and other functions of the organization in a joint and collaborative way.

According to the respondents, the management’s perceived importance of the procurement function is highly significant particularly now when companies are experiencing serious supplies shortages due to prevailing economic meltdown. Furthermore, the firm’s procurement model has become more relevant now than before as most business supplies are being sourced and procured from RSA as the local suppliers have either closed down or operating below capacity. The procurement principles and practices once viewed as a high cost model has now proved to be the most ideal model for a country faced with severe economic challenges were many companies are importing most of the needed goods and services from the Republic of South Africa where most of the suppliers have relocated to or established other operations leaving the Zimbabwe operations only for strategic reasons. As such according to Bailey and Farmer (1985), the benefits of adopting the right procurement model are substantial, not only in terms of cost reduction but also in the ability to better focus resources, enhance value from internal and external stakeholder collaboration and innovation.

Strategic sourcing and supplier relationship management are the responsibilities of the group central procurement department based at the head quarters. As such, country operations, procurement and user teams assist with coordinating of implementation of projects and activities in collaboration with group central procurement department based at the headquarters being directly involved in liaising with suppliers of goods and services. There company does not have a formal system for monitoring and evaluating in country supplier performance. Instead an internal reporting system for complaints about suppliers is used to report none or poor performance.

Summary of responses to question 2 – 8 for Case Company C03

Case study	Analysis of each of the 7 trust attributes
C03	Committed to obligations Open and transparent in all business interactions Develop in house skills and competence Highly sensitive to economic and financial risks Structured proactive communication systems in place and well supported Reliability is limited Maintain high levels of integrity

Source: *Developed from the results of this study*

4.4 Case company - C04: Brief background

This bank has a history of over 150 years in banking and operates in many of the world's fastest growing markets with an extensive global networking of over 1400 branches in over 50 countries in greater China and Japan, Middle East and Pakistan, Korea, South East Asia, India and South Asia, Americas, Europe and Africa. This bank was incorporated with limited liability and Royal Charter in England in 1853. It was listed on the London Stock Exchange and the Hong Kong Stock Exchange and is consistently ranked in the 25 among FTSE-100 companies by market capitalization. The bank was established in Zimbabwe in 1892 as part of the bank's worldwide strategy and has a branch network of 27 outlets throughout the country. The firm is the second largest bank in Zimbabwe, and has a total annual spend on sourcing and procurement of goods and services US\$1.6 – US\$2 billion of which about US\$160 – US\$175 million is spend annually in Zimbabwe subsidiary.

The company and procurement organization

As advised by a respondent, before 2002 the company outsourced its procurement function to a United Kingdom headquartered procurement specialist consultancy firm to manage its third party spend for businesses in Africa and the Middle East. Furthermore, the respondent advised that the outsourcing relationship fell apart because of poor performance by the consultancy firm and the company resolved to setting up in-house multi-level or hybrid local procurement function between 2002 and 2004. Subsequently, the bank set up a regional headquarters in the Republic of South Africa, which was later moved to the Middle East to oversee business operations across Africa, Asia and the Middle East.

As advised by a respondent, the setting up of local centralized procurement departments providing autonomy to local procurement functions to provide guidance and advice to local business. Eminently, the procurement of goods and services across the businesses are managed by in country corporate procurement department essentially with the mandate to provide procurement guidance and advisory services to user departments across the business. A respondent stressed the importance of the firm's procurement practices to business overall success further citing how the department grew significantly over the last five years following implementation of category management strategy.

According to a respondent, with the continued deterioration in the country's economy, firm's procurement practices have become integral to the bank operations following greater need to manage supplier relationships to ensure continued supply of goods and services and need to manage supply risks. It is further advised that the procurement department plays a critical role in cross- functional teams and provide the relevant supply market intelligence critical for high level decision making by the business. As such, a respondent stressed how the prevailing economic challenges has in a way helped bolster the importance of procurement department and further assisted bonding between the department and the user departments compared to before. Essentially, the firm's procurement practices are now grounded on highly coordinated procurement approaches where cross-functional teams are also viewed as strategic partners to be consulted as part of the procurement decision-making process.

Firm's perceived performance of the procurement practices

As advised by a respondent, the setting up of centralized procurement departments for subsidiary businesses was completed in 2003 / 2004, and resulted in procurement department taking full responsibilities to assist drive the business operational performance and cost efficiencies following the looming global economic crisis of the 21st century and threatening world business. According to the respondent, the current political and economic environment that continued to

deteriorate is worsening the situation in Zimbabwe. Essentially, as mentioned by the respondent, the company has a robust management reporting system that monitors the group wide compliance to company's standards for procurement to act in a responsible behavior socially, ethical and environmental perspective. As stressed by the respondent, suppliers of goods and services are valued by the business as playing an important role in driving the company's performance and as such the performance of the procurement function is also measured by the department's ability to manage and influence relational exchange processes to ensure commitment and full support by user departments and suppliers of goods and services.

As such, a respondent advised that, the social, ethical and environmental considerations form the basis of how procurement department select, monitor and evaluate suppliers of goods and services to the bank. In essence, it is bank policy that procurement engages with suppliers who are prepared to support and embrace its shared responsibility and uphold the highest standards of environmental, social and ethical practices as a minimum requirement to be listed as an approved supplier of goods and services.

Firm's perceived importance of the procurement practices

A respondent advised that the procurement function is perceived largely as a strategic business partner, which provides guidance and direction on commercial and technical matters and integral to business overall performance through working closely with both internal and external stakeholders. Essentially, the procurement function is relied on by the business as providing advisory and strategic direction to the firm on sourcing and procurement arrangements to ensure establishment of right relationships with right suppliers committed to working collaboratively with the company towards achieving ambitions beneficial to both firms as emphasized by the respondent. As further stressed by the respondent, the identification, selection and engaging with high performing, trusted and committed suppliers willing to share with the company their approach to managing risks and opportunities in an open and collaborative manner to maximize the value and minimize the risks associated with the business relationships to ensure procurement function compliance with group Know Your Supplier (KYS) requirements. A respondent stressed that under the 'KYS scheme', the bank is committed to focus its resources on suppliers that are of the greatest risk to the bank, to the environment and to the communities they operate among. Further stressed by the respondent, the procurement function is mandated to do business with suppliers who value to identify more ethical and cost effective products and services and work jointly with supply partners to take steps to align and achieve common and mutual beneficial objectives. It is apparent that the bank values effective engagement with its supply partners in an open and collaborative manner for the efficient and fair resolution of disputes.

Now more than ever depending on the contribution of our supply partners to deliver high performance that and positively impact on the services we give to our customers and the creation of value for our stakeholders." Furthermore, the bank's in country procurement department as lately moving towards specialist technical skills, category management to improve procurement efficiency and effectiveness. As mentioned by the respondent, that in order to coordinate the procurement activities within and between different categories, cross functional teams are formed and their main focus is to improve quality, transparency in procurement process and joint approach to solving supplies related problems.

The bank policy seek to ensure that the supplier and its relevant people are provided with appropriate training and guidelines required to achieve set objectives, stressed the respondent. Typical examples of improvement plans adopted include mentioned during the interview discussions. In other cases, it is acceptable to select suppliers on the basis of a joint commitment

to improvement. Believe in engaging positively with suppliers; obtain an undertaking of permanent corrective action. In return for a commitment to these high standards, our company will commit to long term, mutual beneficial relationships aimed at creating shareholder value for both organizations. This site details the essential principles, values and processes that will form the foundation and provide for the success of the bank's future supplier relationships. A respondent advised that in return for this commitment, the bank requires higher level of performance, openness, and collaboration, than have been required in the past.

Within case analysis

According to the respondent, the procurement function a strategic business partner integral to the business providing advisory services and technical expertise to the company and influencing business decision-making processes. As such, a highly ethical organization, the bank expects its suppliers of both goods and services to be ethical too. A respondent advised that the bank's procurement processes aim to bring ethical issues to the surface and where serious ethical issues are identified, suppliers will de-listed or removed from the banks approved supplier list and thereafter will not be allowed to engage in further business with the bank. Another respondent stressed that the bank procurement processes help assessment of potential risk suppliers who may unnecessarily damage the environment in the way they produce, consume and dispose of materials.

As advised by a respondent, wherever practical, the bank favors suppliers who recycle and re-use products and encourages priority suppliers to improve their environment performance. It is the bank policy that the procurement process takes account of each of the listed issues and to ensure enforcement this policy. Suppliers who perform poorly in any of the areas discussed are excluded from doing business with the bank. Everything mentioned before taken in to account, one can interpret that overall the company's procurement department is considered to be a strategic function of the company and its contributions through effective management of suppliers is perceived to be critical towards influencing business success. Furthermore, supplier of goods and services form an essential part of the company's procurement decision making process and as such considered as an important resource to be carefully selected and invested on in terms of time, financial resourcing / financial funding which therefore require monitoring and critical evaluation. As such, a centralized procurement department is preferred in order to be more synchronized and coordinated within the procurement department and other functions of the company. This is in line with the procurement '5 rights of procurement' philosophy and however goes a step further to address the weaknesses of the model.

Typically, in each country, the number of suppliers engaged on a business as usual basis is high. As such it has not been practical for the bank to proactively monitor all suppliers for compliance with all its standards. Typically, suppliers are categorized into one of the two categories, 'high risk or low risk suppliers'. For all low risk suppliers, the 'KYS' scheme is primarily based on the CR questionnaire responses. Supplier responses are reviewed to ascertain their performance from three perspectives namely, policy perspective, control perspectives and historical perspectives.

As such, the policy perspective assessed whether there are obvious differences between the suppliers stated social, ethical and environmental policies (if any) and the banks policies. The control perspective assessed whether the supplier is taking steps to manage or mitigate any associated (SEE) risks during the provisions of service or products to the bank. Suppliers are categorized into one of the two types during selection and assessment – 'high social, ethical or environmental (SEE) risk and low (SEE) risk. If the supplier's products or services involve two or more of the risk elements, they are deemed 'high risk'. If they only exhibit one or less risk

elements, they are deemed ‘low risk’. Finally, the historical perspective assessed whether the supplier has any previous record of CR prosecution and whether / how it was resolved. A respondent advised that the bank expects its suppliers to provide reasonable access to all relevant information and premises and co-operate in any CR assessments and audit. For suppliers during the selection process deemed to be of significant enough risk, the KYS scheme will be more vigorous. The KYS list is not an explicit checklist and, as can be expected a variety of methods enabling further requests for information, will be used as part of due diligence undertaken in the selection process. Typical methodologies combine documents reviews, requests for further information, onsite visits, and inspection of product features.

Through this study, it is established that bank procurement staff have the full mandate and an ambition of working according to the overall mission of the firm, co-operate with other functions and suppliers of goods and services, and strive for open, joint and collaborative relations to assist both firms maximize shareholders value. The bank has chosen initially to assess all suppliers entering into a business relationship with the bank based on the Know Your Supplier scheme. As much as possible, the bank supplier selection is underpinned by three critical issues suppliers should satisfy namely, human rights, ethics and the environment.

Suppliers are without exception expected to adopt and be able to demonstrate human rights policies that reflect the international legislation, such as the Universal Declaration of Human Rights, and which are consistent with the banks own standards. It is apparent that the bank significantly invests in the formation and development of relevant relational exchanges with the chosen supply partners. As such, it is judged that the relative comparison of the seven elements of trust is being balanced between the bank and its supply partners’ business objectives.

Table 4.4 Summary of responses to question 2 – 8 for Case Company C04

Case study	Analysis of each of the 7 trust attributes
C04	Committed to obligations Open and transparent in all business interactions Develop in house skills and competence Highly sensitive to economic, financial and reputation risk Structured proactive communication systems in place and well supported Reliability is guaranteed Maintain high levels of integrity

Source: Developed from the results of this study

Case company - C05: Brief background

This bank is a subsidiary of an indigenous financial services group with interests in commercial banking, asset management, life assurance, reinsurance, stock broking, and mortgage finance with its headquarters in Harare. Established in 1979, the bank is one of the top five banks in Zimbabwe and currently has the second largest branch network comprising of 31 retail outlets in all the major towns and cities country wide and has a staff compliment of about 973 employees. The Government of Zimbabwe is the major shareholder.

The company and the procurement organization

As stressed by a respondent, the company’s procurement practices are regulated by the Government of Zimbabwe Public Procurement Rules and Regulations which are enacted by the Procurement Act 2, (1999); the Procurement Regulations (2002); the Procurement (Amendment) Regulations 2003, No.2; and Urban Councils Act of (1995) (revised 1996). As advised by the respondent, the State Procurement Board (SPB) provides Public Organizations with advisory and

technical guidance on sourcing and procurement arrangements. Essentially, according to the respondent, the SPB is the Zimbabwe central government body whose function is to procure goods and services on behalf of government departments, and to ensure compliance with procurement laws by other procuring entities. As stressed by the respondent, the economic crisis presently facing the Zimbabwean economy undermines the company's ability to call for tenders effectively and consequently to deliver goods and services procured. As such, the respondent stressed that as the situation is changing on a daily basis, it is not possible to provide any medium to long-term certainty as to how the procurement policy will be affected.

According to the respondent, sourcing and procurement arrangements for high-value commodities are coordinated by user departments in direct collaboration with the SPB. Also, the respondent advised that the company recently appointed a procurement expert to assist user departments with the tender process – from tender preparation, adjudication and award. As stressed by the respondent, the user departments are responsible for management of the tender process in collaboration with SPB. As raised by respondent, plans are at an advanced stage to establish a fully fledged central procurement department as the current tender process was posing threats to business survival as suppliers in Zimbabwe are shunning the tender system due to economic constraints. A respondent advised that though the company was under immense pressure to review its current procurement practices, the decision making process was taking much longer because of bureaucracy. However, replacing the traditional tender system with bespoke procurement methodologies is critical for the company now than ever.

Firm's perception of performance its procurement practices

According to the respondent, the Government tender process drives the performance of the firm's procurement practices which emphasizes on need to ensure, transparency, fairness and openness from sourcing to procurement arrangements. As such, the respondent advised that compliance with the tender regulations was the main performance indicator of the firm's procurement practices. As stressed by the respondent, the firm's procurement practices are largely funded by public funding and as such, have to comply with the tender rules and regulations governing all public organizations as stipulated in the Public Tender Regulations. According to the respondent, the company procurement arrangements are required by law to be based on competitive bidding regardless of value or complexity of procurement. As stressed by the respondent, procurement function performance is as measured by ensuring openness (all procurements to be advertised through open or restricted notices), fairness (ensuring that bidders are treated equally and fairly), transparency (ensuring that tender evaluation process does not favor other bidders during tender process), all protocols followed religiously in all procurement facilitate achievement of sourcing and procurement of best value for money.

Firm's perception of the importance of its procurement practices

A respondent advised that, the SPB assists the company's user department with procurement advisory services to ensure compliance with regulatory requirements of the tender process. Essentially, user department have the responsibility to comply with regulatory requirements in all their procurements confirmed the respondent. In a sense, procurement is not a critical role in the company but an administrative function that user departments can do additional to their duties. Nonetheless, the company does not believe in long-term win-win situation and relationship management is the responsibility of user teams. At most, any relationships with supply partners do not go beyond the life cycle of the contract. The tender system does not have any provisions for supplier development, contract management and relationship management. Typically, the tender system is rather rigid and limits flexibility, which is critical in prevailing economic meltdown. As such, the respondent emphasized the importance of procurement function openness

and transparency as critical in measuring and monitoring procurements, so is competitive bidding process.

Within case analysis

It is evident that the firm's procurement staff has no adequate resources and do not have full mandate and lack an ambition of working according to the overall mission of the firm. The level of co-operation between procurement and user departments is perceived to be very weak. Also, there is no striving for joint and collaborative relations with supply partners to assist both firms maximize shareholders value. Under the existing procurement practices, investing in the formation and development of relevant relational exchanges with supply partners is not possible as the tender system regulates the relationship between parties and further modifications or changes are in essence a violation of the tender regulations. As such, it can be judged that the relative comparison between the four categories is not balanced. There is no specific way of judging or comparing the four categories namely working according to the overall mission of the firm, cooperating with other functions, maximizing both parties shareholder value, and striving for joint and collaborative procurement. There is no basis for comparing the case company and its supply partners business objectives.

As mentioned by the respondent, through the tender evaluation systems, supplier partners are carefully selected through use of a predetermined supplier selection framework mainly based on their financial position and technical capabilities. For every tender process, a project team under the management of the project manager and members from the cross-functional teams, legal and audit included lead on the tendering process. The procurement executive provides technical guidance throughout the tender process. A respondent stressed that the bank – supplier relational exchanges are formed and developed by user teams, as they fully understand what their requirements to ensure compliance with tender rules and regulations.

All relational exchanges and choice of supply partners is predominantly the prerogative of the user departments. Essentially, procurement activities are fragmented across the business. The corporate procurement manned by a procurement executive provides consultancy services particularly to do with major tenders. Since the Government of Zimbabwe is the major shareholder, the relational exchange process is compliant with the Government tender regulations and with relevant law to ensure transparency and fairness in warding tenders. Also, the company expects all its relational exchange partners to also comply with the government tender regulations. A respondent advised that we believe in transparency, openness and fairness in selecting suitable suppliers of goods and services. Suppliers are evaluated through the tender system based on their financial position and technical capability.

Through this study, it is established that the bank generally use the open tendering system for its procurements regulated by the Government tender board regulations. Because of the economic meltdown, the tendering system is fact become obsolete as prices keep changing due the hyperinflation effects on pricing. The recent establishment of the poorly resourced corporate procurement function is one step towards implementation of robust procurement approach to replace the obsolete and less flexible tender system. At present, procurement function is still premature and its influence on business strategic direction is insignificant. The user team and the legal team predominantly control the tender system. User departments are empowered to lead on engaging supplier on commercial issues and on developing the relevant relational exchanges. As a result of continued economic meltdown worsened by other global challenges and crises, there is now greater need to review the current procurement system than ever.

Summary of responses to question 2 – 8 for Case Company C05

Case study	Analysis of each of the 7 trust attributes
C05	Limited commitment to obligations Comply with openness, fairness and transparency in procurements Relational exchange partners competence not critical Highly sensitive to economic, financial and reputation risks Communication between stakeholders limited Reliability is limited Closeness with stakeholders to a limited extent

Source: Developed from the results of this study

Case company - C06: Brief background

The bank with its group head quarters in Harare is a subsidiary of a holding company, which operates as a diversified financial services group with interests in commercial banking, mortgage lending, stock broking and reinsurance. The firm was incorporated in 1996 and obtained a commercial banking license in 1997. In 2004, the bank merged with a leading reinsurance company in Southern Africa and formed the Holdings limited. The National Social Security Authority (NSSA) has the largest shareholding in the firm. The bank was listed on the Zimbabwe Stock Exchange in 2004 and has a staff compliment of 500 employees and currently has 15 branches located in the major towns and cities countrywide.

The company and the procurement organization

As highlighted by a respondent, the firm does not have a formal procurement practices; essentially all procurement activities within the firm are fragmented across user departments. A competitive tender process is generally used as basis of awarding contracts. Authorization of purchase of goods and services is done through the firm’s finance department. According to information provided by a respondent, user departments obtain a minimum of three comparable quotations from any three suppliers of required goods and award to whoever provides the lowest price, also whatever, that price is, the department should ensure that it is supported by approved budget. As such, approval to procure is subject to budget availability, where this is not the case, then a justification to spend is required and subject to approval by the responsible director and finance appointed senior member of management. Another respondent advised that the firm’s policy is that user teams involved in procurement arrangements of goods and services ensure that more is achieved with less of the company resources, or more value is acquired with same amount of resources. Contracts are valid between one and three years at most. All contracts for service are renewed after every two years unless its project related. Essentially, the firm uses the fragment procurement approach which empowers user teams to decide on what they want and make relevant decisions to procure required goods and services.

Firm’s perceptions of the performance of its procurement practices

According to the respondent, the company’s procurement function is measured by the ability to source and procure goods and services at lowest prices. Relational exchanges and choice of supply partners is predominantly the prerogative of the user departments stated the respondent. Tender notices are placed in the government gazette, national newspapers to invite suitable suppliers of required goods or services. Repeated notices are placed over a period. Interested suppliers will make ‘expressions of interest’ and relevant tender documentation is send to them. Evaluation and awarding is the responsibility of the project team. Similar exercises take place each time the business wish to make a purchase, approved supplier list are not acceptable.

The tender process is the official and standard way for supplier vetting and screening used across the business to select the right supplier of goods or services. While the tender process is widely used for public procurements, in Zimbabwe, the approach has fast become unacceptable because of the hyperinflation. A respondent stressed that with the prevailing economic meltdown, determining pricing of major purchases and projects has become virtually impossible as pricing will have changed several times before the tender process is finalized. All collaborations between the bank and suppliers are highly operational and the user teams take a leading role varying on case by case. One respondent advised that as and when there is a need, relevant user team members would convene meetings with suppliers to discuss the procurement, and negotiate.

Any joint action between the firm and suppliers are regulated by agreed contractual terms and conditions. One respondent advised that the firm to sometimes agree to joint action particularly where no further costs are to be incurred by the firm". The procurement agreements, formal meeting scheduled and ad hoc, formal contracts and were practically possible service level agreements are used as providing the basis for monitoring and evaluating supplier performance. A respondent stressed that penalties and bonuses are used to punish parties none or poor performance as well as to incentive suppliers to deliver on their promises.

As such the tender system has ceased to be an acceptable procurement methodology, as supplier no longer responds to tender notices citing that the approach disadvantages them. Essentially, the tender system has become obsolete as it has become unsustainable. Nonetheless, the company does not believe in long-term win-win situation and relationship management is the responsibility of user teams. At most, any relationships with supply partners do not go beyond the life cycle of the contract. The tender system does not have any provisions for supplier development, contract management and relationship management. Typically, the tender system is rather rigid and limits flexibility, which is critical in prevailing economic meltdown.

Firm's perceptions of the importance of its procurement practices

According to the respondent, the procurement function is the responsibility of user departments, as they understand their requirements better. In essence, the company does not have a formal procurement department to coordinate the company's procurement arrangements. Procurement arrangements are therefore fragmented throughout the company and regarded as tactical and a support function to enable success of core business functions. Essentially, according to Van Weele and Rietveld (2000) procurement maturity model, the company's procurement function is fragmented and transactional orientated, as there is no coordinated procurement strategy and departments doing each their own thing. Obtaining the lowest price is the company's mission forming the basis of its procurement approaches.

Within case analysis

The aggregate value of the procurements is used to determine sanction thresholds. As such, procurements require appropriate budget sanctioning and approval expenditure. One of the A respondent advised that the bank highly valued by the bank is managing of procurement processes to ensure transparency, openness, fairness and supply of value for money goods and services by supplier. The objective of the bank is to obtain quality goods and services for as little cost as possible.

As stated by the respondent, the firm does not have structured procurement practices and such each user department is responsible for sourcing and procurement of its required goods and services. Because of the fragmented nature of the procurement practices, the firm does not have a formal and structured way of monitoring and evaluating the performance of its procurement

approaches. Essentially, the procurement practices prevalent in the firm is not regarded as strategic and critical to business survival and procurement processes and protocols can be regarded as being transactional oriented and tactical. Everything taken together, one can conclude that the firm does not perceive the performance of its procurement function as being critical to business survival and therefore tactical rather than strategic. According to Bailey and Farmer's five rights philosophy, the company procurement functions are driven by obtaining right price, quantity, time and do not take into account the other to rights (quality, source) as being critical to its procurement arrangements.

According to the respondents, the firm does not have a formal procurement practices and user teams have the responsibility of managing own procurement arrangements. As such, the procurement function is not regarded as critical to business function and rather tactical and transactional oriented. As stated by the respondent, each user department manages its own procurement arrangements in addition to its business activities. Essentially, the procurement function is treated as tactical and not strategic and as procurement activities are carried out at operational level.

Summary of responses to question 2 – 8 for Case Company C06

Case study	Analysis of each of the 7 trust attributes
C06	Commitments are less structured and reactive Openness and transparent to a limited extent Develop in house skills and competence Highly sensitive to economic and financial risks Proactive communication systems are unsustainable Reliability is limited Integrity compromised at the expense of business survival

Source: Developed from the results of this study

Case company - C07: Brief background

This is an indigenous firm established in 1992 as a result of the liberalization of Zimbabwe's economic and financial sectors in the early 1990s. The firm was registered as an accepting house in June 1993. The firm continued growth over the years created the opportunity for a public flotation of the group is currently listed on the Zimbabwe Stock Exchange and simultaneously admitted to the official list of the London Stock Exchange in 1997. In December 1999, the bank acquired a commercial banking license, which saw the firm now offering one-stop-banking to corporate and business people. The firm opened its doors to the public in July 2000. The firm pride in "providing premium financial services to existing and potentially high net worth individuals and businesses throughout the country. The bank has 8 branches in major cities and has an average annual spend of approx US\$50 – US\$55 million.

The company and the procurement organization

According to the respondent, procurement was not on the firm's corporate agenda until mid 2007 when the company as part of its transformation pursued establishment of a centralized procurement practices in an attempt to have a structured and formal procurement system. As such, the respondent mentioned that the procurement function is the responsibility of the firm's administration department. According to the respondent, the current procurement practices involves handling of internal procurement and administrative work to ensure that supplier payments and such queries are resolved on time and to ensure that suppliers do not cut services to the firm. Furthermore, user departments are responsible for sourcing of goods and services from suppliers of goods and services, engage with suppliers directly and agree on requirements,

negotiate prices and obtain at least three quotations and forward then to the procurement function to issue the official orders. Upon receipt of goods and services, the user departments confirm receipt of goods and or services and forward supplier invoices to the administration department to for invoice matching and payment authorization.

Firm's perceptions of the performance of procurement practices

As stated by the respondent, the newly established procurement function is still at elementary stage and developing at a very slow pace. As such, procurement practices are fragmented across the business and procurement activities are uncoordinated according to the respondents. The newly established procurement function provides support and administrative assistance to user functions. Also, the respondent advised that the firm seeks to identify more ethical and cost effective products and services, through working jointly with supply partners to take steps to align and achieve common and mutual beneficial objectives. It is apparent that the firm believes in effective engagement with its supply partners in an open and collaborative manner for the efficient and fair resolution of disputes. It is the firm policy that the suppliers and its relevant people are provided with appropriate training and guidelines required to achieve set objectives in line with business ambitions. Typical examples of improvement plans adopted by the firm include other cases; it is acceptable to select suppliers on the basis of a joint commitment to improvement. Believe in engaging positively with suppliers; obtain an undertaking of permanent corrective action.

Firm's perceptions of the importance of procurement practices

According to the respondent, the company's procurement practices are still at elementary stages as this was not on corporate agenda until mid 2007. As advised by the respondents, procurement practices are fragmented across the business and essentially the responsibility user departments with activities such as sourcing and obtaining quotations and negotiation of procurement arrangements handled at user department level. The newly established procurement function is involved rising of purchase orders, order processing, invoice matching and payments processing. As stated by the respondent, the reason for setting up the function is to assist resolve supplier complaints particularly those resulting in supply delays for example suppliers refusing to deliver goods and services caused by delays in processing of payments. According to the respondents, the prevalent procurement practices remain uncoordinated and fragmented across the business support user departments and ensure guaranteed supply of required goods and services. The newly established procurement practices bridge the gap between the firm's user departments and suppliers to iron out and resolve arising queries, which affect smooth supply of required goods and services.

Within case analysis

According to the respondent, the newly established centralized procurement function helps the firm coordinate procurement practices through liaising with user departments and suppliers of goods and services. According to the respondent, the firm does not have a structured methodology for measuring and monitoring performance of the procurement practices. Essentially procurement practices are fragmented across the business user departments who have the responsibility to source and procure goods and services without involvement of the procurement function. User departments have led on procurement arrangements without seeking for specialist guidance or assistance hence the processes and procedures varied significantly between departments. Secondly, user departments engaged suppliers of goods and services from throughout the procurement cycle with different user departments using different approach as basis for measuring and monitoring both procurement practices and supplier performances.

According to the respondent, the company takes the procurement practices to be a tactical and support function meant to assist the company operations (Porter, 1988). By large, the company's procurement function is more concerned with controlling of process, for instance segregation of duties in an attempt to control procurement practices across the firm. Also, the procurement function is regarded as a back office operation, which assists the firm with procurement administrative work such as order processing, invoice matching and resolving payments issues with suppliers. Essentially, the role of procurement function is rather tactical and operational than strategic. As such, the management perceives procurement function to be a transaction based relational exchange, with the user departments leading on actual procurement arrange. The argument for these procurement arrangements is that user department had better understanding of what they wanted and better placed to deal with suppliers direct.

Summary of responses to question 2 – 8 for Case Company C07

Case study	Analysis of each of the 7 trust attributes
C07	Commitments are less structured and reactive Open and transparent to a limited extent Develop in house skills and competence Highly sensitive to economic and financial risks Proactive communication systems are unsustainable Reliability is limited Integrity compromised at the expense of business survival

Source: Developed from the results of this study

Case company - C08: Brief background

This firm is one of the fastest growing indigenous commercial bank formed in 1995. Headquartered in Harare, the firm to date has 16 retail outlets located in major towns and cities in Zimbabwe. It is the only financial institution offering in-store banking facilities established in partnership with one of the leading retail group. The firm has over the years sought to embark on regional expansion program and currently operating at small scale in Botswana and Malawi. The firm spends between US\$45 and US\$50 million on sourcing and procurement of goods and services.

The company and procurement department

According to the respondent, a centralized procurement department is in the process of being established reporting to the group administration department. At present the user departments with the help of the administration department are directly responsible for the sourcing and procurement of goods and services required by the business. As mentioned by the respondents, procurements are classified by use of thresholds, and for lower spend, the user departments handle the end to end process from sourcing to actual procurement without having to go through the procurement. As stated by the respondents, procurements above particular thresholds, user departments are required to compile a business case and seek for approval to procure from the finance department who will check on whether the procurement was budgeted for and approve or decline commitment to spend. Also, according to the respondent, user departments keep own purchase order books, which they issue, to suppliers of low value procurements upon getting approval from head of that department. Essentially, the newly established centralized procurement practices are yet to take full control of major procurements and contracts because of shortage of resources and relevant skills and systems to help improve the effectiveness and efficiency of the decision-making processes.

Following major organizational transformation to streamline business processes and assist improving process efficiency, which started mid 2008 and expected to finish by mid 2010, essentially, procurement practices are fragmented across the business and are uncoordinated as sourcing and procurement arrangements are largely handled by used departments. At present, the firm through assistance of external consultants had completed the discovery stage of the transformation and about commencing organizational design and work stream getting ready to implement the program by start of spring in 2009 according to the respondent.

Firm's perceptions of the performance of procurement practices

Until end of 2007, management perception of procurement practices effect on business survival remained very low until when the firm engaged external consultants to provide expertise on implementation of turnaround strategies meant to improve the fortunes of the firm in the face of prevailing economic hardships stressed the respondent. As a result, there has been a major shift in the firm's perceptions of procurement practices emphasized the respondent. As such, there is greater expectation by management that with implementation of right procurement practices, the firm will achieve continued process improvements, value for money goods and services, continued supply of quality goods and services, better relationships with suppliers leading to guaranteed supplies and cost efficiencies stressed the respondent.

With change in senior management following a major shake-up of the banking industry in 2005/2006, the firm embarked on a major change management program, which gave birth to setting up of a more structured and proactive procurement practices according to one senior member of management. As stated by the respondent, the performance of current procurement practices is difficult to determine as procurement arrangements are fragmented and uncoordinated. Furthermore, the respondent advised that current procurement practices lacked transparency and openness as there is no standard procurement procedure and visibility of the procurement processes is limited.

Firm's perceptions of the importance of procurement practices

According to the respondent, the firm's current procurement practices are more focused on getting the job done rather than 'how' it is done. As such, the respondent feels that procurement practices are not considered as critical to business survival. However, the respondents confirmed that the ongoing transformations were a corrective measure to improve procurement practices and overall business performance. Also, the respondents advised that procurement practices are more concerned with sourcing and procurement of goods and services at the lowest prices. As such, procurement decision-making process is more inward oriented that outward oriented. According to the respondent, the down side of current procurement practices different user departments were possibly paying different prices for similar commodities and receiving different treatment by same suppliers. Also, the role of procurement function has been assumed as a tactical function meant to support business operations as mentioned by the respondent.

Within case analysis

According to the respondent, the procurement practices are responsibility of the user departments stressed the respondent. Essentially, the current procurement practices provide administrative support to business core functions (Porter 1998). As such, current procurement practices are more tactical, fragmented and uncoordinated with user departments each doing their own thing. Under such arrangements, procurement practices receive no support from senior management and remained as a back office to assist with handling procurement internal administrative work of procurement such as order processing, payments processing. As such, there is no doubt that

untrained staff have the responsibility to deal with procurement activities such as sourcing, drawing of specifications, risk and relationship management.

As stated by the respondent, prior to engagement with the business consultants, the company regarded the procurement function as a tactical function whose performance could not be ascertained, as it remained overshadowed by other activities of the business regarded as critical to the firm. Also, with fragmented procurement practices, the company lacked robust and standard processes for gathering performance data to be analyzed as well as relevant skills and capability to ascertain procurement practices. As such, the role of procurement remained tactical and never regarded as critical to business success apart from providing a supporting role to core business processes such as ensuring that goods are sourced and procured at low prices, delivered on time and high quality. However, there remain trade-offs between obtaining goods and services at the lowest price and high quality as the two performance objectives contradict. Essentially, management’s perceptions of the importance procurement function are very low until the recent recommendations by the external consultants stressed the respondent. Accordingly, the procurement function is perceived as a tactical and operational essential in providing operational support to core business activities in line with Porter’s argument of the role and importance of the procurement function. According to Van Weele, 2005, the firm’s procurement practices are more transactional oriented and provide support (Porter, 1998) to business core functions.

Summary of responses to question 2 – 8 for Case Company C08

Case study	Analysis of each of the 7 trust attributes
C08	Committed to obligations to an extent Open to a limited extent Develop in house skills and competence Highly sensitive to economic, reputation and financial risks Communication constraints Reliability is limited Maintain high level of integrity

Source: Developed from the results of this study

Case company - C09: Brief background

This is an indigenous financial institution headquartered in Harare with a special responsibility because of its unique history as it is a merger of several banks that faced liquidation because of lack of professional banking ethics. The firm was established under the supervision of the Central Bank of Zimbabwe in January 2005, at a time when the market anxiety was high with Zimbabwean depositors’ confidence in the banking system at its lowest ebb. As a successor financial institution, the firm inherited a total of 20 branches located in the major cities and towns across Zimbabwe. The firm has a total spends on goods and services per annum of between US\$90 –US\$100 million.

The company and the procurement function

According to the respondent, the group administration department controls the firm’s procurement functions. As stated by the respondent, sourcing and procurement arrangements are the responsibility of user departments, who identify the business needs, source for quotations and marry the quotations to the an internal purchase requisition and forward to administration department requesting for an official purchase order to be issues to the supplier with the lowest quotation and better terms and conditions. User departments as stated by the respondent liaise with suppliers of goods and services and the administration department assists with processing of purchase orders and payments. According to the respondent, specialist departments such as

Information Communication Technology (ICT); Marketing; Human Resources (HR); Facilities and Professional Services departments identify, source and procure their business needs without necessarily having to come through the administration department. As such, the administration department procurement function assists with coordination of supplies, order processing and payment processing activities. Further, the respondent advised that user departments engaged with suppliers of goods and services, negotiated contracts and prices and lead in strategic procurement arrangements without involvement of the procurement function. As stated by the respondent, the company does not have a structured procurement function and the responsibility and procurement activities are fragmented and uncoordinated across the business.

Firm's perceptions of the performance of procurement practices

As confirmed by the respondent, the company procurement function is the responsibility of user departments, therefore, measuring and monitoring of the performance of procurement function is not a priority to the company. Essentially, user departments use the standard sourcing and procurement approaches and obtain a minimum of three quotations and award contract to supply to lowest bidders and procurement performance is measured in terms of none availability of goods and services and effect on business processes. Also critical to procurement performance is the ability to source the goods and procure them at lowest price. Apart from that, the performance of procurement practices is not perceived as being critical to business survival.

Firm's perceptions of the importance of its procurement practices

As stated by the respondent, the procurement function is regarded as a tactical and operational supporting the core functions of the company. As such, the administration department is regarded as critical to company activities and procurement is one of the elements with the greater administration function. According to the respondent, the procurement function assists user departments with processing of procurement paperwork such as orders and payments processing. Essentially, the respondent regarded the procurement function as not highly significant to company success and therefore tactical in nature hence left to user departments who know exactly what their requirements are so as to ensure that right goods and services are sourced and procured.

Within case analysis

As mentioned by the respondent, within the firm, the procurement department is subordinated to the administration department, which is a clear indication that procurement function is considered as rendering administrative supports business core functions (Porter, 1988). As such, user departments with no experience and training are left with the responsibility to take a leading role on sourcing and procurement of required goods and services. Essentially, the firm has regard for technical expertise of specialist departments as critical in sourcing and procurement of value for money goods and services.

Eminently, the firm's procurement arrangements are fragmented across user departments and lack of standardization of procurement practices results in spent becoming maverick and highly invisible (Bailey and Farmer, 1985) hence difficult to measure and monitor. Critical to the firm is ensuring that goods and services are sourced and procured in a cost effective way and that user departments engage directly with suppliers. However, user departments do not have adequate skills for dealing with suppliers of goods and services to best advantage. The prevalent procurement practices lack transparency, as there is there is no segregation of duties throughout the sourcing to procure processes followed by user departments. As such the performance of the company's procurement function cannot be defined and the firm does not have predetermined methodology for measuring and monitoring procurement activities. Worse off, because of fragmentation of procurements across user departments, the firm spend is not leveraged on as

basis for achieving economies of scale and cost efficiencies. Fragmentation of procurement practices according to Hines (2004), usually results in each user departments procuring same goods and services as different terms and conditions resulting in huge price disparities for similar commodities procured by departments.

According to the respondent, the firm does not perceive procurement practices as critical to business survival. Therefore, the procurement function is regarded as being tactical and operational providing support to core activities of the company. As a result, the procurement function is overshadowed by the company’s administration department and viewed as providing administrative support to user departments while user departments lead on sourcing and procurement arrangements without referring to the procurement. The end to end critical elements of the sourcing and procurement cycle are handled by the user departments leaving the procurement function with paper processing activities such as order processing, invoice matching and payment processes.

Summary of responses to question 2 – 8 for Case Company C09

Case study	Analysis of each of the 7 trust attributes
C09	Commitments are less structured and reactive Open and transparent to a limited extent Develop in house skills and competence Highly sensitive to economic and financial risks Proactive communication systems are unsustainable Reliability is limited Integrity is compromised at the expense of business survival

Source: Developed from the results of this study

Case company – C10: Brief background

This indigenous financial institution headquartered in Harare was established in 2004 by turning the fortunes of Zimbabwe’s oldest merchant bank incorporated in 1956 into a commercial bank. The shareholding of this institution is made of various companies from Italy, RSA, UK and Zimbabwe. The firm has responded steadily to the changing shape of the Zimbabwean economy and environment, and shown growth in assets under management and profitability during these turbulent times. Currently, the firm operates offices in Harare, Bulawayo and Mutare which are the country’s major cities and has an annual spend of US\$20 to US\$23million on sourcing and procurement of goods and services. The firm’s business has a local and international focus in its approach to business.

The company and procurement organization

According to a respondent, all high value procurements are coordinated through user departments while the low value spend are the responsibility of central buyers. A respondent advised that because of the size of the firm, procurement practices is not that highly developed. Furthermore, a respondent advised that specialist teams with the support of senior management take a leading role in major procurements in particular, identification and selection of suppliers, negotiating terms and conditions of supply. As stated by the respondent, the firm’s major procurements are regulated by robust terms and conditions of supply and the relevant service level agreements, which regulate relationships with suppliers which are agreed on and signed off by senior management from both parties firms.

As stressed by the respondents, major procurements are always treated as projects with user teams supported by members of senior management. Also, because of both parties senior management

sign off to formal contracts and service level agreements, it is believed that the firm and its supply partners are committed to deliver on their promises, support and embrace the value and standards beneficial to all parties explained the respondent. User teams are responsible for engaging supply partners to ensure that they deliver on their promises day in, and day out. A respondent advised that the terms and conditions of supply fully incorporate issues of expected levels of collaborations supply partners should achieve and comply with. Apparently, the company believes in signing of formal contracts and agreements as basis for buyer and supplier collaboration as an efficient and effective way of resolving arising disputes.

Firm's perceptions of the performance of its procurement practices

According to the respondents, the firm does not have a formal supplier selection methodology in place. One respondent suggested that each time the firm require new services or goods, they conducted their counter parts in other firm to establish who they were using and engaged suppliers on that basis. It also noted that most of the suppliers of goods and service to the firm are domestic SMEs except where such services are not locally available. A respondent advised that the firm has no specific policy on joint action with supply partners however; this should be possible and depends on a case-by-case basis. Further the respondent advised that peculiar investments to support formation and development of relational exchanges were not sustainable and therefore not practiced by their company. One respondent advised that the firm uses signed off contracts to monitor and evaluate relational exchanges performance. Another respondent advised that user teams enter into service level agreements with services supply partners which are reviewed every now and then as basis for monitoring and evaluating supplier performance. From both responses, it is eminent that the firm does not treat supply management as a critical aspect of its procurement practices that should be formally and systematically monitored and evaluated. As such, application of this tool was sporadic as one respondent categorically advised that the company did not have mechanism in place for monitoring and evaluating supplier performance, despite the contradicting response by another respondent working in ICT. It appears the firm values commitment of resources towards supporting formation and development of relational exchanges with supply partners as an unwarranted cost that should be avoided. Furthermore, the firm does not require its supply partners to incur further costs in this regard unless where parties deliberately make such decisions.

Firm's perceptions of the importance of its procurement practices

A respondent advised that the firm's current procurement practices delivers above average returns by providing superior quality and solutions critical to business operations. Furthermore, the firm's procurement guidelines require the business to ensure delivery of excellent quality goods and services, to make customers successful, foster openness, act according to clear priorities, and act in entrepreneurial way stated the respondent. Also, the respondent advised that reputation is everything; it takes years to build and must be protected and enhanced. It is part of fulfilling our customers' expectations of largest customers demand proof that our commitment to corporate citizenship is equal to theirs. Shareholders and the investment communities are also interested in a company's approach to corporate citizenship – it shows that the management is “switched on and prepared for the future”.

Within case analysis

According to the respondent, the company does not have a formal procurement practices to be followed by the overall business and user departments take a leading role in the sourcing and procurement of required goods and services. As such, user departments are mandated to engage with suppliers of goods and services without having to refer to specialist departments. Essentially, the role of procurement is currently fragmented and uncoordinated. User departments are

responsible for all stages of the procurement process that from identifying of needs through sourcing and actual procurement. As such, prevalent procurement practices lack segregation of duties, which is a critical control essentially in any procurement process. The firm however, is rather small and cannot afford setting up a substantive procurement function to take full responsibility for sourcing and procurement of goods. Consequently, procurement practices are less formal and structured.

Eminently, procurement practices are therefore fragmented and uncoordinated hence difficult to measure, monitor or evaluate as there is no predetermined methodology for doing so. The firm lack systematic and standard measures for measuring and monitoring procurement practices. The firm entrust the user departments with sourcing and procurement practices despite their lack of skills and expertise engaging key stakeholder in complex procurement arrangements. Also, there are several weaknesses with relying on the competitive bidding alone as basis for ensuring that the firm obtains lowest prices as other measures including collaboration, quality of goods and services, partnership arrangements are not contained it's the tactical approach to procurement practice.

It is evident that the firm's procurement staff does not have the full mandate to work with strategic supply partners towards significantly influencing the overall mission of the firm. As such, procurement practices are not founded on co-operation with other functions to strive for joint and collaborative relations with supply partners to assist both firms maximize shareholders value; and significantly invest in the formation and development of relevant relational exchanges is nominal. Likewise, it is judged that the relative comparison between the four categories being investigated between the case company and its supply partners' business objective is insignificant.

Summary of responses to question 2 – 8 for Case Company C10

Case study	Analysis of each of the 7 trust attributes
C10	Commitments are less structured Openness in business relationships is limited Develop in house skills and competence Highly sensitive to economic and financial risk Proactive communication systems are unsustainable Reliability is limited Honest / Integrity is compromised

Source: Developed from the results of this study

Case company – S11: Brief background

This is a multi-national firm and a global market leader in the manufacturing and distribution of automated teller machines (ATMs), point of sale (POS) terminals and bar code scanners headquartered in North America is a world-leading manufacturer and distributor cash dispensing facilities used by banks worldwide and operate 24hours. The supplier is also a manufacturer of diagnostic software for ATMs distributes and installs such equipment to banks in Zimbabwe and provides after sales service to include repairs and maintenance service level agreements and contracts. Today, customer to the company demand and needs drive the product development as a result, ATMs are becoming complex due to technological advancements. The suppliers business in Zimbabwe is also a stockist of critical spares for ATMs and offer technical support to banks. The company has over 62 years of doing business in Zimbabwe. They currently supply technical support to all banks operating in Zimbabwe. The firm spent between US\$400 and US\$410 million on sourcing and procurement of goods and services.

The firm and the procurement function

A respondent stressed that during his 30 years of employment with the company, significant changes have happened because of changes in customers' preferences and buying behavior. According to the respondent, during the early 1990s the firm's procurement practices were decentralized and fragmented with user departments taking a leading role in the sourcing and procurement of goods and services required by the business. However, the respondent advised that due to severe global crisis business took a downturn, and to ensure survival the firm transformed its business and implemented multi-level or hybrid procurement practices. This decision was made in consultation with specialist procurement consultancy advised the respondent and the result was establishment of centralized procurement function based at the group's headquarters in USA and local procurement offices to support both group and local procurement arrangements and strategies. According to the respondent, such a procurement model was adopted mainly to improve the overall efficiency and enhance the degree of cooperation and coordination within the rest of the company and key suppliers stressed the respondent. Furthermore, the respondent advised that the procurement function also strives to work collaboratively with both internal and external stakeholders in support and provide guidance and leadership in line with overall mission of the firm.

Firm's perceptions of the performance of its procurement practices

According to the respondent, the company perceives highly the performance of the procurement function and its contribution to business success. Further, the respondent advised that the company has a robust methodology used by management to measure and monitor the performance of the procurement function and that of the suppliers. As such, procurement practices are measured by ability to offer market intelligence required to influence decision-making, coordination and joint prioritization with key stakeholders in line with the company's mission as stressed by the respondent. As stated by the respondent, the coordinated procurement system is adopted improve the procurement coordination, enhanced service levels and quality of sourced goods and services.

Mainly, procurement practices are measured and by ability to work collaboratively with user departments and suppliers in a coordinated and structured way to support overall business ambitions stressed the respondent. According to the respondent, the firm's through its procurement function requires that monthly "Quality Business Review Meetings" (QBRs) are enforced where suppliers meet with the firm service team to discuss business objectives and review relationships between the firms. As stressed by the respondent, such meetings are meant to ensure effective communication; transparency and openness between stakeholders during procurement arrangements. Furthermore, the respondent stressed that parties discuss problems and help each other to resolving them as these are detected well in advance and raised in the monthly QBR meetings. According to the respondent, through these structured meetings, both parties can foresee and anticipate challenges well before they get out of hand and devise joint solutions. Also, the respondent stressed that the firm values shared responsibility with supplier to uphold the highest standards of corporate social responsibility; ethical practice through entering into right relationships with carefully selected suppliers.

According to the respondent, the firm believes in working openly and collaboratively with all stakeholders both inside and outside the firm achieves highest level of benefits to the overall business performance. Also, the respondent stressed that the firm values greatly joint action between their firm and key supply partners to resolve customer complaints and to proactively develop innovative and continuously improvement business strategies. According to the respondent, some of the resultant initiatives include devising of cost effective and low cost

solutions through joint research and development are heavily undertaken and funded by both parties to keep ahead with competition and technological advancements. As explained by the respondent, during the supplier selections, supplier commitment to continuous improvement and willingness to engage in joint initiatives (joint training of key staff, undertaking joint corrective action) are allocated with high weightings and significantly determine whether a supplier will pass the accreditation or not. Also raised by the respondent is the fact that the firm's supplier selection methodology, potential suppliers are required to demonstrate their commitment and willingness to going an extra mile to ensure that they deliver on their promises.

Firm's perceptions of the importance of its procurement practices

As stressed by the respondent, the procurement practices form a critical part of strategic business partnership integral to business success and explicitly acting according to the overall mission of the firm. The procurement function according to the respondent is critical in that it coordinates and influences joint decision making with both internal and external stakeholders and ensures that parties are committed to adopted decisions. Furthermore, the respondent stressed that the procurement function's critical mission is to provide leadership and advice to both internal and external stakeholders in major procurements on supplies related commercial matters.

Furthermore, the respondent advised that procurement practices influences and coordinates adoption of joint strategic initiatives such as staff training and development, commitment to continuous improvement and provision of set budgets equally earn more points for the supplier to be approved or accredited. Once the firm establishes the possible benefits for entering into particular strategic relationships, they offer fund development of such relational exchanges to required levels. A respondent advised that the firm initiated certain relationships and in some instances accept supplier invitations and the firm always put money where to continuous improvement initiatives without despair. The firm main drivers for resourcing and funding such initiatives has been to maximize creation of value for both parties shareholders through continued supply of value for money goods and services stressed the respondent.

Within case analysis

By virtue of being a manufacturer and distributor of highly technical gadgets, the procurement staff needs to understand the technology behind the product, parts that are procured in order to meet the needs of the user. As such, adoption of multi-sourcing procurement practices means dealing with local and overseas suppliers concurrently to achieve high value procurements. As a result of the prevailing marketing conditions, the firm resorted to multiple sourcing for most of its key procurements. Dual sourcing is re-established as the main sourcing and procurement method to create a competitive situation, both when it comes to existing products, but also when new products or alternatives are developed. It means developing new suppliers who offer developing new suppliers who offer comparative advantage unlike existing ones.

As mentioned by the respondent, a number local SME's have benefited from the company's supplier development programs particularly in the printing and inks manufacturing industry as part of its commitment to developing and promoting participation of small, disadvantaged, and minority – and women owned suppliers to supply goods and services. Also, the company pledges to provide opportunities to small and local business communities through reselling opportunities, mentor – protégé programs, joint ventures, teaming arrangements and subcontracting. Currently the firm is working with local SME to manufacture ATMs picker belts among other fast wearing out yet basic components usually on firm 'critical supplies list'. At present 80% of the company's suppliers of consumables and critical components are in country. The firm supplies ATMs and provides after sales service and support to all the ten banks being investigated in this study.

Through this study, it is established that the firm has a mature hybrid procurement practices established in 2002. As such, prevalent procurement practices emphasize both inward and outward oriented procurement practices which, influences sourcing and procurement decision making process across the business. Essentially, the prevalent procurement practices are grounded on procurement function full engagement with all user departments and supply partners in an open and transparent manner to support parties’ business strategies and objectives. The firm’s procurement practices strive to ensure that stakeholders work collaboratively and jointly with each other to effectively influence business strategic direction. As such, all stakeholders operate in a proactive manner and can anticipate future supply challenges likely to affect the present and future business through working closely with each other. Furthermore, procurement practices strive to achieve efficiency through improving effects of possible synergies, which among other things involves joint purchasing, global sourcing, and development of bespoke supply chains.

It is evident that the company’s procurement staff have the full mandate to work according to the overall mission of the firm, co-operate with other functions, and strive for joint and collaborative relations with supply partners to assist both firms maximize shareholders value; and significantly invest in the formation and development of relevant relational exchanges with the chosen supply partners. As such, it is judged that the relative comparison between the four categories is being balanced between the case company and its supply partners business objectives.

Summary of responses to question 2 – 8 for Case Company C11

Case study	Analysis of each of the 7 trust attributes
C11	Committed to obligations Open and transparent in all business relationships Value stakeholder skills and competence Highly sensitive to economic, reputation and financial risks Structured proactive communication systems in place and well supported Reliability is critical for the business to deliver on its promises Integrity is critical to business survival.

Source: Developed from the results of this study

Case company – C12: Brief background

This firm is a distributor of auto-mailer; statement printing machines and consumables used for customer billing, monthly statement printing and mailing. This is an indigenous firm operating a franchise of a world-leading brand of medium and heavy-duty statement printers. As a local distributor of the global household name of auto mailer equipment, the firm offers technical support to include attending to machine breakdown and faults, offer preventive maintenance and service level agreements for annual maintenance contracts with 60% of the banks operating in Zimbabwe. The organization has over 35 years of doing business in Zimbabwe. This firm through the manufacturer and supplier of the house hold name auto mailers ensures that clients’ relevant people are provided with appropriate training and guidelines required supporting the product so as to achieve set objectives. The firm spent up to US\$20 million annually on sourcing and procurement of goods and services critical for business operations.

The company and the procurement organization

According to the respondent, the company established a central procurement department in 2006 following serious economic challenges facing the economy today. As stated by the respondent, all engagements with suppliers of goods and services are the responsibility of the procurement function. As stated by the respondent, procurement function engages with users departments to establish requirements and discuss product quality and specifications. Furthermore, the

procurement function has the responsibility of coordination of business requirements, sourcing and procurement practices for goods and services to support business requirements. Management of relational exchanges with supply partners is also the responsibility of the procurement function in line with the company policy and procedures - conducted in a professional and ethical manner explained the respondent. Furthermore, the respondent advised that, the firm's relational exchanges with suppliers and internal stakeholders is regulated by contractual terms and conditions incorporated in the commercial contracts and service level agreements which are tools used by the procurement function to monitor and measure both supplier and procurement function performance.

Because of the nature of relationship between the firm and the RSA manufacturer and sole supplier of the house hold name auto mailers, the contractual terms and conditions requires that there be honesty, open, transparent and joint approach in problem solving and capacity building. The manufacturer and supplier provide regular staff trainings, joint customer staff trainings. A respondent advised that the company is the sole distributor and franchise holder of the household name auto mailers in Zimbabwe. Furthermore, the firm and supplier use open book pricing policy as the supplier determines all pricing of spares, consumables and parts. The firm can determine labor charges and costs as these are outside the supplier's control.

Firm's perceptions of the performance of its procurement practices

The company deals with a couple of local suppliers of goods and services apart from their main supplier. There is no formal methodology for measuring and monitoring of procurement practices activities such as supplier selection, screening, supplier performance monitoring and evaluation. One of the respondents advised that our buyers have the sole responsibility to source and procure goods and services as and when need arise. It is eminent that the company does not have a highly structured supplier management approach. Suppliers are selected on the basis of quoted price. Every purchase requires a minimum of three quotations from any three companies. Due diligences are not conducted as part of risk management. As such, the company could be paying far more than they should be paying for as chances are that some of the employees source the requirements and sell to the company at higher prices. Supplier price and ability to supply is the sole basis for engaging a supplier. The extent of relationship with particular supplier is the prerogative of the buyers and the technical staff as long as the supplier can prove that they are the cheapest based on the three quotations obtained at time of purchase.

Firm's perceptions of the importance of procurement practices

According to the respondent, the procurement function is regarded as a critical link between the company and its suppliers of goods and services. Essentially, the function is regarded as providing advice and guidance to the overall business on procurement arrangements. Based on the nature of relationship between the firm and its RSA supplier and business strategic partner, monitor and evaluate relationship performance by quarterly review of their service level agreement. Furthermore, the respondents advised that during the first week of every quarter procurement function ensures that their firm, strategic business partner and client meet to review business performance and exchange notes on anticipated challenges and problems and discuss possible joint initiative, new inventions and technologies likely to impact parties overall business performance. According to the respondent, the quarterly review meetings are critical element of the firm procurement practices as it brings together key stakeholders (the firm; the strategic business partner and the clients) to discuss, evaluate and monitor business performance.

Within case analysis

According to the respondent, the firm's main supply partners are based in the Republic of South Africa (RSA) are selected based on their technical competence reputation and experience in supply of similar goods and services and are managed by the business strategic partner based in RSA. Because of the nature and technical complexity of the technology supporting auto mailers, the manufacturer of this equipment offer training and accreditation to distributors and service providers. The firm procures its requirements from any of the accredited supplier of required parts, goods and consumables at predetermined price. According to the respondent, the strategic business partner reviews the approved supplier list from time to time as they have direct relationship with the suppliers. As such, the relationship between the company and its RSA suppliers is mainly by telephone and very remote as supply prices, terms and conditions of supply are agreed on with the manufacturer and translated into a service level agreement. The company represents the foreign supplier as a strategic partner, distributor and channel partner.

As a distributor and strategic partner, the firm involvement in working collaboratively with supply partners is governed by the terms and conditions of the distributorship. The manufacturer and supplier of the auto mailers being distributed by the company manage the supply chain on behalf of all franchise holders or channel partners. As stated by the respondent, the company's procurement department has very limited influence on establishing relationships with suppliers of parts consumables for auto mailers as we work on a franchise and a commission. According to the respondent, the procurement function is considered as strategic partner to the business responsible for providing advice and guidance on sourcing and procurement arrangements to the business. As such, the function collaborates with key stakeholders both internal and external to the firm for the supply of required goods and services. As such, the company perceives procurement as critical towards supporting and driving core business processes to achieve business ambitions. The procurement function is therefore regarded as responsible for the effective and efficient supply of goods and services of the right quality at the right price and time.

According to the respondent, the firm's procurement practices objectives is to ensure robust structured, coordinated and development of bespoke supply chains. Nonetheless, the procurement function is still very primitive and requires complete revamp to effectively and efficiently contribute to company's strategic direction and success. As a result, despite the responsibility to ensure stimulation of relations with local supply partners being the responsibility of the company's procurement, the relations between procurement and local suppliers of low value goods and services does not seem to positively influencing the strategic direction of the business. Table below provides a summary of the responses.

Summary of responses to question 2 – 8 for Case Company C12

Case study	Analysis of each of the 7 trust attributes
C12	Commitments are critical to business Open and transparent in all business relationships Skills and competence Highly sensitive to economic and financial risks Structured proactive communication systems in place and well supported Reliability critical Maintain high level of business integrity

Source: Developed from the results of this study

Case company – C13: Brief background

This is an indigenous family owned firm offering security and general printing services to financial services organizations mainly personalized cheque books, deposit slips and books for business banking and other security stationery used by banks. Also, the company is a market leader in the printing of general marketing brochures, pamphlets, billboards and general branded bank stationery; security printing of cheque books and dividend certificates. The company has over 40 years of operating in Zimbabwe. The company is now targeting regional markets and is the market leader in general and security business in Zimbabwe. The firm spent US\$175 to US\$200 million on sourcing and procurement of goods and services per annum.

The company and the procurement organization

In mid 2005, as part of its effort to control its operational costs following the continued decline in the country's economy, the firm established a central procurement department to source and procure all materials, goods and services required by the business. According to the respondent, until recently, procurement practices were fragmented across the business. As stressed by the respondent, due to increase in fraud cases involving procurement of raw materials mainly stationery and expensive security inks, establishment of the central procurement function was undertaken in an attempt to reduce operational costs and control expenses and related risks. As such, the respondent advised that the role of the central procurement department is to liaise with stores and inventory control department stock requirements and source the mainly materials for both planned and anticipated demand.

For many years according to the respondent, procurement of raw materials, goods and services was the responsibility of the stores department including sourcing, procuring and inventory control. As stressed by the respondent, because on lack of segregation of duties, the inevitable risk was the loss of control by way of entrusting one department with the end-to-end procurement process hence the resultant fraud cases hitting the company lately. Eminently, the company operates the traditional procurement system where production department liaise with the stores and inventory department who in return communicates with the procurement department for stock replenishments. According to the respondent, this procurement approach has assisted the company achieve its mission to have total control of the procurement process, reducing operational costs through use of its purchasing leverage to ensure that both indirect and direct procurements are sourced at the lowest cost, highest quality and optimal service, including delivery.

Firm's perceptions of the performance of procurement practices

As stated by the respondent, procurement department performance objectives are ensuring that high quality of materials, goods and services are procured to influence customer satisfaction and help the company establish stable and efficient processes. Essentially, high quality of materials, goods and services reduces costs and increases dependability. As stated by the respondent, the company measures this attribute against its procurement department by reviewing against number of mistakes made caused by bought out materials, goods or services. Secondly, the performance of the company's procurement department is measured against speed – doing things fast to minimize the time taken between the purchase requisitions issued to procurement and the availability of materials, goods and services.

Any delays, lost production due to shortage or none availability of raw materials unless is due to some other causes reflect on the procurement department as mentioned by the respondent. Lastly, the company requires cost saving from every dollar spent by the procurement department towards sourcing and procurement of materials, goods and services, however, cost or price paid for

materials, goods and services is a function of the other performance objectives. As such, the company requires a robust procurement performance objectives measuring and reporting system that reflects accurately on the performance of the procurement department in short, medium and long term.

Firm's perceptions of the importance of procurement practices

As stressed by the respondent, the need to ensure control of sourcing and procurement operational costs and related risks led to the establishment of the centralized procurement function. As advised by the respondent, the central procurement department has the sole authority to procure materials, goods and services, and commitments to spend. Furthermore, the respondent stressed that user departments may wish to engage prospective suppliers in preliminary discussions, or decide to ask procurement department to deal with the prospective suppliers, in no case should the user department commit the company to a purchase without involvement of the procurement department. As mentioned by the respondent, approved procurement processes are followed in every case to ensure that the supplier is selected objectively and the process involved only specifically authorized signatories to sign agreements on behalf of the company. Agreements signed by unauthorized personnel, as well as oral commitments, are regarded as compromising the company's ability to control the process by which it incurs obligations, and further expose the company to unwarranted risks. According to the respondent, the firm does not have a predetermined methodology for evaluating and monitoring performance of procurement practices.

Within case analysis

As advised by the respondent, the centralized procurement practices involve sourcing, managing and administrative aspects of contracts and purchase orders. Essentially, approved contracts developed by the procurement department including official purchase orders are used wherever possible to ensure that the company's interests are fully protected and procurement initiatives are appropriately implemented as stated by the respondent. Furthermore, as stated by the respondent, prior to experiencing spates of fraud cases involving the procurement of materials, goods and services, procurement was combined with the company's stores and inventory department. As such, the end-to-end process of the procurement process from origination of needs through the sourcing and procurement to inventory control was consolidated stressed the respondent. Inevitably, procurement systems need to be robust as weaker systems can result in serious risks to the firm (Hines 2004). According to the respondent, the company follows a simplified and traditional procurement system where central stores department is the main customer to procurement department and all other departments deal with the stores departments for their requirements. Essentially, this model of procurement system has worked well for the company particularly during the current times of supplies shortages as the company is guaranteed availability of materials from existing stocks. As stated by the respondent, there is scope for the firm to further secure its raw materials availability through implementation of consignment stocking policy where the company hold their suppliers stock at their premises and only pay for usage at the end of every month.

According to the respondent, by every standard, the company's procurement department is aligned to the organization mission statement, and key performance objectives being to control company operational cost, ensuring good quality of goods and service. The procurement department on a monthly basis reports to the finance director cost savings on outsourced materials goods and services and a target is agreed for a financial year. Several sources have argued that companies many times struggle to particular performance objectives concurrently for instance achieving high quality of materials, goods and services reduces costs and increases dependability. Also speed supports flexibility and reduces inventories and reduces risks if the speed is faster and

dependability reduces costs; flexibility supports costs and maintains dependability and costs are affected by other performance objectives. To achieve good procurement standards, the company procurement department requires ability to balance between performance objectives and plan accordingly

Summary of responses to question 2 – 8 for Case Company C13

Case study	Analysis of each of the 7 trust attributes
C13	Commitments are less structured and reactive Open and transparent to a limited extent Shortage of relevant skills shortage and competence Highly sensitive to economic and reputation risks Proactive communication systems are unsustainable Reliability is limited Integrity compromised at the expense of business survival

Source: Developed from the results of this study

Case company – C14: Brief background

This firm is the country’s leading security consultancy firm in providing security solutions to corporate and private properties. The firm has over 75 years experience in providing specialist outsourced business processes where security and safety risks are considered a strategic threat. Furthermore, the company assists corporate firms with assessing current and future risk and develops secure solutions to minimize their impact. The firm’s largest business involves providing security solutions and protection, cash handling services and facilities to Zimbabwe’s banking industry. The company operates six regional depots to help coordinate its operations countrywide. This indigenous security firm also specializes in providing day and night security guard services for premises, firearms, and logistical services. The company is currently deals with all banks in Zimbabwe because of their renowned experience in providing security to banks and other financial services organizations. Today the company employs over 15000 security guards countrywide, owns a fleet of small to medium side vehicles used for cash handling and transportation and so forth. The firm spends over US\$75 million annually of motor vehicle replacement, corporate wear – guards’ uniforms and equipment and security technology.

The company and the procurement organization

As advised by the respondent, since 2002, the firm’s procurement practices are centralized and involve coordinating of business requirements across user departments, sourcing and procurement of goods and services. According to the respondent, the firm’s procurement practices provide streamlined procurement processes that are standard across the business and coordinate all business requirements and seek to achieve cost savings as a result of economies of scale. Furthermore, the firm’s procurements are classified into categories with specialist sourcing and procuring practices modeled around the specific category or commodities stressed the respondent. According to the respondent, the high security category involved sourcing and procurement of fire arms; physical security equipment; licensing of fire arms; security vehicles; and cash handling canisters and so forth which required specialist skills and involved high coordinated procurement practices involving working closely with strategic suppliers because of the sensitivities around nature of the goods and services required. The second major category treated as specialist area by the firm involves sourcing and procurement of corporate wears for guards’ uniforms, and other security equipment affirms the respondent. The other categories of spend stressed by the respondent involved sourcing and procurement of outsourced services and groceries for staff refreshments and the dogs unit. Overall, the respondent advised that procurement practices form a

critical part of the business strategic direction bearing in mind the level of security required in operating a high-tech security consultancy firm.

Firm's perceptions of the performance of procurement practices

The responsibility to source and procure goods and services required by the organization rests with the procurement department, and essentially, all departments channel their requirements through this department. According to the respondent, the procurement function is measured and monitored based on a predetermined benchmarks mainly, quality of goods and services, price at which goods and services are sourced and procured, ensuring availability of goods and services at the right time, and supplier's lead time. As such, the respondent advised that the procurement function reports on monthly basis its performance as the function has internal service level agreements reviewed annually with key stakeholders. The company use 360 degree feed back as an additional tool for evaluating performance of its procurement function said the respondent. As such, management fully understands how the procurement department performance is on an ongoing basis and user departments are involved in providing management information in relationship with the performance of the procurement function stressed the respondent. Accordingly, the procurement function strives to work closely with both internal and external stakeholders in ensuring that right goods and services are sourced and procured.

Firm's perceptions of the importance of procurement practices

According to the respondent, the procurement function is perceived as an important business partner integral to business performance as sourcing and procurement of the firm's security goods and services is such a highly sensitive function of the business. As such, the respondent stressed that the firm's procurement practices are highly aligned to overall business ambitions and involves senior managers. Essentially, the procurement function is regarded as a specialist function that should provide advice and guidance to user departments stressed the respondent. As such the procurement function is regarded as an important business partner by user departments as they essentially have to work together and in many cases make joint sourcing and procurement decisions stated the respondent. Cross functional teams is the back bone of the company's procurement arrangements as such procurement arrangements and decisions represent the best interests of internal stakeholders as they both assist each other come up with best procurement decision working in collaboration with key stakeholders external to the firm such as the suppliers and the government officials responsible for licensing and regulating of national security.

Within case analysis

According to the respondent, the procurement function plays an integral role in the sourcing and procurement of goods and services required by the business. Essentially, joint decision between the procurement function and user departments are critical when making sourcing and procurement arrangements. Eminently, the firms procurement practices are both inward and outward oriented because of the sensitivities and nature of goods and services sourced and procured. As such, procurement practices play a pivotal role in firm's overall decision - making process. The centralized procurement function assists the company streamline and coordinates the company's sourcing and procurement arrangements as well as reporting of procurement activities. The central procurement function is responsible for providing consultants' services to user department as well as committing to the company with third party suppliers of sourced and procured goods and services stressed the respondent. Accordingly, the user department track on placed orders and liaises with suppliers of goods and services to ensure delivery of procured goods in line with terms and conditions of contracts authorized by the procurement function.

According to the respondent, the activities of the procurement function are measured by way of internal service level agreements and management reporting systems that measure and monitor procurement activities in terms of quality of goods and services delivered, quality of services provided to user departments, ability to influence continuous improvement. Because of the centralized procurement process, procurement activities are well coordinated and could be easily measured and evaluated. Both the procurement and user departments have a critical role to ensure that the procurement function performed to satisfactory levels particularly by ensure that best decisions are jointly taken about best procurement approach and supplier selection. User departments relate with suppliers of goods and services, as they are responsible for orders tracking and day-to-day activities of the suppliers. According to the respondent, procurement practices are highly considered as being critical to business performance and as such taken as critical business partner, integral to business operations. It is the responsibility of the procurement function to ensure that procurement arrangements are fully coordinated and commit the company with suppliers of goods and services.

Summary of responses to question 2 – 8 for Case Company C14

Case study	Analysis of each of the 7 trust attributes
C14	Committed critical to business Open and transparent to a limited extent Relevant skills and competence critical Highly sensitive to economic and reputation risks Proactive communication critical Reliability is critical Integrity is critical

Source: Developed from the results of this study

Case company – C15: Brief background

This firm is a wholly owned subsidiary of engineering giant based in United Kingdom which produces diesel and gas powered electricity generators and exports 99% overseas. Faced with stiffer competition from rivalry brands from China in particular, the company in 2005 with the assistance of external consultants pursued multi-layered procurement practices in an attempt to improve on its operational cost efficiency through eliminating any foreign currency exchange related costs, improved customer service through allowing subsidiaries full control of local supply chain. This firm is both a manufacturer and distributor of household name generator sets and uninterrupted power supply services (UPS). Demand for generators and UPS grew significantly in Zimbabwe over the last decade because of continued power outages and blackouts that have negatively affected businesses operations. The firm is set up as a warranty centre, provides supply and installation services, consumables, technical advice and support as well as preventive service to banks. The firm’s annual spent grew from US\$5 million to US\$30 million over the last five years.

The company and the procurement organization

According to the respondent, procurement function was not on the firm agenda five years ago as demand for generators and uninterrupted power supply sets shot up following the country’s severe electricity power cuts. As such, in 2005 a centralized procurement function was established to help coordinate rise in demand and supply of goods and services as the firm started expanding its operations explained the respondent. According to the respondent, today the procurement function is involved with everything from ordering, shipping, customs and clearance, risk, demand and supply management in line with the firm’s overall ambitions. As such, the daily procurement work has become more synchronized and goals and strategies of the purchasing department

correspond to the overall mission of the firm affirmed the respondent. Essentially, the respondent advised that procurement practices are critical to business integral to the success of business operations.

Firm's perceptions of the performance of procurement practices

As cited by the respondent, the procurement department key performance objectives include managing supply risks and supplier relationships to ensure timely supply of goods and services. According to the respondent, the firm's products have a life cycle of between 3 and 5 years, and as such, relations between the firm and the suppliers who are the manufacturers and distributors of the branded generators and UPS. As such, procurement practices have to be sustainable over the shelf life cycle of the products, since the company has the sole dealership and the approved warranty centre of the generators in Zimbabwe. When the product life cycle and shelf life span are considered, establishment of long term collaborative relationships for both buyer and supplier companies to be success on the market. A critical factor with manufacturing and supply of generators and UPS sets is management of the of the product warranty and after sales support. However, when the product is off warranty period, parties have to agree on whether to extent the warranty or terminate, resulting in change in the procurement practice and approach.

Firm's perceptions of the importance of its procurement practices

According to the respondent, procurement practices are integral to business success. As such, the procurement function assists the business decision-making process, which is, both external oriented and internally oriented that is regarding coordinating the activities and efforts of both internal and external stakeholders to both parties best advantage. As stated by the respondent, the procurement main responsibility is to assist both internal and external stakeholders arrive at right decisions that maximize value for both companies' shareholders stressed the respondent. Essentially, the procurement function is perceived as being integral to decision making and providing advice and guidance to stakeholders on best course of action relating sourcing and procurement arrangements.

As stressed by the respondent, suppliers are regarded as critical strategic partners and their performance is formally monitored and evaluated. As such, today the firm invested substantively towards high technology procurement systems to enable easy and speed order processing, tracking, product specification and pricing and so forth. As stressed by the respondent, a collaborative procurement approach is critical for the success of the procurement department bearing in mind the nature of the products the company specializes in and issues of transparency and openness between the company and its key suppliers is paramount. As such, the company procurement department decision making process take into account supplier side as essential and critical in supporting best value procurement practices.

Within case analysis

According to the respondent, cross-functional teams in collaboration with supplier representatives work jointly and strive for improvement of end to end procurement processes across the supply chain. Situations arise that are complex, which are tackled with much easy, probably because of better and deeper cooperation between, the procurement and user departments as well as suppliers. Furthermore, use of the teams for high value and complicated high risk purchases improves the coordination of procurement processes resulting in guaranteed quality assurance, managed demand and supply of outsourced goods and services, high level of decision making and ensure transparency of company's procurement processes. Taken together, it is eminent that the company procurement practices are well coordinated resulting in increase synergies and cost efficiencies across the company, which are measured and reported to senior management in a

structured and formal management reporting system. As mentioned by the respondent, the company takes procurement department as a strategic function and cause of existence as the company first business was buying and selling of generators and UPS sets which later expanded to commissioning, and provision of support and maintenance services.

Because of the company’s product shelf life of between 3 and 5 years, relationships between buyer and supplier firms is bound to be long term so is with the clients, stressed the respondent. Furthermore, buyer firms cannot easily switch from one supplier to another (Porter, 1980). However, critical is both buyer and suppliers, commitment and willingness deliver on their promises. Variables such as conduct and behavior, quality of services and risk management for example are connected to the classical purchasing aspects such as volume and price changes, whereas beneath the shallow structures, hidden aspects are formed. This for example concerns questions such as lead times, faults, commissioning and configurations and so forth. As advised by the respondent, the procurement department is well resourced and understands the company’s mission and strategic objectives.

Summary of responses to question 2 – 8 for Case Company C15

Case study	Analysis of each of the 7 trust attributes
C15	Committed to obligations Open and transparent to relationships Highly skilled and competent Highly sensitive to economic and reputation risks Structured proactive communication systems in place and well supported Reliability is guaranteed Maintain high levels of business integrity

Source: Developed from the results of this study

Case company – C16: Brief background

This company is a franchise of global and one of the world’s largest manufacturers and distributors of telecommunication system and technology for both data and voice recognition electronic services. As a strategic partner, the Zimbabwean wholly owned indigenous firm specializes in manufacturing and distribution of branded communication equipment for domestic and corporate use for both local and export markets. This firm use to be a subsidiary company of the global manufacturer of telecommunication systems and equipment until 40 years ago when the business was taken over on a management buy-out by local management. The firm pride in providing high innovative telecommunication systems, sustainable business solutions to the business world where any person can use voice, text, images, and videos to share ideas, and information whenever and wherever wanted. The firm has been operating in the Zimbabwe market for 65 years and continues to benefit from its exclusive relationship with the global firm not only as franchise holder but also as a strategic business partner. The firm spends between US\$75 and US\$80 million per annum in sourcing and procurement of different telecommunication equipment, raw materials, spares, components such as telephone handsets and switchboards, telephone distribution boards and so forth. The company is also a warrant centre for products produced anywhere in the world by or on behalf of the global company and provide after sales maintenance and support services.

The company and the procurement organization

According to a respondent, who worked for the company for over 38 years now, the procurement practices are integral to the performance of the business. As stressed by the respondent, the procurement function has the sole responsibility to source and procure mainly high value and

strategic procurement, establish right relationships with key suppliers and ensure high level of supplier commitment and performance. The respondent advised that core to the firm's centralized procurement practices is the responsibility to provide leadership and technical advice to the business core functions and secondly to coordinate the efforts of key stakeholders within and external to the firm (manufacturing unit, sales and distribution departments; suppliers; industry partners; governments and media). As advised by the respondent, the procurement function is a strategic business partner involved in setting business long term goals; provide leadership to the business on procurement, to support overall vision and mission of the firm.

Firm's perceptions of the performance of procurement practices

According to the respondent, the procurement function being a strategic business partner is expected to support company's mission and ambitions. As such, the respondent advised that the procurement function performance was measured in several ways through use of a matrix linked to overall performance of the firm, which takes into account the end-to-end process of the procurement cycle. As stated by the respondent, overall, the procurement function is measured by its ability to engaging in responsible business relationships with strategic suppliers, ensuring strategic cost reduction, ability to deploy company resources, enhance value from internal and external stakeholders through working in collaboration and innovative way in support of overall business performance. As stressed by the respondent, the firm has a Group Management System, which monitors compliance and integrates corporate and social responsibility goals across the company and enforces high environmental and social standards along the supply chain. As stated by the respondent, in 2008 the company in collaboration with the global partner rolled out to all suppliers a code of conduct on compliance monitoring program for tracking unethical practices that damage communities and the environment. As stressed by the respondent, the procurement function is involved in global sourcing and delivers value to the overall business through implementation of low cost sourcing initiatives giving the company a competitive advantage.

Firm's perceptions of the importance of its procurement practices

As stated by the respondent, the procurement is perceived as a strategic business partner involved in providing innovative sourcing and procurement solutions essential to assist business deliver on its ambitions. Essentially, the procurement function is perceived as an integral business function which brings together both internal and external resources to best advantage and ensures parties' commitment through forging of joint decisions supported by all parties stressed the respondent. According to the respondent, the company's procurement function provides leadership to the business on strategic activities such management of internal and external relationships, provision of technical expertise and interactions that influence decision making process including planning, sourcing strategy, business risk management and strategic resource redeployment that support business ambitions and overall performance.

Within case analysis

In view of the various comments by the respondents, the firm's procurement practices are perceived as of significant influence to business's strategic direction and form an integral part of the business operations. As such, the procurement function is involved in strategy formulation and influencing of firm's strategic decision-making process. As stressed by the respondent, procurement practices are perceived to contribute to the effectiveness of the business supply chain (Van Weele, 2005). According to the respondent, the performance of the firm's procurement practices is measured by its ability to coordinate the efforts of key stakeholders both internally and externally to deliver medium to long-term benefits. Essentially, the prevalent procurement practices play as significant role in business success by influencing decision making among key stakeholders (both internally and externally to the business); enforces stakeholder commitment,

drive cost efficiencies; forge quality relationships, risk management as such effectively contributing to entire supply chain.

Summary of responses to question 2 – 8 for Case Company C16

Case study	Analysis of each of the 7 trust attributes
C16	Committed to obligations Open and transparent in all business relationships Highly skilled and competent Highly sensitive to economic and reputation risks Highly structured proactive communication systems in place and well supported Reliability is guaranteed Maintain high levels of business integrity

Source: Developed from the results of this study

Case company – C17: Brief background

Established in Zimbabwe over 28 years ago, the firm is a subsidiary of a Republic of South Africa (RSA) based group which provides security consultancy services, distribution and installation of high-tech physical security systems mainly access control, close circuit televisions circuits, intruder and fire detector systems. The firm main offices are centered in Harare and essentially the firm provides security services to all banks operating in Zimbabwe,. This firm is notably the market leader is high-tech security consultancy services in Zimbabwe with strategic alliances with global leading security firms. The company mainly provides security consultancy services, provides security advice to both companies and households, provides security reaction systems, which operate on remote sites, technical advice on the procurement and installation of security devices, and provides after sales support. The company has annual spend of around US\$50 – US\$65 million.

The company and the procurement organization

According to the respondent, the firm does not have a formal procurement function, as such the technical department has the responsibility to source and procure security devices and gadgets mainly from off shore suppliers. Essentially, because of the nature of the equipment required, the respondent advised that the technical department is perceived as better placed to procure required good and services as they require highly technical skills and expertise. As stated by the respondent, the technical function is regarded as a strategic business partner integral to business operations. Further, the respondent advised that by having the technical function taking a leading role on technical skills, inevitably makes sourcing and procurement arrangements essentially provide strategic direction to overall business operations and as such playing an integral role to business overall performance.

Firm’s perceptions of the performance of procurement practices

According the respondent, the perceived performance of the procurement function is measure by technical department ability to draw the right specification of required security systems and solution, sourced at the right total cost and delivered at the right time. Furthermore, the respondent stressed that the performance of the firm’s procurement practices is critical to business success to ensure that the firm sourced and procured high quality goods and services. As stressed by the respondent, the quality of security equipment cannot be compromised, as this would seriously affect the security of clients businesses and ultimately the reputation of the firm. According to the respondent, performance of the procurement function is perceived as being integral to the business performance and success and total cost of the security solution was

regarded as critical to business success as considering price alone as basis of providing security services compromised overall business security.

Firm's perceptions of the importance of procurement practices

According to the respondent, the procurement function is perceived as critical to business success. As stated by the respondent, the procurement function on its own could not be regarded as strategic and critical to business success hence combined with technical knowledge made it more critical. As such, the procurement function is a supporting function to business core processes responsible for setting business long-term objectives and policy formulation. As stated by the respondent, the procurement function is perceived as important as it is fully responsible for sourcing and procurement of client specific security systems. Furthermore, the respondent advised that the firm's procurement practices are closely in liaison with marketing as the department is also customer facing and also assist clients with decision-making. As such, the procurement function plays a dual role of selling and procurement of goods and services stressed the respondent.

Within case analysis

As stated by the respondent, the company does not have a formal procurement function dedicated solely to sourcing and procurement of required goods and services. Furthermore, procurement practices seem to play a dual role of selling and procuring of goods and services. As such, the procurement practices entail internal integration of selling and procurement and hence perceived as being strategic and critical to business success. Accordingly, the procurement practices are critical in driving business strategic direction, however, technical people who lacked procurement related commercial skills take a leading role in procurement activities. As such, the firm is likely to experience significant gaps between balancing technical and commercial requirements of business particularly that technical people are solely involved the end-to-end process of the procurement cycle. According to Hines (2004), there is greater need for segregation of duties to ensure compliance and greater control of the firm's procurement practices.

According to the respondent, the performance of the procurement function is critical to business operations and most important in the security industry getting the right quality of security is critical. As such right quality comes first hence the reason to have procurement and technical practices merged together in an attempt to streamline business processes. Everything taken together, it seems the firm's perception of the performance of the procurement function is less based on commercial attributes and rather focused on technical competencies. Essentially, to strike a balance between technical and commercial attributes the company could have adopted a collaborative procurement approach, which could help maximize procurement performance. Essentially, the firm perceives procurement practices as providing administrative support to core business functions. Overall, the procurement function is not highly perceived as being of importance to business success but critical to business operations.

Summary of responses to question 2 – 8 for Case Company C17

Case study	Analysis of each of the 7 trust attributes
C17	Committed to a limited extent Open and transparent to a limited extent Develop in-house to skills and competence Highly sensitive to economic risks Structured proactive communication systems in place and well supported Reliability is guaranteed Maintain high levels of business integrity

Source: Developed from the results of this study

Case company – C18: Brief background

Headquartered in Germany, this global firm pride in providing courier services from ‘Albania to Zimbabwe’. Essentially the firm is the leader in providing global courier services; handles international and domestic mailing services and express delivery services. The firm has over 27 years experience operating in Zimbabwe and currently deals with all banks in Zimbabwe. Overall, the firm’s services link more than 120 000 destinations in nearly 220 countries and territories from a network of over 4 700 offices worldwide. To stamp its authority in courier services, the firm owns a fleet of some 72 000 vehicles and about 350 aircrafts. In addition, the firm is also major provider of freight forwarding, logistics and supply chain management services. Mailing of customers’ bank statements is critical to the banking industry and is a possible source of sustainable competitive advantage to banks. As a group, the firm spends over US\$2 billion per annum in sourcing and procurement of goods and services. About US\$100 million is spend annually in sourcing and procurement of goods and services in Zimbabwe operation.

The company and the procurement organization

According to the respondent, the company moved from decentralized and fragmented procurement function to a multi-level or hybrid and coordinated procurement function end of 1999 following recommendation by specialist consultants in procurement. The adopted multi-level procurement model was adopted to enable local business to take full responsibility of sourcing and procurement of daily procurements arrangements, which include working with user departments and local suppliers towards achieving effective and efficient value for money goods and services stressed the respondent. As such the local procurement function is mandated to identify local suppliers willing to be developed and become approved suppliers. The procurement function’s strategic role according to the respondent is to coordinated procurement activities and liaising with senior management, user departments and suppliers and management of supply risks and stakeholder relationships. The respondent advised that the procurement function as such is considered as a strategic business partner providing procurement leadership and advice to the rest of the firm.

Firm’s perceptions of the performance of procurement practices

Essentially according to the respondent, the performance of the procurement function is integral to the success of the business as sourcing and procuring of low cost goods and services is critical to sustainable and competitive business operation. As a service company, the respondent advised that sourcing and procurement of value for money goods and services is critical to business success as the nature of the business strives on ‘small profit and quick returns’. Furthermore, the respondent advised that almost 70% of the company’s operating costs related to procured goods and services and as such, the procurement function has to work closely with key suppliers to ensure effective and efficient procurement arrangements resulting to strategic cost efficiencies and savings which enhance the company’s bottom line.

Firm’s perceptions of the importance of procurement practices

According to the respondent, the company perceives the procurement function as a strategic business partner providing leadership and advice on sourcing and procurement matters to the business. As such, the respondent further advised that because of the nature of the business, the company strives to improve its profit margins through achieve significant cost efficiencies through effective and efficient sourcing and procuring of strategic goods and services. The respondent stressed that where a company lies on small profits, it then strives on efficiency of its procurement system and ‘pushing of volumes’ to ensure economies of scale. As such the respondent affirmed that the firm’s procurement practices play an integral role in delivery of cost efficiencies, which are critical to ensure sustainable competitive advantage and overall business success.

Within case analysis

Essentially, the procurement function is regarded as a strategic business partner providing a spanning bridge between the company and suppliers of goods and services as stressed by the respondent. As such it is eminent that the firm’s procurement practices are both internal and external oriented and provides leadership and guidance to the rest of the business through liaising and influencing strategic business decisions among key stakeholders within and outside the company. Eminently, the procurement function plays an integral role in the company operations and is considered being critical to overall business performance particularly because of its strategic role to work collaboratively with key suppliers to achieve continuous improvement and resultant cost efficiencies that help in improving business profit margins.

According to the respondent, the company perceives the performance of procurement practices as being highly critical to business success. As such, the procurement function performance if not limited to the basic five rights of procurement suggested by Bailey and Farmer. Up and above the basic five rights, the procurement function performance is measured by its ability to work collaboratively with key stakeholders to achieve cost efficiencies and cost savings. As such, the procurement function is providing leadership to the rest of the business on achieving cost efficiencies through working closely with key stakeholders within the firm and external such as suppliers of goods and services. Essentially, the firm’s procurement practices are perceived as being strategic to business success and procurement function is considered as a business partner providing technical guidance and commercial advice on best practice sourcing and procurement. As such, the firm’s procurement practices seem highly aligned to overall business strategy and influencing both internal and external decision-making process in accordance with the company’s ambitions and mission.

Summary of responses to question 2 – 8 for Case Company C18

Case study	Analysis of each of the 7 trust attributes
C18	Committed to obligations Open and transparent Relevant skills and competence critical Highly sensitive to economic risks Structured proactive communication systems in place and well supported Reliability is critical Integrity critical to business survival

Source: Developed from the results of this study

Case study C19: Brief background

Established in 1994, today this firm has become Zimbabwe's leading buyer of brand new motor vehicles. This indigenous motor vehicle dealer specializes in importation, distribution and maintenance of several models of motor vehicles. The company supplies all types of motor vehicles for use by banks and many other firms in Zimbabwe. Furthermore, the company is a warranty centre for Mazda, Toyota and Peugeot models. The firm is involved in shipping and clearance of brand new motor vehicles from Republic of South Africa, Germany and Japan for resale or as special imports for particular customers. Three years ago, the company expanded its business from just car sales to distribution of motor vehicles spares and a year later established another division specializing in motor vehicle repairs and maintenance services.

The company and the procurement organization

According to the respondent who has worked for the firm since its inception in 1994, the firm operates centralized procurement practices as such, sourcing and procurement of motor vehicles for resale is the firm's core business. As stressed by the respondent, procurement is integral to business operations and as is the firm's most strategic function entrusted with negotiating best deals with different manufacturers and distributors of motor vehicle for resale. According to the respondent, the procurement of spares and consumables is the responsibility of the technical department operating a decentralized procurement practices particularly for low value purchases required at each of the ten workshops with the central procurement function handling global sourcing of high value spares. As stated by the respondent, each workshop operates a central-store responsible for stock replenishment and processing of purchase requisitions for both local and imported spare parts and consumables. Accordingly, the procurement function responsible for sourcing and procurement of different motor vehicles is regarded to be part of the firm's Marketing and Distribution division while the workshops low value procurements are under finance and technical department.

Firm's perceptions of the performance of procurement practices

According to the respondent, the performance of the firm's procurement practices is critical to success of the company as the firm's core business involves sourcing and procuring of the right vehicles from the right suppliers at the right price for resale at a mark up. Further, the respondent advised that sourcing and procuring of motor vehicles units at most competitive price, was one way the company makes its profit through enhanced profit margins, secondly through making concessions with suppliers of different automobile units. Examples of the concessions procurement negotiates with different automobile manufacturers and supplier mentioned by the respondent include annual rebates, free units after achieving certain sales targets and so forth which certainly boost the company's profit margins. Regarding the workshops side, the respondent advised that ensuring that spares and services are sourced and procured at the right price and at the right time forms the basis upon which performance of the procurement function is made.

Firm's perceptions of the importance of its procurement practices

As stressed by the respondent, because of the nature of the firm's core business involving 'buying and selling of brand new automobile units', essentially the procurement practices play an integral and strategic role in driving business strategies. As such, the respondent stressed that the firm's procurement practices are critical in ensuring that the firm works collaboratively and openly with the Marketing and Distribution unit of the company and suppliers through use of open book pricing policy. Furthermore, the respondent advised that the firm's procurement practices are perceived as being high critical to the delivery of business promises and ambitions. Also, according to the respondent, the firm's procurement practices help generate more business for the

firm through effective and efficient sourcing and procurement approaches and initiatives resulting in cashable savings such as volume rebates, free units and other commercial agreements such as consignment which enables the company to receive receiving automobile units for resale without having to procure them out right from the onset and receive commission. Essentially, the respondents regard the procurement function as core to the business reason for existence as having the right relationships with suppliers would yields more benefits for the company.

Within case analysis

According to the respondent, because of the nature of the business, which is sourcing and procuring of automobile units for resale, the company’s core business surrounds the procurement function and marketing and distribution as cause for company’s existence. Essentially, sourcing and procurement forms the core of the company activities. Further the procurement function works collaboratively with sales and marketing teams, workshops and suppliers to assist the company achieve its mission and ambitions. As a strategic business partner integral to overall business function, the procurement function is involved in influencing both internal and external decision making by key stakeholders to assist the company deliver on its ambitions.

Essentially, based on the comments made by the respondents, the company perceives the performance of the procurement function as highly critical to business success. In this particular case study, the procurement function performance involves ability to generate revenue for the company through cashable savings where suppliers write cheques in favor of the company for negotiated procurement arrangements. As such, the performance of the procurement practices is largely determined the function’s ability to source and procure right automobile units from at the right price from the right source for resale at competitive prices. Further the performance of procurement function is also determined by the function’s ability to negotiate sourcing and procurement arrangements to best advantage. Typical examples raised by the respondent was negotiating volume rebates and discounts with manufacturers and distributors of automobile units, negotiate consignment stocks where manufacturers would deliver automobile units for resale and get paid for the units after the units have been sold.

As stated by the respondents, the company by virtue of nature of its business perceives as highly important the procurement function. As such the procurement function is perceived as a strategic business partner, integral to business success. According to the respondent, the procurement function provides guidance and leadership to the rest of the business and through its ability to influence strategic business decision, the function also plays an important role in influencing decisions of key stakeholders both internal to the organization as well as external for instance suppliers and government officials. Eminently, sourcing and procurement of automobile units for resale is the company core business and as such procurement function is regarded as core to business success.

Summary of responses to question 2 – 8 for Case Company C19

Case study	Analysis of each of the 7 trust attributes
C19	Committed to obligations Open and transparent to a limited extent Develop in-house skills and competence Highly sensitive to economic risks Structured proactive communication systems in place and well supported Reliability guaranteed Maintain high levels of business integrity

Source: *Developed from the results of this study*

Case company – C20: Brief background

Established in the early 1956 with regional headquarters in the Republic of South Africa, this firm is a subsidiary of a joint venture between an American and United Kingdom based group of companies. This firm is involved in manufacturing and distribution of high-tech document management systems and services of world-renowned brand of documents reprographic services equipment. The firm pride in providing more value from document services, through manufacturing and distribution of best image quality and most reliable digital printers (black and white and / color) able to handle large volumes, manage complex applications (both print and web) tailored to meet customer specification. Furthermore, the firm has many years of experience in providing document management solutions from simple print, copy, scan or fax to fit any office budget to commercial printing technology and development tools and lately moved into proven document outsourcing services to drive efficiency, shorten time to revenue, and enhance business operations and flexibility. In addition, the firm provides the document industry's broadest portfolio of offerings; digital systems include color and black-and-white printing and publishing systems, digital presses and "book factories," multifunction devices, laser and solid ink network printers, copiers and fax machines. As such, the firm's services expertise includes helping businesses develop online document archives, analyzing how employees can most efficiently share documents and knowledge in the office, operating in-house print shops or mailrooms, and building Web-based processes for personalizing direct mail, invoices, brochures and more. Also offers associated software, support and supplies such as toner, paper and ink. The head office for the Zimbabwe business subsidiary is in Harare and the company has four retail branches in the major cities Bulawayo, Mutare, Masvingo and Gweru. The firm spends approximately US\$60 million annually on sourcing and procurement of goods and services.

The company and the procurement organization

Until 2000, the company had centralized procurement operations based at the company's regional offices USA, Canada, Western Europe, Latin America and Caribbean, Eastern Europe/ Middle East, South Africa, Asia and Pacific. As stated by the respondent with nearly twenty years working for the firm, because of changes in the world economies, the firm in consultation with external business consultants pursued a multi-layered procurement organization, which was rolled out to all countries between 2000 and 2003. As a result, each country became liable for its procurement activities with the regional procurement offices assisting with global procurements where the group would leverage from collaborative procurement arrangements advised the respondent. Furthermore, the respondent stressed that the local procurement function is empowered to provide technical and commercial advice to the overall business. Also, the procurement function works closely with both internal and external stakeholders as explained by the respondent.

Firm's perceptions of the performance of procurement practices

According to the respondent, there are real opportunities to use strategic document services to generate revenue, eliminate inefficiencies, and create a better experience for our customers. As such, the respondent advised that for the firm to deliver more value from document services, it is critical that the firm's procurement practices work collaboratively with key internal and external stakeholders. According to the respondent, proven and trusted suppliers who understand the challenges of the industry and our firm's ambitions are identified and selected by the procurement function to ensure delivery of value added goods and services. Furthermore, the respondent raised the issue of continuous improvement as being critical to business success as such, procurement practices are measured based on a predetermined matrices evaluating end-to-end process of the procurement processes. Critical elements measured by the matrices mentioned by the respondents

include, cost efficiencies, continuous improvement, supplier relationship management, and risk management.

The respondents stressed that the firm perceive highly the performance of the procurement function as it is a strategic and critical to business success. Also, mentioned by the respondents, the procurement function is split into categories to ensure effective and efficiency sourcing and procurement arrangements. The company’s procurement arrangements are guided by customer – focused and employee centered core values such as environmental sustainability, diversity and quality augmented by a passion for innovation, speed, security and adaptability, stressed the respondent.

Firm’s perception of importance of procurement practices

According to the respondent, the firm’s in country procurement department is essentially the first point of contact on all procurement matters to either provide advice or commit the firm with third parties. Furthermore, the respondents advised that the procurement function is perceived as strategic to business success and as such provides leadership to the overall business on procurement related issues. Essentially, the procurement function is perceived to be of highly importance to the business decision-making process and overall success of the business as stated by the respondents. Also, the respondents advised that the success of the firm depends significantly on the relationship between the firm and its suppliers of goods and services and such, the procurement function has an integral role of working closely with selected supply partners to deliver the expected quality of goods and services cost effectively.

Within case analysis

Essentially, the firm’s procurement practices support core business functions to deliver on business ambitions and objectives. According to the respondents, the firm’s procurement practices play a strategic and integral role in supporting business strategic direction. Accordingly to the respondent, through centralization of the procurement function, all sourcing and procurement arrangements for the firm are the responsibility of the procurement function. As such, the procurement function works collaboratively with both internal and external stakeholders in a way influencing decision-making process throughout the procurement process. Furthermore, it is eminent that the perceived performance of the procurement function is both internally and externally oriented. Essentially, the procurement function is measured by ability to achieve cost efficiencies through working closely with key stakeholders. Also, the respondents mentioned that the firm’s procurement function perceived performance is largely determined by the firm’s ability to deliver on its promises to the clients and procurement is perceived as playing a critical role in that regard.

Summary of responses to question 2 – 8 for Case Company C20

Case study	Analysis of each of the 7 trust attributes
C20	Committed to obligations Open and transparent Shortage of relevant skills and competences Highly sensitive to economic and financial risks Structured proactive communication systems Reliability is critical to business Integrity critical to business

Source: Developed from the results of this study

Case company – C21: Brief background

Headquartered in the United Kingdom, the firm has an extensive history in construction and refurbishments since 1860. For nearly 150 years today, the firm prides in excellence in construction services achieved over the years of doing high precision jobs for high profile clients worldwide. Today the company has operated in more than 60 countries and offers the experience to provide effective innovative solutions to its clients. As a specialist in major residential and commercial refurbishments and fit out, the company offers first class services; expert advice and excellent value from start to finish. Also, the company specializes in the refurbishment of buildings for both private and commercial purposes, from fitting out offices in a new edifice to replacing the roofs of listed buildings. Following the decline in Zimbabwean economy, the construction business has greatly declined as a result of economic downturn.

The company and the procurement organization

When the respondent joined the purchasing department, his first mission was to make legitimate the purchasing organization at the firm's corporate level. He became aware of this important organizational element when benchmarking with other big industries. In order to improve the procurement department contribution to overall business performance, the use of cross functional teams assist ensure that right suppliers are selected, quality of goods and services meet company standards and greater cooperation between departments. However, the nature of the products procured by the company affected the nature of the company's procurement department cited the respondent.

As such, some strategic important goods and services require a more central and coordinated approach, while others can be more decentralized stressed the respondent. The firm's procurement department is structured in line with the organization overall strategy stressed the respondent. Furthermore, the respondent advised that the firm's procurement practices strive to cooperate with other functions in the firm but as is the case of following the overall mission of the firm the fragmented nature of the industry restrict the possibility of doing so. However, according to the respondent, the aim of the firm's procurement practices is to achieve a more synchronized cooperation between central procurement department and other functions of the company.

Firm's perceptions of the performance of procurement practices

As stressed by the respondent, the improved procurement sophistication in the construction industry should at least in the start up phase, terrify the suppliers because they are not used to act under such circumstances. However, the respondent stress that the outsourcing is convenient if eventually it guarantees quality goods and services. According to the respondent, one is able to distinguish some base structures in a building, for example that the concrete has the right quality; the lifts have the regular standard and so forth. The company is therefore, very sensitive to price changes in high value commodities such as steel, and these changes have a direct impact on the profit. However, the respondent declared that with several projects running at the same time, it can be difficult to distinguish what is really a critical product and thereby what is, regarded as a strategic commodity. Even a product with little value may be of importance if it is not delivered on time. For example lock on doors could lead to penalties if a project cannot be completed on time resulting in the company being unable to finish the project as agreed in the contract.

Firm's perceptions of the importance of procurement practices

As stated by the respondents, the perceived importance of the procurement function has become even much higher because of prevailing supply market uncertainties. As explained by the respondents, at the time of the interview it was lack of material in the industry, due to the economic downturn and therefore, the firm struggle to secure and procure the few materials

available competed for by the whole industry countrywide. The respondent stated that this could change the condition of the supply market indefinitely and procurement function role of linking the firm with key suppliers has become more critical now than ever. For a category as painting, it is hard for the company to have a single source of supply as before the economic downturn leaving the procurement department having to deal with several small companies. As advised by the respondent, the continued challenges in the supply market has led to firm having high perception of the procurement function in order to deliver on its promises and major projects.

Within case analysis

As stated by the respondents, because of the prevailing economic challenges, the perceived performance of the procurement function has become significant now than ever in the history of the firm. Securing of essential goods and services to ensure timely delivery of key projects has become more critical to business success. As such, the perceived performance of procurement practices is determined largely by the procurement function’s ability to secure business critical goods and services through working closely with both internal and external stakeholders. According to the respondent, weekly meeting are being held with key stakeholders to assess the position of the supply market as it is critical to engage with suppliers of goods and services to ensure better relations through understanding of both parties challenges and making joint commitments to ensure continued business for both parties.

As stated by the respondent, the procurement situations that prevail in the construction industry has direct influence of the perceived importance of the firm’s procurement function. The fragmented structure of the different construction projects also makes it problematic to have a continuous dialog between the different functions of the organization. Therefore, and deviating from the other companies, one cannot easily distinguish any direct deviations in the relative degree of use between the company and the procurement department.

Summary of responses to question 2 – 8 for Case Company C21

Case study	Analysis of each of the 7 trust attributes
C21	Committed to obligations Open and transparent to a limited extent Shortage of relevant skills and competences Highly sensitive to economic and financial risks Structured proactive communication systems Reliability critical Integrity critical to business survival

Source: *Developed from the findings of this research*

Case company – C22: Brief background

This Japan headquartered subsidiary firm is a world-leading manufacturer and distributor of different types of motor vehicles used in business, salon cars, trucks, and buses and so forth used in business. Today, the company is operating in more than 60 countries and their factories are located strategic cities of the sixty countries. The products produced by this company have a shelf life of between five and ten years. Earlier before 2000, the company was production oriented, which through time has changes to a market oriented approach. Due to continued changes in consumer preferences, essentially, margins on sale of automobile units are minimal however; the firm makes its profits from providing after sales support and maintenance services.

The Company and the procurement organization

As advised by a respondent, over a decade now the company values the role-played by the procurement towards achieving a high level of business competitive advantage. As such, the company established a high-level centralized procurement department to ensure that the company achieved sustainable competitive following the looming world crisis and their effect on automobile business. As advised by a respondent, the role procurement department plays in the company is widely accepted across the company as major source for sustainable competitive advantage for the company provide user teams with a wealth of supply market intelligence which assist user departments to plan accordingly and hence the procurement department is widely acknowledged as the authority to provide advice and guidance to the business on commercial issues involving sourcing and procurement of automobile kits, spares and parts. As advised by a respondent, the in country procurement department exercise dual reporting to Country Director and to the Director of Commercial Services based at the company headquarters in Japan.

As stressed by the respondent, the procurement department acts according to the overall mission of the firm, which also stresses the importance of working closely with other functions of the company. This is managed through cross-functional teams with participants from different user departments. As a global company and through its mature procurement department, the company aims for volume for sale, through global joint purchasing actions are critical so is the importance's that the procurement department reflects and the corporate set up and that experienced portfolio users always include additional information concerning the overall business strategy.

Firm's perceptions of the performance of procurement practices

A respondent advised that the goal of the company is to be a good corporate citizen by constantly winning the trust and respect of the international community. The company's guiding principles to ensure that openness, and fairness in our corporate activities, strive for cleaner and safe car making, and work to make the earth a better place to live. We respect our business partners such as supplies and dealers and work with them through long term relationships to realize mutual growth based on mutual trust. Whenever, we seek a new business partner, we are open to any and all candidates, regardless of nationality or size, and evaluate them based on their overall strength. We maintain fair and free competition in accordance with the letter and spirit of each country's competition laws. The company works with business partners in research and creation to achieve stable, long-term benefits, while keeping ourselves open to new partnerships.

Firm's perceptions of the performance of procurement practices

In order to make strategic actions regarding strategically important cross functional groups, the company's suppliers are evaluated at meeting every week and during these meetings, they make a list of all problems related to the suppliers. The company's priority is guaranteed supplies, quality and delivery time, where late deliveries mean severe economical consequences. How it affects the profitability depends to the scope of the specific problem and is difficult to generalize. The company is also very clear in their communications with the suppliers' especially concerning quality, guaranteed supplies problems and if a specific supplier cannot contribute to further product development. The week meetings are complemented with more extensive month and quarter based meetings. As stressed by the respondent, there is also a dialog between other functions in the company, regarding product or service quality observed that sometimes need to be replaced and suggests or recommend a study of new suppliers. Another factor, which on long term can influence the company, is the conformity to law, for example standards for emission, which will require that the company be very proactive when it comes to law restrictions.

Firm's perceptions of the importance of procurement practices

The company aims to be the most valued respected and trusted company in the world by its customers and society. Accomplishing this goal that each of the company's employees is aware of the company's respected reputation and standing in the community. Therefore, the company procurement arm must each act in a steady, sure-footed and thorough way and in accordance with the firm's ambitions. As stressed by the respondent, that their company is an engineering company, which means that the purchasing staff needs to understand the technology behind the products / parts that is procured in order to meet the needs of the user; and quality as cross functional teams can consult and support each other. As such, the cross functional groupings, being responsible for joint decision making means dealing with business operations, development and strategy formulation; supplier and risk management and so forth. As stressed by the respondent, when problems emerge, for instance in the production department, and the procurement department had important meetings with suppliers regarding future projects, the procurement department has to put all the effort into the production problems. As such, according to the respondent, the procurement department needs to make continuous changes in order to follow the company's strategic direction and ambitions.

Within case analysis

The respondent stress that during the 27 years of employment with the company, the firm has grown significantly, which also has affected the purchasing organization. Today, the procurement department plays an integral function in assist the organizations achieve its strategic objectives. The procurement department essentially, drives the processes through which spares, kits are sourced and procured in order to perform proactive and effective procurement and ensure that a total cost perspective prevails and that the procurement department is involved early in the product development. Regarding the procurement department relation to other functions in the company, the respondent means that they must continuously work along with other functions. This is because of the need of mutual dependence between the different departments and for the production departments to understand the progress of what is procured, manufactured and sold. Almost every week the procurement department arrange meetings with cross functional groups, where people from different departments in the company, attend. Furthermore, the respondent stress that it is quite natural that goals, strategies and handling plans of the purchasing department correspond to the overall mission of the firm.

As mentioned by the respondent, the company chooses to cooperate with both global and local, small and middle size companies and not big world class – and system suppliers only, because they also cooperate with system suppliers, i.e suppliers than can deliver all components for a certain product. The respondents advised also that due to the fact that their company is highly technologically driven, and has the advantage of developing new products prefers working with suppliers in different categories to take advantage of the flexibilities this brings and as such, the company prefers working with small / middle size companies and not world class suppliers.

Furthermore, the respondent stressed that this strategy can be risky in industry – and company booms, because the company progresses, their suppliers also progress due to high volumes. However, this is often a temporary problem and the power balance usually reaches standard levels during normal economic conditions. There is always a risk that a supplier in progress attracts competitors or other suppliers in acquiring the supplier. They have action plans for situations like that, but these kinds of situations often have negative consequences. Furthermore, the company motivates its suppliers through the business itself, high volumes and high order value is enough. However, regarding small order problems for strategically important products the company involves its suppliers to a greater extent. As such, suppliers that are contracted for strategic

products are contemplated larger extent. This therefore means that the decision making process is much longer as there are more technical aspects to consider. Additionally, the company prefers long-term contracts with strategic suppliers, so that they can be integrated in the development of strategically important products and for the improvement of the existing ones.

Regarding procurement department approaches, the respondent advised that through dual sourcing, it is useful to the company particularly when dealing with the suppliers. This sourcing method was common in businesses but with time and trend, single sourcing became the main sourcing strategic approach. Today, the company’s procurement department has re-established dual sourcing as the main sourcing method. Dual sourcing creates a competitive situation, both when it comes to existing products, but also when new products are developed. It means that either will existing suppliers take part of product development or new ones with better technological know-how will be introduced.

Summary of responses to question 2 – 8 for Case Company C22

Case study	Analysis of each of the 7 trust attributes
C22	Committed to obligations Open and transparent in all relational exchanges Relevant skills and competences critical to business Highly sensitive to economic and financial risks Structured proactive communication systems Reliability critical Integrity critical of business survival

Source: *Developed from the results of this study*

Appendix D:

Research Survey Questionnaire

SELF ADMINISTERED RESEARCH QUESTIONNAIRE

Instructions to Respondents:

Please put 'X' in the box representing the most appropriate response for you in respect of questions 1 to question 7. Rate both columns for each question. Ensure all questions are answered before you return your responses to the provided email address.

Mark your perception and expectation against each factor in the questions below.

In Column 1, please rate the importance of each factor as perceived by each of the four categories listed below by putting an X in the appropriate column;

In Column 2, please rate the actual performance of each factor in your organization with an X, in the appropriate column

		PERCEIVED PERFORMANCE							PERCEIVED IMPORTANCE									
		Very low		Moderate		High		Very high		Very low		Moderate		High		Very high		
		1	2	3	4	5	6	7	1	2	3	4	5	6	7			
On a scale of 1-7, evaluate each of the four categories of staff in your firm extent to which they perceive performance and importance of:																		
Q.1	Commitment to each other by stakeholders during procurement arrangements as being critical to business success.																	
1.1	Senior management																	
1.2	Functional / departmental heads																	
1.3	Tactical / operational team leaders																	
1.4	Procurement team leaders																	
Q.2	Openness to each other by stakeholders during procurement arrangements as being critical to business success.																	
2.1	Senior management																	
2.2	Functional / departmental heads																	
2.3	Tactical or operational team leaders																	
2.4	Procurement team leaders																	

Q.3	Honest of stakeholders during procurement arrangements as being critical to business success.																		
3.1	Senior Management																		
3.2	Functional / departmental heads																		
3.3	Tactical / operational team leaders																		
3.4	Procurement team leaders																		
Q.4	Closeness of stakeholders during procurement arrangements as being critical to business success.																		
4.1	Senior Management																		
4.2	Functional / departmental heads																		
4.3	Tactical / operational team leaders																		
4.4	Procurement team leaders																		
Q.5	Competence of stakeholders in procurement arrangements as being critical to business success.																		
5.1	Senior Management																		
5.2	Functional / departmental heads																		
5.3	Tactical / operational team leaders																		
5.4	Procurement team leaders																		
Q.6	Reliability / dependability of stakeholders during procurement arrangements as being critical to business success.																		
6.1	Senior Management																		
6.2	Functional / departmental heads																		
6.3	Tactical / operational team leaders																		
6.4	Procurement team leaders																		
Q.7	Security of business by stakeholders during procurement practices as being critical to business success.																		
7.1	Senior Management																		
7.2	Functional / departmental heads																		
7.3	Tactical / operational team leaders																		
7.4	Procurement team leaders																		

Source: *Developed for this study*

Appendix E

Case study survey findings

Company C01

The summary of responses provided by respondents from case company C01 rated as high both perceived importance and performance of trust attributes in procurement practices. The alignment between perceived importance and performance of each of the seven trust attributes used to measure management perceptions of significance of the firm's procurement function to business survival are presented as follows.

- The respondents feel that commitment attribute is rated to be of high importance (6.25 on a 7 point scale) and of very high performance (6.50 on a 7 point scale).
- The openness attribute is rated to be of high importance (6.375 on a 7 point scale) and also has a high performance rating (6.125 on a 7 point scale).
- Honesty attribute is rated as being of very high importance (7.0 on a 7 point scale) and has a high performance rating (6.0 on a 7 point scale).
- Closeness attribute is rated as above average in importance (5.375 on a 7 point scale) and high performance (6.0 on a 7 point scale).
- Competence attribute is rated as being of very high importance (6.5 on a 7 point scale) and of very high performance (6.875 on 7 point scale).
- Reliability / dependability attribute is rated as being of very high importance (6.5 on a 7 point scale) and of high performance (6.375 on a 7 point scale).
- Security attribute is rated as being of very high importance and performance both variables being rated (7.0 on a 7 point rating).

Company C01 respondents perceive importance and performance of all the seven constructs of trust as being highly significant to the firm's procurement practices. As such, these results imply that firm B01 has a high perception of the importance and performance of procurement practices as being critical to business survival. The findings show that respondents on average rated highly each of the attributes, perceived importance (6.429 on a 7 point scale) and perceived performance (6.411 on a 7 point scale). The respondents rated perceived importance of procurement practices (6.429 on a 7 point scale) as being overall higher than perceived performance (6.411 on a 7 point scale).

Average scores for firm C01

Construct	Perceived Importance	Perceived Performance	Perceived Gap
Commitment	6.25	6.5	.25
Openness	6.375	6.125	.25
Honesty	7	6	1.0
Closeness	5.375	6	-0.625
Competence	6.5	6.875	-0.375
Reliability	6.5	6.375	0.125

Security	7	7	0
Average	6.43	6.41	0.02

Source: Developed from survey results of this study

Company C02

The summary of responses provided by respondents from case company B02 overall rated as high both perceived importance and performance of trust attributes in procurement practices. However, the results show that the alignment between perceived importance and performance on perceived importance of closeness in procurement practices was rated moderate (4.75 on a 7 point scale). The results for the seven constructs of trust measured in this study are as presented as follows.

- The respondents feel that commitment attribute is rated to be of above average importance (5.0 on a 7 point scale) and of above average performance (5.25 on a 7 point scale).
- The openness attribute is rated to be of high importance (5.5 on a 7 point scale) and above average performance rating (5.125 on a 7 point scale).
- Honesty attribute is rated as being of high importance (6.125 on a 7 point scale) and very high performance rating (6.5 on a 7 point scale).
- Closeness attribute is rated as above average in importance (4.75 on a 7 point scale) and high performance rating (5.5 on a 7 point scale).
- Competence attribute is rated as being of above average importance (5.0 on a 7 point scale) and of high performance rating (5.75 on 7 point scale).
- Reliability / dependability attribute is rated as being of high importance (5.75 on a 7 point scale) and of very high performance rating (6.625 on a 7 point scale).
- Security attribute is rated as being of high importance (6.375 on a 7 point scale) and of high performance rating (6.25 on a 7 point rating).

Average scores for firm C02

Construct	Perceived Importance	Perceived Performance	Perceived Gap
Commitment	5.0	5.25	-0.25
Openness	5.5	5.125	0.375
Honesty	6.125	6.5	-0.375
Closeness	4.75	5.5	-0.75
Competence	5.0	5.75	-0.75
Reliability	5.75	6.625	-0.875
Security	6.375	6.375	0
Average	5.5	5.875	-0.375

Source: Developed from survey results of this study

Company C03

The summary of responses provided by respondents from case company B03 overall rated as high both perceived importance (5.161 on a 7 point scale) and performance (5.804 on a 7 point scale) of seven constructs of trust in procurement practices. However, the results show that the alignment between perceived importance and performance on perceived importance of commitment in procurement practices is rated moderate (4.75 on a 7 point scale) as well as performance (4.625 on a 7 point scale). Also the firm is rated moderate on perceived importance in procurement practices of openness (4.875 on a 7 point scale); closeness (4.75 on a 7 point scale) and competence (4.625 on a 7 point scale). The overall results for the seven constructs of trust measured in procurement in procurement practices for company C03 are presented below.

- The respondents feel that commitment attribute is rated to be of above average importance (4.75 on a 7 point scale) and above average performance rating (4.625 on a 7 point scale).
- The openness attribute is rated to be of above average importance (4.875 on a 7 point scale) and also has a high performance rating (5.625 on a 7 point scale).
- Honesty attribute is rated as being of very high importance (6.0 on a 7 point scale) and has a high performance rating (6.25 on a 7 point scale).
- Closeness attribute is rated as above average in importance (4.75 on a 7 point scale) and high performance (6.0 on a 7 point scale).
- Competence attribute is rated as being of very high importance (4.625 on a 7 point scale) and of very high performance (5.75 on 7 point scale).
- Reliability / dependability attribute is rated as being of very high importance (5.375 on a 7 point scale) and of high performance rating (5.875 on a 7 point scale).
- Security attribute is rated as being of very high importance and performance both variables being rated (5.75 on a 7 point rating) and (6.5 on a 7 point scale).

Average scores for firm C03

Construct	Perceived Importance	Perceived Performance	Perceived Gap
Commitment	4.75	4.625	0.125
Openness	4.875	5.625	-0.75
Honesty	6.0	6.25	-0.25
Closeness	4.75	6.0	-1.25
Competence	4.625	5.75	-1.125
Reliability	5.375	5.875	-0.5
Security	5.75	6.5	-0.75
Average	5.16	5.8	-0.64

Source: Developed from survey results of this study

Company C04

The summary of responses provided by respondents from case company B04 overall rated high for both perceived importance (6.357 on a 7 point scale) and performance (6.75 on a 7 point

scale) on constructs of trust in procurement practices. The alignment between perceived importance and performance of each of the seven constructs of trust show significant importance of high trust procurement practices in influencing business survival and the overall results are presented below.

- The respondents feel that commitment attribute is rated to be of high importance (6.0 on a 7 point scale) and of very high performance (6.75 on a 7 point scale).
- The openness attribute is rated to be of high importance (6.125 on a 7 point scale) and also has a high performance rating (6.50 on a 7 point scale).
- Honesty attribute is rated as being of very high importance (6.75 on a 7 point scale) and has a high performance rating (6.75 on a 7 point scale).
- Closeness attribute is rated as above average in importance (5.875 on a 7 point scale) and high performance (6.5 on a 7 point scale).
- Competence attribute is rated as being of very high importance (6.375 on a 7 point scale) and of very high performance (6.5 on 7 point scale).
- Reliability / dependability attribute is rated as being of very high importance (6.625 on a 7 point scale) and of high performance (6.875 on a 7 point scale).
- Security attribute is rated as being of very high importance (6.75 on a 7 point scale) and performance variable is rated as being high (6.375 on a 7 point scale).

Company C04 respondents perceive importance and performance of all the seven constructs of trust as being highly significant to the firm’s procurement practices. As such, these results imply that firm C04 has a high perception of the importance and performance of procurement practices as being critical to business survival. The findings show that respondents on average rated highly each of the attributes, perceived importance (6.357 on a 7 point scale) and perceived performance (6.75 on a 7 point scale). The respondents rated perceived importance of procurement practices as being overall below perceived performance.

Average scores for firm C04

Construct	Perceived Importance	Perceived Performance	Perceived Gap
Commitment	6.0	6.75	-0.75
Openness	6.125	6.50	-0.375
Honesty	6.75	6.75	0
Closeness	5.875	6.5	-0.625
Competence	6.375	6.5	-0.125
Reliability	6.625	6.875	-0.25
Security	6.75	6.375	0.375
Average	6.36	6.61	-0.25

Source: Developed from survey results of this study

Everything taken together, it is apparent from the results of this research study that firm B04 perceived highly both importance and performance of stakeholder commitment; openness;

honesty; closeness; competence; reliability and security in procurement practices as being critical to business survival.

Company C05

The summary of responses provided by respondents from case company B05 overall rated high for both perceived importance (6.143 on a 7 point scale) and performance (5.518 on a 7 point scale) on seven constructs of trust in procurement practices. The findings show that there are gaps in the firms perceived performance of commitment which is rated moderate (4.75 on a 7 point scale); openness which is also rated moderate (4.50 on a 7 point scale). The highlights of the findings show that overall, firm C05 perceived performance and importance of the seven constructs of trust have not reached single maturity level as yet. The overall results are presented below.

- The respondents feel that commitment attribute is rated to be of high importance (5.75 on a 7 point scale) and of moderate performance (4.75 on a 7 point scale).
- The openness attribute is rated to be of high importance (6.25 on a 7 point scale) and also has a moderate performance rating (4.50 on a 7 point scale).
- Honesty attribute is rated as being of high importance (5.875 on a 7 point scale) and has a high performance rating (5.375 on a 7 point scale).
- Closeness attribute is rated as being of very high importance (6.0 on a 7 point scale) and high performance (5.125 on a 7 point scale).
- Competence attribute is rated as being of high importance (5.75 on a 7 point scale) and of very high performance (6.625 on 7 point scale).
- Reliability / dependability attribute is rated as being of very high importance (6.625 on a 7 point scale) and of high performance (5.75 on a 7 point scale).
- Security attribute is rated as being of very high importance (6.75 on a 7 point scale) and performance variable is rated as being very high (6.5 on a 7 point rating).

Average scores for firm C05

Construct	Perceived Importance	Perceived Performance	Perceived Gap
Commitment	5.75	4.75	1.0
Openness	6.25	4.50	1.75
Honesty	5.875	5.375	0.5
Closeness	6.0	5.125	0.875
Competence	5.75	6.625	-0.875
Reliability	6.625	5.75	0.875
Security	6.75	6.5	0.25
Average	6.14	5.52	0.63

Source: Developed from survey results of this study

Company C06

The summary of responses provided by respondents from case company C06 overall rated as moderate for both perceived importance (3.929 on a 7 point scale) and performance (4.143 on a 7

point scale) of seven constructs of trust in procurement practices. However, the results show that overall the firm is rated moderate on nearly all attributes of trust, though security in procurement practices is rated high (5.5 on a 7 point scale). The overall results of the findings are presented below.

- The respondents feel that commitment attribute is rated to be of moderate importance (4.375 on a 7 point scale) and of moderate performance (4.75 on a 7 point scale).
- The openness attribute is rated to be of moderate importance (3.25 on a 7 point scale) and also has a moderate performance rating (2.875 on a 7 point scale).
- Honesty attribute is rated as being of moderate importance (4.125 on a 7 point scale) and has a moderate performance rating (4.0 on a 7 point scale).
- Closeness attribute is rated as being of moderate importance (4.25 on a 7 point scale) and moderate performance (4.0 on a 7 point scale).
- Competence attribute is rated as being of moderate importance (2.625 on a 7 point scale) and of moderate performance (3.125 on 7 point scale).
- Reliability / dependability attribute is rated as being of moderate importance (4.375 on a 7 point scale) and of moderate performance (4.75 on a 7 point scale).
- Security attribute is rated as being of moderate importance (4.5 on a 7 point scale) and of high performance (5.5 on a 7 point scale).

Company C06 respondents perceive importance and performance of all the seven trust attributes are rated below average for perceived importance and as high performance rating for security (5.50 on a 7 point scale). As such, the results show significant gaps in firms overall perceived importance of trust attributes rated as being moderate (3.929 on a 7 point scale) and perceived performance being rated as moderate (4.143 on a 7 point scale).

Average scores for firm C06

Construct	Perceived Importance	Perceived Performance	Perceived Gap
Commitment	4.375	4.75	-0.375
Openness	3.25	2.875	0.375
Honesty	4.125	4.0	0.125
Closeness	4.25	4.0	0.25
Competence	2.625	3.125	-0.5
Reliability	4.375	4.75	-0.375
Security	4.5	5.5	-1.0
Average	3.929	4.142	-0.213

Source: Developed from survey results of this study

Company C07

The summary of responses provided by respondents from case company B07 overall rated as high both perceived importance (5.339 on a 7 point scale) and performance (5.554 on a 7 point scale) of seven constructs of trust in procurement practices. However, the results show that openness in procurement practices is rated moderate for both perceived importance (4.75 on a 7 point scale);

and performance (4.25 on a 7 point scale). Furthermore, the research findings show that the perceived importance of commitment in procurement practices is rated moderate (4.75 on a 7 point scale). The overall results for the seven constructs of trust measured in procurement practices for company C07 are presented below.

- The respondents feel that commitment attribute is rated to be of moderate importance (4.75 on a 7 point scale) and of high performance (5.375 on a 7 point scale).
- The openness attribute is rated to be of moderate importance (4.75 on a 7 point scale) and also has a moderate performance rating (4.25 on a 7 point scale).
- Honesty attribute is rated as being of high importance (5.25 on a 7 point scale) and has a high performance rating (5.50 on a 7 point scale).
- Closeness attribute is rated as being of high importance (5.50 on a 7 point scale) and high performance (5.5 on a 7 point scale).
- Competence attribute is rated as being of high importance (5.625 on a 7 point scale) and of high performance (5.00 on 7 point scale).
- Reliability / dependability attribute is rated as being of high importance (5.25 on a 7 point scale) and of high performance (6.25 on a 7 point scale).
- Security attribute is rated as being of high importance (6.25 on a 7 point scale) and very high-perceived performance (7.0 on a 7 point rating).

The results show that Company B07 despite achieving overall rating of high perceived importance (5.339 on a 7 point scale) and performance (5.554 on a 7 point scale), the results reveal that the firm is rated moderate in openness in procurement practices perceived importance (4.75 on a 7 point scale) and performance (4.25 on a 7 point scale). Further the firm is rated moderate on perceived importance of commitment (4.75 on a 7 point scale). As such, the overall results of firm B07 show that there is no single maturity of the seven constructs of trust in the firm’s procurement practices. Everything taken together, firm B07 is a clear-cut case engaged in low trust procurement practices.

Average scores for firm C07

Construct	Perceived Importance	Perceived Performance	Perceived Gap
Commitment	4.75	5.375	-0.625
Openness	4.75	4.25	0.5
Honesty	5.25	5.50	-0.25
Closeness	5.50	5.5	0
Competence	5.625	5.00	0.625
Reliability	5.25	6.25	-1.0
Security	6.25	7.0	-0.75
Average	5.339	5.554	-0.214

Source: Developed from survey results of this study

Company C08

The summary of responses provided by respondents from case company B08 overall rated high for both perceived importance (6.268 on a 7 point scale) and performance (6.679 on a 7 point scale) on constructs of trust in procurement practices. The alignment between perceived importance and performance of each of the seven constructs of trust show significant importance of high trust procurement practices in influencing business survival and the overall results are presented below.

- The respondents feel that commitment attribute is rated to be of high importance (5.75 on a 7 point scale) and of high performance (6.50 on a 7 point scale).
- The openness attribute is rated to be of high importance (6.25 on a 7 point scale) and also has a high performance rating (6.75 on a 7 point scale).
- Honesty attribute is rated as being of high importance (6.625 on a 7 point scale) and has a high performance rating (6.75 on a 7 point scale).
- Closeness attribute is rated as above average in importance (6.00 on a 7 point scale) and high performance (6.5 on a 7 point scale).
- Competence attribute is rated as being of high importance (6.5 on a 7 point scale) and of very high performance (6.875 on 7 point scale).
- Reliability / dependability attribute is rated as being of high importance (6.5 on a 7 point scale) and of high performance (6.50 on a 7 point scale).
- Security attribute is rated as being of high importance (6.75 on a 7 point scale) and very high performance (7.0 on a 7 point rating).

Company B08 respondents perceive importance and performance of all the seven constructs of trust as being highly significant to the firm's procurement practices. The findings show that respondents on average rated highly each of the attributes, perceived importance (6.268 on a 7 point scale) and perceived performance (6.679 on a 7 point scale). The respondents rated perceived importance of procurement practices as being overall below perceived performance.

Average scores for firm C08

Construct	Perceived Importance	Perceived Performance	Perceived Gap
Commitment	5.75	6.50	-0.75
Openness	6.25	6.75	-0.5
Honesty	6.625	6.75	-0.125
Closeness	6.00	6.5	-0.5
Competence	6.5	6.875	-0.375
Reliability	6.5	6.50	0
Security	6.75	7.0	-0.25
Average	6.339	6.696	-0.357

Source: Developed from survey results of this study

Company C09

The summary of responses provided by respondents from case company C09 overall rated as high both perceived importance (5.464) and performance (5.732) of trust attributes in procurement practices. However, the results show that the alignment between perceived importance and performance on perceived importance of openness in procurement practices is rated moderate (4.75) so is competence perceived importance in procurement practices (4.75). The results for the seven constructs of trust measured in this study are as presented below.

- The respondents feel that commitment attribute is rated to be of high importance (5.00) and of high performance (5.375).
- The openness attribute is rated to be of moderate importance (4.75) and also has a high performance rating (5.50).
- Honesty attribute is rated as being of high importance (5.875) and has a high performance rating (6.0).
- Closeness attribute is rated as above average in importance (5.625) and high performance (6.00).
- Competence attribute is rated as being of very high importance (4.75) and of very high performance (5.25).
- Reliability / dependability attribute is rated as being of very high importance (5.50) and of high performance (6.0).
- Security attribute is rated as being of high importance (6.75) and performance both variables being rated (6.75).

The results show that Company C09 despite achieving overall rating of high perceived importance (5.464) and performance (5.732), the results reveal that the firm is rated moderate on perceived importance in procurement practices of openness (4.75); and competence (4.75). Both openness and competence perceived importance in procurement practices show gaps to be addressed to achieve single maturity of the seven attributes of trust.

Average scores for firm C09

Construct	Perceived Importance	Perceived Performance	Perceived Gap
Commitment	5.00	5.375	-0.375
Openness	4.75	5.50	-0.75
Honesty	5.875	6.0	-0.125
Closeness	5.625	6.00	-0.375
Competence	4.75	5.25	-0.5
Reliability	5.50	6.0	-0.5
Security	6.75	6.75	0
Average	5.464	5.839	-0.375

Source: Developed from survey results of this study

Company C10

The summary of responses provided by respondents from case company C10 overall rated as moderate for both perceived importance (3.375) and performance (3.732) of seven constructs of

trust in procurement practices. However, the results show that overall the firm is rated moderate on nearly all attributes of trust, though security in procurement practices is rated high (5.5). The overall results of the findings are presented below.

- The respondents feel that commitment attribute is rated to be of high importance (2.65) and of very high performance (4.125).
- The openness attribute is rated to be of high importance (2.75) and also has a high performance rating (2.75).
- Honesty attribute is rated as being of very high importance (4.50) and has a high performance rating (4.75).
- Closeness attribute is rated as above average in importance (2.75) and high performance (3.0).
- Competence attribute is rated as being of very high importance (3.375) and of very high performance (3.0).
- Reliability / dependability attribute is rated as being of very high importance (3.0) and of high performance (3.0).
- Security attribute is rated as being of moderate importance (4.625) and performance both variables being rated (5.5).

Company B10 respondents perceive importance and performance of all the seven trust attributes are rated below average for perceived importance and as high performance rating for security (5.5). As such, the results show significant gaps in firms overall perceived importance of trust attributes rated as being moderate (3.929) and perceived performance being rated as moderate (4.143).

Average scores for firm C10

Construct	Perceived Importance	Perceived Performance	Perceived Gap
Commitment	2.65	4.125	-1.475
Openness	2.75	2.75	0
Honesty	4.50	4.75	-0.25
Closeness	2.75	3.0	-0.25
Competence	3.375	3.0	0.375
Reliability	3.0	3.0	0
Security	4.625	5.5	-0.875
Average	3.379	3.732	-0.354

Source: Developed from survey results of this study

Company C11

The summary of responses provided by respondents from case company C11 overall rated high for both perceived importance (6.518) and performance (6.625) on constructs of trust in procurement practices. The alignment between perceived importance and performance of each of the seven constructs of trust show significant importance of high trust procurement practices in influencing business survival and the overall results are presented below.

- The respondents feel that commitment attribute is rated to be of high importance (6) and of high performance (6.25).
- The openness attribute is rated to be of high importance (6.125) and also has a high performance rating (6.875).
- Honesty attribute is rated as being of very high importance (6.875) and has a high performance rating (6.75).
- Closeness attribute is rated as being of very high importance (7.0) and very high performance (7.0).
- Competence attribute is rated as being of high importance (6.625) and of very high performance (6.75).
- Reliability / dependability attribute is rated as being of very high importance (6.5) and of high performance (6.25).
- Security attribute is rated as being of high importance (6.5) and performance both variables being rated (6.5).

Company C11 respondents perceive importance and performance of all the seven constructs of trust as being highly significant to the firm’s procurement practices. As such, these results imply that firm C11 has a high perception of the importance and performance of procurement practices as being critical to business survival. The findings show that respondents on average rated highly each of the attributes, perceived importance (6.518) and perceived performance (6.625). The respondents rated perceived importance of procurement practices as being overall below perceived performance.

Average scores for firm C11

Construct	Perceived Importance	Perceived Performance	Perceived Gap
Commitment	6.0	6.25	-0.25
Openness	6.125	6.875	-0.75
Honesty	6.875	6.75	0.125
Closeness	7.0	7.0	0
Competence	6.625	6.75	-0.125
Reliability	6.5	6.25	0.25
Security	6.5	6.5	0
Average	6.518	6.625	-0.107

Source: Developed from survey results of this study

Company C12

The summary of responses provided by respondents from case company C12 overall rated high for both perceived importance (6.036) and performance (6.357) on constructs of trust in procurement practices. The alignment between perceived importance and performance of each of the seven constructs of trust show significant importance of high trust procurement practices in influencing business survival and the overall results are presented below.

- The respondents feel that commitment attribute is rated to be of high importance (5.625) and of high performance (6.625).
- The openness attribute is rated to be of high importance (5.375) and also has a high performance rating (5.625).
- Honesty attribute is rated as being of high importance (5.375) and has a high performance rating (6.0).
- Closeness attribute is rated as above average in importance (6.25) and high performance (6.25).
- Competence attribute is rated as being of very high importance (6.875) and of very high performance (6.875 on 7 point scale).
- Reliability / dependability attribute is rated as being of very high importance (6.75) and of high performance (7.0).
- Security attribute is rated as being of high importance (6.0) and performance both variables being rated (6.125).

Company C12 respondents perceive importance and performance of all the seven constructs of trust as being highly significant to the firm’s procurement practices. As such, these results imply that firm C12 has a high perception of the importance and performance of procurement practices as being critical to business survival. The findings show that respondents on average rated highly each of the attributes, perceived importance (6.036) and perceived performance (6.357). The respondents rated perceived importance of procurement practices as being overall below perceived performance.

Average scores for firm C12

Construct	Perceived Importance	Perceived Performance	Perceived Gap
Commitment	5.625	6.625	-1.0
Openness	5.375	5.625	-0.25
Honesty	5.375	6.0	-0.625
Closeness	6.25	6.25	0
Competence	6.875	6.875	0
Reliability	6.75	7.0	-0.25
Security	6.0	6.125	-0.125
Average	6.036	6.357	-0.321

Source: Developed from survey results of this study

Company C13

The summary of responses provided by respondents from case company C13 overall rated high for both perceived importance (6.107) and performance (6.50) on constructs of trust in procurement practices. The alignment between perceived importance and performance of each of the seven constructs of trust show significant importance of high trust procurement practices in influencing business survival and the overall results are presented below.

- The respondents feel that commitment attribute is rated to be of high importance (6.25) and of high performance (6.50).
- The openness attribute is rated to be of high importance (5.625) and also has a high performance rating (5.75).
- Honesty attribute is rated as being of very high importance (5.75) and has a high performance rating (6.625).
- Closeness attribute is rated as above average in importance (5.75) and high performance (6.50).
- Competence attribute is rated as being of high importance (6.625) and of very high performance (6.875).
- Reliability / dependability attribute is rated as being of very high importance (6.375) and of high performance (6.50).
- Security attribute is rated as being of high importance (6.375 on a 7 point scale) and performance both variables being rated (6.75).

Company C13 respondents perceive importance and performance of all the seven constructs of trust as being highly significant to the firm's procurement practices. As such, these results imply that firm C13 has a high perception of the importance and performance of procurement practices as being critical to business survival. The findings show that respondents on average rated highly each of the attributes, perceived importance (6.107) and perceived performance (6.50). The respondents rated perceived importance of procurement practices as being overall below perceived performance.

Average scores for firm C13

Construct	Perceived Importance	Perceived Performance	Perceived Gap
Commitment	6.25	6.50	-0.25
Openness	5.625	5.75	-0.125
Honesty	5.75	5.75	0
Closeness	5.75	6.50	-0.75
Competence	6.625	6.875	-0.25
Reliability	6.375	6.50	-0.125
Security	6.375	6.75	-0.375
Average	6.107	6.375	-0.268

Source: Developed from survey results of this study

Company C14

The summary of responses provided by respondents from case company C04 overall rated high for both perceived importance (6.107) and performance (6.50) on constructs of trust in procurement practices. The alignment between perceived importance and performance of each of the seven constructs of trust show significant importance of high trust procurement practices in influencing business survival and the overall results are presented below.

- The respondents feel that commitment attribute is rated to be of high importance (5.75) and of very high performance (5.625).
- The openness attribute is rated to be of high importance (5.625) and also has a high performance rating (5.75).
- Honesty attribute is rated as being of very high importance (5.75) and has a high performance rating (6.50).
- Closeness attribute is rated as above average in importance (6.625) and high performance (6.50).
- Competence attribute is rated as being of very high importance (5.0) and of very high performance (5.625).
- Reliability / dependability attribute is rated as being of very high importance (5.5) and of high performance (6.75).
- Security attribute is rated as being of high importance (6.625) and performance both variables being rated (6.625).

Company C14 respondents perceive importance and performance of all the seven constructs of trust as being highly significant to the firm's procurement practices. As such, these results imply that firm C14 has a high perception of the importance and performance of procurement practices as being critical to business survival. The findings show that respondents on average rated highly each of the attributes, perceived importance (5.839) and perceived performance (6.196). The respondents rated perceived importance of procurement practices as being overall below perceived performance.

Average scores for firm C14

Construct	Perceived Importance	Perceived Performance	Perceived Gap
Commitment	5.75	5.625	0.125
Openness	5.625	5.75	-0.125
Honesty	5.75	6.50	-0.75
Closeness	6.625	6.50	0.125
Competence	5.0	5.625	-0.625
Reliability	5.5	6.75	-1.25
Security	6.625	6.625	0
Average	5.839	6.196	-0.357

Source: Developed from survey results of this study

Company C15

The summary of responses provided by respondents from case company C15 overall rated high for both perceived importance (6.107) and performance (6.214) on constructs of trust in procurement practices. The alignment between perceived importance and performance of each of the seven constructs of trust show significant importance of high trust procurement practices in influencing business survival and the overall results are presented below.

- The respondents feel that commitment attribute is rated to be of high importance (6.625 on a 7 point scale) and of high performance (6.625 on a 7 point scale).
- The openness attribute is rated to be of high importance (5.25 on a 7 point scale) and also has a high performance rating (6.125 on a 7 point scale).
- Honesty attribute is rated as being of high importance (5.375 on a 7 point scale) and has a high performance rating (5.375 on a 7 point scale).
- Closeness attribute is rated as above average in importance (6.625 on a 7 point scale) and high performance (6.375 on a 7 point scale).
- Competence attribute is rated as being of very high importance (6.875 on a 7 point scale) and of very high performance (6.50 on 7 point scale).
- Reliability / dependability attribute is rated as being of very high importance (6.5 on a 7 point scale) and of very high performance (7.0 on a 7 point scale).
- Security attribute is rated as being of high importance (5.50 on a 7 point scale) and performance both variables being rated (5.5 on a 7 point rating).

Company C15 respondents perceive importance and performance of all the seven constructs of trust as being highly significant to the firm's procurement practices. As such, these results imply that firm C15 has a high perception of the importance and performance of procurement practices as being critical to business survival. The findings show that respondents on average rated highly each of the attributes, perceived importance (6.107 on a 7 point scale) and perceived performance (6.214 on a 7 point scale). The respondents rated perceived importance of procurement practices as being overall below perceived performance.

Average scores for firm C15

Construct	Perceived Importance	Perceived Performance	Perceived Gap
Commitment	6.625	6.625	0
Openness	5.25	6.125	-0.875
Honesty	5.375	5.375	0
Closeness	6.625	6.375	0.25
Competence	6.875	6.50	0.375
Reliability	6.5	7.0	-0.5
Security	5.50	5.5	0
Average	6.11	6.21	-0.1

Source: Developed from survey results of this study

Company C16

The summary of responses provided by respondents from case company C06 overall rated high for both perceived importance (6.036 on a 7 point scale) and performance (6.196 on a 7 point scale) on constructs of trust in procurement practices. The alignment between perceived importance and performance of each of the seven constructs of trust show significant importance of high trust procurement practices in influencing business survival and the overall results are presented below.

- The respondents feel that commitment attribute is rated to be of high importance (6.50 on a 7 point scale) and of very high performance (6.75 on a 7 point scale).
- The openness attribute is rated to be of high importance (5.625 on a 7 point scale) and also has a high performance rating (7.0 on a 7 point scale).
- Honesty attribute is rated as being of very high importance (7.0 on a 7 point scale) and has a high performance rating (6.875 on a 7 point scale).
- Closeness attribute is rated as above average in importance (2.625 on a 7 point scale) and high performance (2.5 on a 7 point scale).
- Competence attribute is rated as being of very high importance (6.5 on a 7 point scale) and of very high performance (6.5 on 7 point scale).
- Reliability / dependability attribute is rated as being of very high importance (7.0 on a 7 point scale) and of high performance (7.0 on a 7 point scale).
- Security attribute is rated as being of very high importance (7.0 on a 7 point scale) and performance both variables being rated (6.75 on a 7 point rating).

Company C16 respondents perceive importance and performance of all the seven constructs of trust as being highly significant to the firm's procurement practices. As such, these results imply that firm C16 has a high perception of the importance and performance of procurement practices as being critical to business survival. The findings show that respondents on average rated highly each of the attributes, perceived importance (6.036 on a 7 point scale) and perceived performance (6.196 on a 7 point scale). The respondents rated perceived importance of procurement practices as being overall below perceived performance.

Average scores for firm C16

Construct	Perceived Importance	Perceived Performance	Perceived Gap
Commitment	6.50	6.75	-0.25
Openness	5.625	7.0	-1.375
Honesty	7.0	6.875	0.125
Closeness	2.625	2.5	0.125
Competence	6.5	6.5	0
Reliability	7.0	7.0	0
Security	7.0	6.75	0.25
Average	6.036	6.196	-0.16

Source: Developed from survey results of this study

Company C17

According to the respondents, the ratings of the seven constructs of trust in procurement practices, overall, openness in procurement practices perceived importance (4.0 on a 7 point scale) and performance (4.5 on a 7 point scale) is moderate. Also rated moderate include closeness perceived importance (4.25 on a 7 point scale); perceived performance (4.5 on a 7 point scale); honesty in procurement practices perceived importance (4.375 on a 7 point scale); and performance (4.375 on a 7 point scale); and competence perceived importance (3.875 on a 7 point scale); and

perceived performance (3.75 on a 7 point scale). Furthermore, commitment in procurement practices perceived importance is rated moderate (4.879 on a 7 point scale). Overall, the firm perceived importance of constructs of trust in procurement practices is rated moderate (4.696 on a 7 point scale). The overall findings for company C17 responses are presented below.

- The respondents feel that commitment attribute is rated to be of high importance (4.875 on a 7 point scale) and of very high performance (5.0 on a 7 point scale).
- The openness attribute is rated to be of high importance (4.0 on a 7 point scale) and also has a high performance rating (4.5 on a 7 point scale).
- Honesty attribute is rated as being of very high importance (4.375 on a 7 point scale) and has a high performance rating (4.375 on a 7 point scale).
- Closeness attribute is rated as above average in importance (4.25 on a 7 point scale) and high performance (5.0 on a 7 point scale).
- Competence attribute is rated as being of very high importance (3.875 on a 7 point scale) and of very high performance (3.75 on 7 point scale).
- Reliability / dependability attribute is rated as being of very high importance (5.5 on a 7 point scale) and of high performance (6.5 on a 7 point scale).
- Security attribute is rated as being of very high importance (6.0 on a 7 point scale) and performance both variables being rated (6.625 on a 7 point rating).

The overall responses for company C17 show the firm lack single maturity of constructs of trust in its procurement practices. The perceived importance of trust in procurement practices is rated moderate (4.696 on a 7 point scale) and the perceived performance of trust in procurement practices is rated high (5.107 on a 7 point scale). Significant gaps are eminent in the firms' commitment, openness, honesty and competence rated moderate by the respondents.

Average scores for firm C17

Construct	Perceived Importance	Perceived Performance	Perceived Gap
Commitment	4.875	5.0	-0.125
Openness	4.0	4.5	-0.5
Honesty	4.375	4.375	0
Closeness	4.25	5.0	-0.75
Competence	3.875	3.75	0.125
Reliability	5.5	6.5	-1.0
Security	6.0	6.625	-0.625
Average	4.696	5.107	0.41

Source: Developed from survey results of this study

Company C18

On average, firm C08 is rated high in both perceived importance of trust in procurement practices (5.214 on a 7 point scale) and perceived performance (5.50 on a 7 point scale). However, the firm is rated moderate in both perceived of honesty in procurement practices (4.25 on a 7 point scale); and perceived performance (4.125 on a 7 point scale); closeness in procurement practices is

moderate for both perceived importance (4.375 on a 7 point scale); and perceived performance (4.125 on a 7 point scale). Furthermore, openness perceived importance in procurement practices is rated moderate (4.75 on a 7 point scale). The overall findings for firm C08 are presented below.

- The respondents feel that commitment attribute is rated to be of high importance (5.0 on a 7 point scale) and of very high performance (5.625 on a 7 point scale).
- The openness attribute is rated to be of high importance (4.75 on a 7 point scale) and also has a high performance rating (5.25 on a 7 point scale).
- Honesty attribute is rated as being of very high importance (4.25 on a 7 point scale) and has a high performance rating (4.125 on a 7 point scale).
- Closeness attribute is rated as above average in importance (4.375 on a 7 point scale) and high performance (4.125 on a 7 point scale).
- Competence attribute is rated as being of very high importance (5.75 on a 7 point scale) and of very high performance (5.75 on 7 point scale).
- Reliability / dependability attribute is rated as being of very high importance (5.5 on a 7 point scale) and of high performance (6.625 on a 7 point scale).
- Security attribute is rated as being of very high importance (6.875 on a 7 point scale) and performance both variables being rated (7.0 on a 7 point rating).

Because of eminent gaps in the firm’s perceived importance and performance of openness; honesty; and closeness in procurement practices, firm C18 despite achieving overall rating of high failed the test for single maturity of the seven constructs of trust.

Average scores for firm C18

Construct	Perceived Importance	Perceived Performance	Perceived Gap
Commitment	5.0	5.625	-0.625
Openness	4.75	5.25	-0.5
Honesty	4.25	4.125	0.125
Closeness	4.375	4.125	0.25
Competence	5.75	5.75	0
Reliability	5.5	6.625	-1.125
Security	6.875	7.0	-0.125
Average	5.21	5.5	-0.29

Source: Developed from survey results of this study

Company C19

The summary of responses provided by respondents from case company C19 overall rated high for both perceived importance (6.357 on a 7 point scale) and performance (6.518 on a 7 point scale) on constructs of trust in procurement practices. The alignment between perceived importance and performance of each of the seven constructs of trust show significant importance of high trust procurement practices in influencing business survival and the overall results are presented below.

- The respondents feel that commitment attribute is rated to be of high importance (6.0 on a 7 point scale) and of very high performance (6.50 on a 7 point scale).
- The openness attribute is rated to be of high importance (6.50 on a 7 point scale) and also has a high performance rating (6.50 on a 7 point scale).
- Honesty attribute is rated as being of very high importance (6.50 on a 7 point scale) and has a high performance rating (6.50 on a 7 point scale).
- Closeness attribute is rated as above average in importance (6.5 on a 7 point scale) and high performance (6.50 on a 7 point scale).
- Competence attribute is rated as being of very high importance (6.0 on a 7 point scale) and of very high performance (6.125 on 7 point scale).
- Reliability / dependability attribute is rated as being of very high importance (6.5 on a 7 point scale) and of high performance (6.50 on a 7 point scale).
- Security attribute is rated as being of high importance (6.5 on a 7 point scale) and performance both variables being rated (7.0 on a 7 point rating).

Company C19 respondents perceive importance and performance of all the seven constructs of trust as being highly significant to the firm's procurement practices. As such, these results imply that firm C09 has a high perception of the importance and performance of procurement practices as being critical to business survival. The findings show that respondents on average rated highly each of the attributes, perceived importance (6.357 on a 7 point scale) and perceived performance (6.518 on a 7 point scale). The respondents rated perceived importance of procurement practices as being overall below perceived performance.

Average scores for firm C19

Construct	Perceived Importance	Perceived Performance	Perceived Gap
Commitment	6.0	6.5	-0.5
Openness	6.5	6.5	0
Honesty	6.5	6.5	0
Closeness	6.5	6.5	0
Competence	6.0	6.125	-0.125
Reliability	6.5	6.5	0
Security	6.5	7.0	-0.5
Average	6.357	6.518	0.161

Source: Developed from survey results of this study

Company C20

The summary of responses provided by respondents from case company C20 overall rated as moderate for both perceived importance (4.679 on a 7 point scale) and performance (4.839 on a 7 point scale) of seven constructs of trust in procurement practices. However, the results show that overall the firm is rated moderate on openness perceived importance in procurement practices (4.25 on a 7 point scale) and perceived performance is rated (3.50 on a 7 point scale); honesty perceived importance (3.00 on a 7 point scale); so is perceived performance (3.5 on a 7 point

scale); and competence is rated moderate for both perceived importance (4.00 on a 7 point scale) and perceived performance (3.75 on a 7 point scale). The overall results of the findings are presented below.

- The respondents feel that commitment attribute is rated to be of high importance (5.50 on a 7 point scale) and of very high performance (5.50 on a 7 point scale).
- The openness attribute is rated to be of high importance (4.25 on a 7 point scale) and also has a high performance rating (3.50 on a 7 point scale).
- Honesty attribute is rated as being of very high importance (3.0 on a 7 point scale) and has a high performance rating (3.5 on a 7 point scale).
- Closeness attribute is rated as above average in importance (5.50 on a 7 point scale) and high performance (5.25 on a 7 point scale).
- Competence attribute is rated as being of very high importance (4.0 on a 7 point scale) and of very high performance (3.75 on 7 point scale).
- Reliability / dependability attribute is rated as being of very high importance (5.50 on a 7 point scale) and of high performance (6.50 on a point scale).
- Security attribute is rated as being of very high importance (5.0 on a 7 point scale) and performance both variables being rated (5.875 on a 7 point rating).

Company C20 respondents perceive importance and performance commitment; closeness; reliability; and security in procurement practices. However, rated moderate is openness; honesty; competence in procurement practices.

Average scores for firm C20

Construct	Perceived Importance	Perceived Performance	Perceived Gap
Commitment	5.50	5.50	0
Openness	4.25	3.50	0.75
Honesty	3.0	3.5	-0.5
Closeness	5.50	5.25	0.25
Competence	4.0	3.75	0.25
Reliability	5.50	6.50	-1.0
Security	5.0	5.875	-0.875
Average	4.679	4.839	-0.16

Source: Developed from survey results of this study

Company C21

The summary of responses provided by respondents from case company C21 overall rated as high both perceived importance (5.89 on a 7 point scale) and performance (5.98) of trust attributes in procurement practices. The results for the seven constructs of trust measured in this study are as presented as follows.

- The respondents feel that commitment attribute is rated to be of high importance (5.75 on a 7 point scale) and of very high performance (6.0 on a 7 point scale).

- The openness attribute is rated to be of high importance (5.625 on a 7 point scale) and also has a high performance rating (5.375 on a 7 point scale).
- Honesty attribute is rated as being of very high importance (5.50 on a 7 point scale) and has a high performance rating (6.0 on a 7 point scale).
- Closeness attribute is rated as above average in importance (6.0 on a 7 point scale) and high performance (6.0 on a 7 point scale).
- Competence attribute is rated as being of very high importance (6.0 on a 7 point scale) and of very high performance (6.0 on 7 point scale).
- Reliability / dependability attribute is rated as being of very high importance (6.375 on a 7 point scale) and of high performance (6.0 on a 7 point scale).
- Security attribute is rated as being of very high importance (6.625 on a 7) point scale and performance both variables being rated (5.875 on a 7 point rating).

Company C21 respondents perceive importance and performance of all the seven constructs of trust as being highly significant to the firm’s procurement practices. As such, these results imply that firm C21 has a high perception of the importance and performance of procurement practices as being critical to business survival. The findings show that respondents on average rated highly each of the attributes, perceived importance (5.98 on a 7 point scale) and perceived performance (5.89 on a 7 point scale). The respondents rated perceived importance of procurement practices as being overall higher than perceived performance, which further suggests that firm C21 invests in the seven constructs of trust in procurement practices.

Average scores for firm C21

Construct	Perceived Importance	Perceived Performance	Perceived Gap
Commitment	5.75	6.0	-0.25
Openness	5.625	5.375	0.25
Honesty	5.50	6.0	-0.5
Closeness	6.0	6.0	0
Competence	6.0	6.0	0
Reliability	6.375	6.0	0.375
Security	6.625	5.875	0.75
Average	5.98	5.89	0.09

Source: Developed from survey results of this study

Company C22

The summary of responses provided by respondents from case company C22 overall rated as high both perceived importance (5.77 on a 7 point scale) and performance (5.89 on a 7 point scale) of trust attributes in procurement practices. The results for the seven constructs of trust measured in this study are as presented below.

- The respondents feel that commitment attribute is rated to be of high importance (4.5 on a 7 point scale) and of very high performance (5.50 on a 7 point scale).

- The openness attribute is rated to be of high importance (6.0 on a 7 point scale) and also has a high performance rating (5.625 on a 7 point scale).
- Honesty attribute is rated as being of very high importance (5.875 on a 7 point scale) and has a high performance rating (6.0 on a 7 point scale).
- Closeness attribute is rated as above average in importance (6.25 on a 7 point scale) and high performance (5.75 on a 7 point scale).
- Competence attribute is rated as being of very high importance (6.25 on a 7 point scale) and of very high performance (5.875 on 7 point scale).
- Reliability / dependability attribute is rated as being of very high importance (6.375 on a 7 point scale) and of high performance (6.0 on a 7 point scale).
- Security attribute is rated as being of very high importance and performance (6.0 on a 7 point scale) both variables being rated (5.625 on a 7 point rating).
-

Company C22 respondents perceive importance and performance of all the seven constructs of trust as being highly significant to the firm's procurement practices. As such, these results imply that firm C22 has a high perception of the importance and performance of procurement practices as being critical to business survival. The findings show that respondents on average rated highly each of the attributes, perceived importance (5.77 on a 7 point scale) and perceived performance (5.89 on a 7 point scale).

Average scores for firm C22

Construct	Perceived Importance	Perceived Performance	Perceived Gap
Commitment	4.5	5.50	-0.1
Openness	6.0	5.625	0.375
Honesty	5.875	6.0	-0.125
Closeness	6.25	5.75	0.5
Competence	6.25	5.875	0.375
Reliability	6.375	6.0	0.375
Security	6.0	5.625	0.375
Average	5.89	5.77	0.12

Source: Developed from survey results of this study

Company C23

The summary of responses provided by respondents from case company C23 overall rated as high both perceived importance (5.71 on a 7 point scale) and performance (5.7 on a 7 point scale) of trust attributes in procurement practices. The results for the seven constructs of trust measured in this study are as presented below.

- The respondents feel that commitment attribute is rated to be of high importance (6.0 on a 7 point scale) and of very high performance (5.25 on a 7 point scale).
- The openness attribute is rated to be of high importance (5.375 on a 7 point scale) and also has a high performance rating (6.0 on a 7 point scale).

- Honesty attribute is rated as being of very high importance (5.625 on a 7 point scale) and has a high performance rating (5.5 on a 7 point scale).
- Closeness attribute is rated as above average in importance (6.0 on a 7 point scale) and high performance (5.75 on a 7 point scale).
- Competence attribute is rated as being of very high importance (5.625 on a 7 point scale) and of very high performance (5.75 on 7 point scale).
- Reliability / dependability attribute is rated as being of very high importance (5.625 on a 7 point scale) and of high performance (5.625 on a 7 point scale).
- Security attribute is rated as being of very high importance (5.625 on a 7 point scale) and performance both variables being rated (6.125 on a 7 point rating).

Company C23 respondents perceive importance and performance of all the seven constructs of trust as being highly significant to the firm’s procurement practices. As such, these results imply that firm C23 has a high perception of the importance and performance of procurement practices as being critical to business survival. The findings show that respondents on average rated highly each of the attributes, perceived importance (5.71 on a 7 point scale) and perceived performance (5.7 on a 7 point scale).

Average scores for firm C23

Construct	Perceived Importance	Perceived Performance	Perceived Gap
Commitment	6.0	5.25	0.75
Openness	5.375	6.0	-0.625
Honesty	5.625	5.5	0.125
Closeness	6.0	5.75	0.25
Competence	5.625	5.75	-0.125
Reliability	5.625	5.625	0
Security	5.625	6.125	-0.5
Average	5.7	5.714	-0.018

Source: Developed from survey results of this study

Company C24

The summary of responses provided by respondents from case company C24 overall rated as high both perceived importance (5.57 on a 7 point scale) and performance (7.0 on a 7 point scale) of trust attributes in procurement practices. The results for the seven constructs of trust measured in this study are as presented below.

- The respondents feel that commitment attribute is rated to be of high importance (6.50 on a 7 point scale) and of very high performance (5.75 on a 7 point scale).
- The openness attribute is rated to be of high importance (5.5 on a 7 point scale) and also has a high performance rating (5.375 on a 7 point scale).
- Honesty attribute is rated as being of very high importance (5.75 on a 7 point scale) and has a high performance rating (5.75 on a 7 point scale).

- Closeness attribute is rated as above average in importance (5.50 on a 7 point scale) and high performance (5.75 on a 7 point scale).
- Competence attribute is rated as being of very high importance (5.75 on a 7 point scale) and of very high performance (5.375 on 7 point scale).
- Reliability / dependability attribute is rated as being of very high importance (5.75 on a 7 point scale) and of high performance (5.25 on a 7 point scale).
- Security attribute is rated as being of very high importance (5.5 on a 7 point scale) and performance both variables being rated (5.75 on a 7 point rating).

Company C24 respondents perceive importance and performance of all the seven constructs of trust as being highly significant to the firm’s procurement practices. As such, these results imply that firm C24 has a high perception of the importance and performance of procurement practices as being critical to business survival. The findings show that respondents on average rated highly each of the attributes, perceived importance (5.57 on a 7 point scale) and perceived performance (7.0 on a 7 point scale).

Average scores for firm C24

Construct	Perceived Importance	Perceived Performance	Perceived Gap
Commitment	6.50	5.75	0.75
Openness	5.5	5.375	0.125
Honesty	5.75	5.75	0
Closeness	5.50	5.75	-0.25
Competence	5.75	5.375	0.375
Reliability	5.75	5.25	0.5
Security	5.5	5.75	-0.25
Average	5.75	5.571	0.179

Source: Developed from survey results of this study

Company C25

The summary of responses provided by respondents from case company C25 overall rated as high both perceived importance (5.55 on a 7 point scale) and performance (5.61 on a 7 point scale) of trust attributes in procurement practices. The results for the seven constructs of trust measured in this study are as presented below.

- The respondents feel that commitment attribute is rated to be of high importance (5.75 on a 7 point scale) and of very high performance (5.75 on a 7 point scale).
- The openness attribute is rated to be of high importance (5.75 on a 7 point scale) and also has a high performance rating (5.50 on a 7 point scale).
- Honesty attribute is rated as being of very high importance (5.75 on a 7 point scale) and has a high performance rating (5.50 on a 7 point scale).
- Closeness attribute is rated as above average in importance (5.75 on a 7 point scale) and high performance (5.50 on a 7 point scale).

- Competence attribute is rated as being of very high importance (5.50 on a 7 point scale) and of very high performance (5.75 on 7 point scale).
- Reliability / dependability attribute is rated as being of very high importance (5.50 on a 7 point scale) and of high performance (5.375 on a 7 point scale).
- Security attribute is rated as being of very high importance (5.25 on a 7 point scale) and performance both variables being rated (5.50 on a 7 point rating).

Company C25 respondents perceive importance and performance of all the seven constructs of trust as being highly significant to the firm’s procurement practices. As such, these results imply that firm C25 has a high perception of the importance and performance of procurement practices as being critical to business survival. The findings show that respondents on average rated highly each of the attributes, perceived importance (5.55 on a 7 point scale) and perceived performance (5.61 on a 7 point scale).

Average scores for firm C25

Construct	Perceived Importance	Perceived Performance	Perceived Gap
Commitment	5.75	5.75	0
Openness	5.75	5.50	0.25
Honesty	5.75	5.50	0.25
Closeness	5.75	5.50	0.25
Competence	5.50	5.75	-0.25
Reliability	5.50	5.375	0.125
Security	5.25	5.50	-0.25
Average	5.61	5.525	0.085

Source: Developed from survey results of this study

Company C26

The summary of responses provided by respondents from case company C26 overall rated as high both perceived importance (5.46 on a 7 point scale) and performance (5.57 on a 7 point scale) of trust attributes in procurement practices. The results for the seven constructs of trust measured in this study are as presented below.

- The respondents feel that commitment attribute is rated to be of high importance (5.25 on a 7 point scale) and of very high performance (5.375 on a 7 point scale).
- The openness attribute is rated to be of high importance (5.50 on a 7 point scale) and also has a high performance rating (5.125 on a 7 point scale).
- Honesty attribute is rated as being of very high importance (5.875 on a 7 point scale) and has a high performance rating (5.75 on a 7 point scale).
- Closeness attribute is rated as above average in importance (5.375 on a 7 point scale) and high performance (5.625 on a 7 point scale).
- Competence attribute is rated as being of very high importance (5.50 on a 7 point scale) and of very high performance (5.25 on 7 point scale).

- Reliability / dependability attribute is rated as being of very high importance (5.625 on a 7 point scale) and of high performance (5.50 on a 7 point scale).
- Security attribute is rated as being of very high importance (5.875 on a 7 point scale) and performance both variables being rated (5.625 on a 7 point rating).

Company C26 respondents perceive importance and performance of all the seven constructs of trust as being highly significant to the firm's procurement practices. As such, these results imply that firm C26 has a high perception of the importance and performance of procurement practices as being critical to business survival. The findings show that respondents on average rated highly each of the attributes, perceived importance (5.46 on a 7 point scale) and perceived performance (5.57 on a 7 point scale).

Average scores for firm C26

Construct	Perceived Importance	Perceived Performance	Perceived Gap
Commitment	5.25	5.375	-0.125
Openness	5.50	5.125	0.375
Honesty	5.875	5.75	0.125
Closeness	5.375	5.625	-0.25
Competence	5.50	5.25	0.25
Reliability	5.625	5.50	0.125
Security	5.875	5.625	0.25
Average	5.571	5.464	0.107

Source: Developed from survey results of this study

Company C27

The summary of responses provided by respondents from case company C27 overall rated as high both perceived importance (5.44 on a 7 point scale) and performance (5.61 on a 7 point scale) of trust attributes in procurement practices. The results for the seven constructs of trust measured in this study are as presented below.

- The respondents feel that commitment attribute is rated to be of high importance (5.625 on a 7 point scale) and of very high performance (5.375 on a 7 point scale).
- The openness attribute is rated to be of high importance (5.75 on a 7 point scale) and also has a high performance rating (5.50 on a 7 point scale).
- Honesty attribute is rated as being of very high importance (5.5 on a 7 point scale) and has a high performance rating (5.625 on a 7 point scale).
- Closeness attribute is rated as above average in importance (5.50 on a 7 point scale) and high performance (5.50 on a 7 point scale).
- Competence attribute is rated as being of very high importance (5.625 on a 7 point scale) and of very high performance (5.50 on 7 point scale).
- Reliability / dependability attribute is rated as being of very high importance (5.625 on a 7 point scale) and of high performance (5.25 on a 7 point scale).

- Security attribute is rated as being of very high importance (5.625 on a 7 point scale) and performance both variables being rated (5.375 on a 7 point rating).

Company C27 respondents perceive importance and performance of all the seven constructs of trust as being highly significant to the firm’s procurement practices. As such, these results imply that firm C27 has a high perception of the importance and performance of procurement practices as being critical to business survival. The findings show that respondents on average rated highly each of the attributes, perceived importance (5.44 on a 7 point scale) and perceived performance (5.61 on a 7 point scale).

Average scores for firm C27

Construct	Perceived Importance	Perceived Performance	Perceived Gap
Commitment	5.625	5.375	0.25
Openness	5.75	5.50	0.25
Honesty	5.5	5.625	-0.125
Closeness	5.50	5.50	0
Competence	5.625	5.50	0.125
Reliability	5.625	5.25	0.375
Security	5.625	5.375	0.25
Average	5.607	5.446	0.161

Source: Developed from survey results of this study

Company C28

The summary of responses provided by respondents from case company C28 overall rated as high both perceived importance (6.04 on a 7 point scale) and performance (6.0 on a 7 point scale) of trust attributes in procurement practices. The results for the seven constructs of trust measured in this study are as presented below.

- The respondents feel that commitment attribute is rated to be of high importance (5.75 on a 7 point scale) and of very high performance (5.75 on a 7 point scale).
- The openness attribute is rated to be of high importance (5.75 on a 7 point scale) and also has a high performance rating (5.75 on a 7 point scale).
- Honesty attribute is rated as being of very high importance (5.75 on a 7 point scale) and has a high performance rating (6.50 on a 7 point scale).
- Closeness attribute is rated as above average in importance (6.0 on a 7 point scale) and high performance (6.375 on a 7 point scale).
- Competence attribute is rated as being of very high importance (6.375 on a 7 point scale) and of very high performance (5.875 on 7 point scale).
- Reliability / dependability attribute is rated as being of very high importance (6.125 on a 7 point scale) and of high performance (6.375 on a 7 point scale).
- Security attribute is rated as being of very high importance (6.25 on a 7 point scale) and performance both variables being rated (5.625 on a 7 point rating).

Company C28 respondents perceive importance and performance of all the seven constructs of trust as being highly significant to the firm’s procurement practices. As such, these results imply that firm C28 has a high perception of the importance and performance of procurement practices as being critical to business survival. The findings show that respondents on average rated highly each of the attributes, perceived importance (6.04 on a 7 point scale) and perceived performance (6.0 on a 7 point scale).

Average scores for firm C28

Construct	Perceived Importance	Perceived Performance	Perceived Gap
Commitment	5.75	5.75	0
Openness	5.75	5.75	0
Honesty	5.75	6.50	-0.75
Closeness	6.0	6.375	-0.375
Competence	6.375	5.875	0.5
Reliability	6.125	6.375	-0.25
Security	6.25	5.625	0.625
Average	6	6.036	0.036

Source: Developed from survey results of this study

Appendix F

Case Study Research Protocol

A) This case study protocol is used throughout this study to provide guidance and consistence to use of the case study methodology and principally indicates the research methodology to be employed in this dissertation.

Research Problem and issues

This research study seeks to investigate how procurement practices influence business survival in a developing economy through analysis of buyer-supplier relationships in Zimbabwe's banking industry.

This study seeks to identify forms of procurement practices prevalent in Zimbabwe's banking industry and how their effect on business survival. The objective of the study are summarised as seeking to:

1. Is there relationship between firms' perceived performance and importance of procurement practices effect on business survival?
2. Are there similarities and differences between firms' overall perceptions of procurement practices and business survival?
3. What gaps exist within and between firms' procurement practices and their effect on business survival in a turbulent environment?

In fulfilling the objectives, this research study also addresses the following research issues:

- 1) Identify different forms of buyer-supplier relationships prevalent in the Zimbabwe banking industry
- 2) Ascertain critical success factors in the formation and development of high performing buyer-supplier relationships in Zimbabwe's banking industry.
- 3) Establish the extent to which different forms purchasing and supply practices impact on overall business competitiveness.

Significance of the research

Relationships formation and development is the lifeblood determining communities' success or failure; relationships exist in any environment set up and are shaped by the political, economic, social and technological forces making up the environment. In developing economies, the environmental forces are erratic and less predictable compared to developed economies. Therefore, the study of inter-organizational relationships, in particular, buyer – supplier relationships in a developing economy is of considerable interest to management and academia due to many companies erratic business context.

While the benefits resulting from well structured inter-organizational relationships management (buyer-supplier relationships included) have been fully documented, several studies have however pointed out that developing such relationships is a challenging task for most firms and there are several difficulties associated with it (McHugh et al, 2003; Simatupang and Sridharan,

2002; Sheu et al, 2006). Further, McIvor and Humphreys, (2002), concur with the later observation that while the benefits of the inter-organization relationships seem easy to attain, when in actuality they are difficult to achieve as conflicts between partners are inevitable that is before and during the formation and development of the relationship.

However, there is not much study and investigations on how to enforce attainment of most mutually beneficial relationships between trading partners. Different organizations resort to different methodologies of harnessing and optimizing the ad hoc benefits resulting from all sorts of inter-organizational relationships they are involved in. The challenge facing management of businesses today is how best to forge inter-organizational relationships that offer mutual sustainable competitive advantage. Therefore, this study sought to contribute to the body of knowledge through development and recommending business models that assist in operationalization of relationships that offer sustainable competitive advantage to businesses operating in developing economies.

Research design and chosen methodology

This study employs a multi-method approach (Leedy and Ormrod, 2005; Ghauri et al, 1995) that is a combination of qualitative and quantitative research process using multiple case studies. The reason for choosing this approach being that a multiple case study research increases the understanding of the inter-organizational relationships. The researcher believes that through direct observation and systematic interviewing and surveys, the case study methodology will allow the building of new inter-organization relationship theories and business models. Use of the case study protocol in this research provided general rules and guidance hence increasing the reliability of this dissertation.

While case study research has been frequently criticized for its lack of rigor, the research closely followed suggestions from previous studies (Eisenhardt, 1989; Leedy and Ormrod, 2005; Yin, 2003) to further ensure the validity of this study. Reliability concerns the replication of the study under similar circumstances (Guba and Lincoln, 1981) and places emphasis on doing the same case over again, not on ‘replicating’ the results of one case study by doing another case study. There use of the multi-method approach assisted in minimizing the errors and biases during the study (Yin 2003). Also, use of multiple cases as sample units further improved the quality of data collection and research findings (Yin 2003; Parke 1993; Patton 1990; Bonoma 1985). The chosen method allows the researcher to follow replication logic, confirm or disconfirm theory and offered a full variety of evidence.

Importance of the study:

This research outlines the doctor of business administration study which intends to examine the extent to which purchasing and supply (also referred to as procurement in this study) practices influence business growth, survival and attainment of sustainable competitive advantage in Zimbabwean banking industry. It has been noted in the literature on inter-organisational relationships that long-term cooperation is more effective in a business environment characterised by interdependence, commitment and trust. However, there is not enough knowledge about the effect of interdependence in different trust contexts underpinned by different purchasing and supply practices. Further theoretical and managerial implications on formation of different relationships between buyers and suppliers are also discussed in this study. In addition, the study seek to reveal the dynamics of buyer-supplier relationships, reveal potential gaps in existing relationships, investigates how and why relationships succeed or fail, and the role of purchasing and supply in the formation and development of business relationships.

Processes and instruments

A combination of qualitative and quantitative research design based on multiple case studies forms the basis of this dissertation. The target population for this study is Zimbabwe's banking industry, which constitute of eighteen registered commercial banks will provide the multiple cases for this study. The sampling frame for the study is all commercial banks that are members of Zimbabwe's Bankers Association.

The sampling unit for this study is the bank's purchasing and supply functions. The sample size is determined by the size of the sample population and it will not be excessively large, nor too small but should be optimum and should fulfil the requirements of efficiency, representativeness, reliability and flexibility is taken into account to ensure an accurate sample size.

Data for this study will be collected in two phases; firstly, a research protocol is designed and pilot tested with selected procurement executives in the banking industry. Once fine-tuned, the research protocol is the framework followed during the face to face interviews with senior executives in the purchasing and supply functions of the banks and sales and marketing executives of the selected suppliers. Secondly, from the results of these interviews, a self-administered questionnaire will be developed and pilot tested before being sent to the targeted lower ranks officials from the selected banks and suppliers involved in business relationship building.

Each targeted prospective respondent is initially contacted by telephone in order to identify and establish contact and schedule for appointments for those who will be interviewed. Self administered questionnaires will be sent by emails or use of courier as these are faster, cheaper and accurate methods of collecting data from a larger number of respondents compared to interviews that will be costly and rather time consuming.

How participants are recruited in this research project

Once the banks and suppliers for this study have been selected, the next stage would be to establish conduct with senior purchasing and supply executives within each bank and senior sales and marketing executives from each of the supplier. The identification, establishment of conduct and scheduling of appointments will be done by telephone. Once the interviews take place conduct of the lower rank officials will be established as the researcher will have established conduct at senior management level.

Obtaining of permission to recruit participants from the relevant organisation(s)

Permission will be obtained during the interviews with the senior executives of from banks and suppliers participating in the study

Psychological and other risks to the participants

The risks to the participants will be mainly reputation risk due to disclosure of confidentiality and company trading secrecy.

Justifying the study in terms of the risk to, and imposition on, the participants

The researcher will obtain the respondent's informed consent before the research commences, explain rights and protection of the participants and ensure that benefits of the study are shared with the respondents.

Steps to be taken to ensure protection of the participants' physical, social and Psychological welfare

The steps followed include:

- 1) Self introduction – my names, brief background e.g USQ DBA in Logistics research student
- 2) Give a brief description of the survey topic
- 3) Describe the geographical area being interviewed, or target sample
- 4) Tell who the sponsor of the research project is
- 5) Describe the purpose(s) of the research
- 6) Give a 'good faith' estimate of the time required to complete the interview
- 7) Promise anonymity and confidentiality
- 8) Tell the respondent that the participation is voluntary
- 9) Tell the respondent that the item – non-response is acceptable
- 10) Ask for permission to begin

How will the study benefit the participants?

Relationship management has proved to be a challenge to most of the purchasing and supply practitioners and this study seek to identify gaps and opportunities for buyer and suppliers to establish business relationships that assist companies achieve growth, survival and sustainable competitive advantage. Under prevailing dynamic business environment businesses regardless of their size are seeking for any opportunities to optimise their profitability. The researcher therefore believes that by sharing the benefits and results of the post study, participants will equally benefit, as they will appreciate the gaps and potential opportunities that may improve their businesses competitive advantage.

How the aims of the study will be communicated to the participants:

The aims of this study will be communicated once the researcher obtains participant approval to go ahead with the research. The interviewer will begin an introduction with his names, give brief background as why he is involved in the research, and provide a brief description of the purpose and aims of the research.

Steps to be taken to ensure informed consent of the participants/guardians:

The researcher will fully disclose the procedures of the proposed survey and other research design before requesting permission to proceed with the study. Written and signed consents will be entered into should oral consent not be sufficient.

Steps to be taken to:

(a) Provide feedback to subjects?

- 1) by sharing post study results with the respondents
- 2) by scheduling field and phone interviews

(b) Debrief participants?

1. By describing fully the hypothesis, goals and purpose of the research to the respondents
2. By sharing of post study results with the respondents

Measures to be taken to ensure the confidentiality of the participants involved in

this study:

1. By restricting access to information that reveals names, telephone numbers, addresses, or other identifiable features
2. By obtaining signed nondisclosure documents
3. By obtaining written consent by the respondents to reveal certain information
4. By restricting access to data instrument where the respondent is identified
5. By informing respondents of their right to refuse to answer any questions or participate in the study
6. By obtaining permission to interview respondents
7. By scheduling of field and telephone interviews
8. By limiting the time required for participation
9. By restricting observation to public behaviour only

Explain how you intend to store and protect the confidentiality of the data.

- 1) By weakening links between the data or database and the identifying information file
- 2) Individual interview response sheets will be inaccessible to everyone except the editors
- 3) Data collection instruments will be destroyed once the data are in a data file

Data files that make it easy to reconstruct the profiles or identification of individual respondents will be carefully controlled

Appendix G

Research Survey Questionnaires – “Cover Letter”



THE UNIVERSITY OF
SOUTHERN
QUEENSLAND

TOOWOOMBA
QUEENSLAND 4350
AUSTRALIA

13st June 2009

Dear Sir / Madam

Many thanks for accepting to assist and work with me to complete my research project with the University of Southern Queensland (USQ). I look-forward to getting your candid and honest opinion on the purchasing and supply practices and business relationship between your organization and its suppliers during our discussions.

My research is via a multiple-case study to investigate how purchasing and supply practices influence sustainable competitive advantage of businesses operating in a developing economy: An examination of buyer-supplier relationships in Zimbabwe’s banking industry.

I will be calling you to plan for a face-to-face meeting when we can discuss issues pertaining to my study area. With your permission, I will be further requesting you to distribute a couple of self administered questionnaires to other members of your team who may be willing to assist me complete the study by sharing their views and opinions. I hope you will not find it too much of a bother should I call on you for further assistance and additional information during the study.

I would like to assure you that all data supplied to me will be treated as confidential, including your personal identification, name of your organization, the individuals participating in the questionnaire and any other information that I do not have your written consent to disclose to any third parties. All data will be reported in aggregate only. Should you have any concerns regarding the implementation of the project, you should conduct The Secretary, Human Research Ethics Committee, USQ or telephone +617 4631 2956.

Once again, I thank you for accepting to participate in my research and continued support to work with me throughout the study.

With kind regards,

Masimba Phillip Dahwa

Telephone number: 00 44 075 288 04587, 00 44 075 288 04543

Email address: masidahwa@yahoo.co.uk

Appendix H

Cover letter (Follow-up Mail out)



THE UNIVERSITY OF
SOUTHERN
QUEENSLAND

TOOWOOMBA
QUEENSLAND 4350
AUSTRALIA

1st August 2009

Dear Sir / Madam

Many thanks for accepting to assist and work with me to complete my research project with the University of Southern Queensland (USQ). I look-forward to getting your candid and honest opinion on the purchasing and supply practices and business relationship between your organization and its suppliers during our discussions.

My research is via a multiple-case study to investigate how purchasing and supply practices influence sustainable competitive advantage of businesses operating in a developing economy: An examination of buyer-supplier relationships in Zimbabwe's banking industry.

I will be calling you to plan for a face to face meeting when we can discuss issues pertaining to my study area. With your permission, I will be further requesting you to distribute a couple of self administered questionnaires to other members of your team who may be willing to assist me complete the study by sharing their views and opinions. I hope you will not find it too much of a bother should I call on you for further assistance and additional information during the study.

I would like to assure you that all data supplied to me will be treated as confidential, including your personal identification, name of your organization, the individuals participating in the questionnaire and any other information that I do not have your written consent to disclose to any third parties. All data will be reported in aggregate only. Should you have any concerns regarding the implementation of the project, you should contact The Secretary, Human Research Ethics Committee, USQ or telephone +617 4631 2956.

Once again, I thank you for accepting to participate in my research and continued support to work with me throughout the study.

With kind regards,

Masimba Phillip Dahwa

Telephone number: 00 44 075 288 04587, 00 44 075 288 04543

Email address: masidahwa@yahoo.co.uk