

**THE IMPACT OF IMPLEMENTATION OF SUPPLY  
CHAIN MANAGEMENT POLICY  
IN THE DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING  
IN LIMPOPO PROVINCE**

**MASTER OF PUBLIC ADMINISTRATION**

**MD MAROKANA**

**2012**

**THE IMPACT OF IMPLEMENTATION OF SUPPLY  
CHAIN MANAGEMENT POLICY  
IN THE DEPARTMENT OF LOCAL GOVERNMENT AND  
HOUSING IN LIMPOPO PROVINCE**

**BY**

**MATSOBANE DAVID MAROKANA**

**Mini-dissertation**

**Submitted in partial fulfillment of the requirements for the degree of**

**Master of Public Administration**

**In the**

**FACULTY OF MANAGEMENT AND LAW**

**School of Graduate Leadership**

**UNIVERSITY OF LIMPOPO**

**SUPERVISOR: DR WMB MOHAPI**

**2012**

## DECLARATION

I declare that

**THE IMPACT OF IMPLEMENTATION OF SUPPLY CHAIN MANAGEMENT  
POLICY IN THE DEPARTMENT OF  
LOCAL GOVERNMENT AND HOUSING, LIMPOPO PROVINCE** hereby submitted to the University of Limpopo, for the degree of Master of Public Administration, (Supply Chain Management) has not previously been submitted by me for a degree at this or any other university; that it is my work in design and in execution, and that all material contained herein has been duly acknowledged

Marokana MD (Mr)

Date: 27 August 2012

## **DEDICATION**

This research is devoted to my wife, Mokwele Abrina; my sons, Mahlatse Philemon and Makwena Witford; my daughter, Dineo Elisabeth; my mother, Raisibe; my sister Girly and my colleagues at Limpopo Department of Local Government and Housing who gave me the necessary support to realize my dreams. They supported me during hard times and I sometimes ignored them when they needed me most.

## ACKNOWLEDGEMENTS

The completion of this study was made possible through the help of the Almighty and the support of many people whom I want to offer my sincere gratitude. These are:

- ❖ My dear wife, Mokwele Abrina; my sons, Mahlatse and Makwena and my daughter, Dineo who so understood and motivated me throughout this project. Sometimes I neglected them due to pressure of work.
- ❖ Dr WMB Mohapi (my supervisor) who offered a special professional guidance and necessary motivation throughout the research project. He was like a father to me. I owe this project to him.
- ❖ All colleagues who assisted me in completing questionnaire and the CFO of Limpopo Department of Local Government and Housing who allowed me to interview him.
- ❖ Senior Managers who assisted me in the completion of questionnaires, and also organized relevant managers needed for this project.
- ❖ Mr NS Setati who assisted with editing.
- ❖ Mr NC Motsepe who is the Head of Department of Local Government and Housing for allowing me to conduct this study in the Department.

## **ABSTRACT**

This study focused on the impact of implementation of Supply Chain Management Policy (SCM) in Limpopo Department of Local Government and Housing (The Department of Local Government and Housing is officially known as the Department of Co-operative Governance, Human Settlements and Traditional affairs as from the 16 August 2011).The study analyzed the impact of implementation of SCM policy including the implications of non-compliance with this policy. The study also provides an analysis of the perceptions of officials of the Department of Local Government and Housing with regard to the impact of implementation of Supply Chain Management policy. The study also looked at Supply Chain Management in a public sector context including mechanisms that can be employed in order to improve implementation of Supply Chain Management policy.

Qualitative research methods were used in this study. This means that primary data was collected using interviews and questionnaires. The findings from the study indicated that the Department experienced challenges in implementing the SCM policy and that there was a significant change in the behavioural patterns of the certain employees after the SCM policy was implemented. The study also revealed that the implementation of SCM policy had both positive and negative effects on the employees of the Department, service providers as well as the public. Furthermore, the research revealed that violation of SCM policy has a negative impact on service delivery. The study has provided answers to both the main research question and sub-questions. From the findings made, the study concluded that the implementation of Supply Chain Management policy has both the negative and positive impact on the Department.

# **Table of Contents**

## **CHAPTER 1: GENERAL ORIENTATION OF THE STUDY**

1.1 Introduction	1
1.2 Statement of the problem	2
1.3 Aim of the study	4
1.4 Objectives of the study	4
1.5 Significance of the study	5
1.6 Research questions	6
1.7 Definitions of concepts	6
1.8 Outline of the research	10
1.9 Conclusion	10

## **CHAPTER 2: LITERATURE REVIEW**

2.1 Introduction	12
2.2 What is literature review?	12
2.3 SCM in the public service	13
2.4 Local Government and Housing SCM practices	15
2.5 Trends in Supply Chain Management	15
2.6 Models for Supply Chain Management	18
2.7 Challenges in Supply Chain Management	20
2.8 Key factors of success in Supply Chain Management	21
2.9 Conclusion	24

## **CHAPTER 3: RESEARCH METHODOLOGY**

3.1. Introduction	27
3.2 Research design	27
3.3 Research approach	29
3.4 Population	29
3.5 Sampling	30

3.6 Sampling procedure	31
3.7 Data collection	32
3.8 Reliability and validity of the study	34
3.9 Ethical considerations	35
3.10 Conclusion	37
<b>CHAPTER 4: DATA ANALYSIS AND INTERPRETATION</b>	
4.1 Introduction	38
4.2 Section A. Analysis of responses from junior officials and managers	38
4.3 Section B. Analysis of responses from senior managers	51
4.4 Section C. Analysis of responses from the CFO	66
4.5 Conclusion	70
<b>CHAPTER 5: SUMMARY, RECOMMENDATIONS AND CONCLUSION</b>	
5.1 Introduction	71
5.2 Summary of the findings of the research	71
5.3 Limitations of the research	92
5.4 Recommendations of the research	92
5.5 Conclusion	94
Acronyms	96
References	97
Appendix A	101
Appendix B	110
Appendix C	120



## **CHAPTER 1**

### **GENERAL ORIENTATION OF THE STUDY**

#### **1.1 Introduction**

Supply Chain Management (SCM) is one of the most important areas in the provision of goods and services in an organization. In both the public and private sectors, Supply Chain Management includes the following six areas, demand management; acquisition management; logistics management; disposal management; performance management and risk management. The term “Supply Chain Management” was coined in the late 1980s’ and came into widespread use in the 1990s’. Prior to that, the business sector used terms such as “logistics and operations management” to refer to this process (Hugo, 2006:3).

Dabbler and Burt (1996:13) are of the opinion that the most interesting and challenging aspect of Supply Chain Management is the development and management of the organisation’s Supply Chain Management unit. These authors further assert that this chain is the upstream portion of the organisation’s supply chain and is responsible for ensuring that the right materials, services, and technology are purchased from the right source, at the right time, in the right quality. From this explanation it can be deduced that Supply Chain Management is one of the most important management processes that ensures that organisations are effective in the procurement of goods and services.

This management process, unlike other processes covers all stages directly or indirectly involved in fulfilling a customer’s request. It does not only include manufacturers and suppliers, but also transporters, warehouseers and retailers. These functions include, but are not limited to, new product development, marketing, operations, distribution, finance, and customer services (Chopra & Mendel, 2001:3).Chopra and Mendel’s definition of Supply Chain Management encompasses a variety of issues: product development, customers service, marketing, distributions, procurement, finances and operations, put it broader in the sense that it covers all stages directly or indirectly involved in gratifying client’s request.

Dabbler and Burt went further by emphasising issues pertaining to service providers, time and quality without gratifying of customers' request. However most managers experience problems in interpreting SCM systems and procedures.

As outlined in Mkhize (2008: 230) research which was based on procurement processes revealed that there are some deficiencies in this area. His study revealed that there were challenges relating to governance, interpretation and implementation of the Preferential Procurement Policy Framework Act (PPPFA) and its associated regulations (National Treasury RSA, 2003b:2). In this paper he continues to explain that these deficiencies led to the Provincial Treasuries, in conjunction with National Treasury, vigorously embarking on a reform initiative that introduced procurement practices that are efficient and effective.

## **1.2 Statement of the problem**

Poor procurement processes cannot only be limited to interpretation of policies but also to maladministration and corruption. In one incident Special Investigating Unit (SIU) probed allegations of serious maladministration, unlawful, negligent and irregular transactions wherein the Department of Local Government and Housing paid the developer a R15million in a controversial out of court tender settlement (City press, 29 January 2009:9).

The Department of Local Government and Housing appointed National Home Builders Registration Council (NHBRC) to conduct a forensic audit to determine the amount of money required to complete hundreds of RDP houses that were left incomplete by the developers who vanished without trace. The probe was conducted as a result of questions raised by communities about the quality of RDP houses. The concern was for example as a result of death of a 49 year old women who died in Maruleng local municipality in Mopani District municipality when an RDP house collapsed on her ( Sowetan, 7 November 2008:9).This shows that management failed to comply with supply chain procedures in monitoring contractors work. A lot of money is lost as a result of poor services. In trying to address poor performance by contractors, the Department sometimes delay in processing

payment claims for work done in the process honest service providers are affected. This will lead into court battles. According to the Annual report of the Department of Local Government and Housing (DLGH, 201:66), the AG stated that, the Department was involved in litigation against certain service providers due to non-compliance to procurement procedure. The same report mentioned that the Department has materially under spent budget on programmes by R13m. The Department had to provide reasons why action was not take against the accounting officer and two officials who contravened SCM systems and procedures.

In one report, the chairperson of National Council of Provinces who also chairs the committee on corporate governance in parliament claims that some houses in Gamothiba/Nobody were flooded on rainy days because of leaking roofs (Sowetan, 9 September 2009:9). His sentiments were echoed by Limpopo MEC for Local Government and Housing who said that about 13 000 RDP houses located in the five districts of Limpopo were left incomplete by developers. According to the MEC for Local Government and Housing in Limpopo, two developers appointed to construct RDP houses were paid 16% of the total budget for the projects and they have since vanished leaving their projects incomplete. (Sowetan 9 September 2009:9).

In the midst of poor service delivery, corruption and maladministration the department did not fold her arms. New measures were put in place. According to the MEC for Limpopo Department of Local Government and Housing as reported in Sowetan (14 September 2009:7), the Department has since embarked on a new approach to curb fraud, delays and shoddy constructions by checking the track record of developers before a project is allocated to them. The new approach requires the Department to pay developers 65 percent of the claim on a project and hold on 35 percent for about six months after completion of the project during which time the project managers will thoroughly inspect the houses under the supervision of the National Home Builders' Registration Council (NHBRC).

Taking the above into account, it appears that the crux of this problem can be probed by means of the following main research question:

What is the impact of the implementation of SCM policy in the Department of Local Government and Housing?

The focus of this study will be to analyse and evaluate the impact of the implementation of the SCM policy on the Department.

### **1.3 Aim of the study**

The aim of the study is to investigate the impact of implementation of Supply Chain Management policy in the Department of Local Government and Housing (DLGH) in Limpopo Province.

### **1.4 The objectives of the study**

The objectives of the study are as follows:

- To determine the nature and extent to which the Supply Chain Management policy is implemented in the Department;
- To analyse and evaluate the implementation of the Supply Chain Management policy in the Department
- To determine the impact of implementation of Supply Chain Management policy in the Department
- To identify constraints in implementing the prescribed policy and procedures; and
- To formulate guidelines to address the constraints.
- To recommend best practices that can be implemented to improve the situation

### **1.5 Significance of the study**

The correct implementation of Supply Chain Management Policy in the DLGH is a challenge that cannot be ignored any longer. The fact that policy implementers and evaluators are officials of the Department implies that the Department is well positioned to identify and analyse the impact of the implementation of Supply Chain Management policy. McMillan and Schumacher (1993:574) are of the opinion that the significance of a study describes how the research can add to the development of knowledge for further research and educational practices.

This study is important in that it seeks to unearth the impact of implementation of Supply Chain Management policy on the Department. The research will also contribute towards the effective implementation of the Supply Chain Management policy in the Department.

The significance of this study can be summarised as follows:

- It will report on the impressions of the officials in the Department regarding the implementation of Supply Chain Management.
- From the views expressed, a deduction will be made of the impact of the implementation of SCM policy in the Department.
- It will reveal some of the causes of poor implementation of SCM policy in the Department.
- It will enable the researcher to draw conclusion and make recommendations based on the findings.

This will clearly assist the Department as clearly put by McMillan and Schumacher (1993:574) that the significance of a study describes how the research can add to the development of knowledge for further research and educational practices.

## **1.6 Research questions**

### *1.6.1 Main research question*

What is the impact of the implementation of Supply Chain Management policy in the Department of Local Government and Housing?

### *1.6.2 Research sub-questions*

The following sub-questions will be used in order to supplement the main research question:

- (a) What are the challenges in implementing Supply Chain Management policy and procedures in the Department?
- (b) How can the implementation of the Supply Chain Management policy be improved in the Department?
- (c) Do officials of the department understand the impact of non-compliance with Supply Chain Management policy?
- (d) Does the implementation of SCM policy have an effect on service delivery?
- (e) What is the impact brought by implementation of SCM policy in the Department?

## **1.7 Definition of concepts**

### *1.7.1 Supply Chain Management.*

Supply Chain Management is the integration of key business processes from end users through original suppliers that provides products, services and information that add value for customers and other stakeholders (Patterson et al, 2003:96).

Chopra & Mendel (2001:15) define Supply Chain Management as a process that includes the planning of internal productions and storage, capacity, preparation of demand-supply plans and the fulfilment of actual orders.

Grange (1992:88) defines Supply Chain Management as taking control of all goods and within the Supply Chain, all materials no matter how small, has an effect on the rest of the chain and everything in the entire Supply Chain equation must be considered.

Mkhize (2008:231), is of the opinion that public sector SCM is a concept that offers a reference framework for the composition of public sector supply chains and multilevel networks. Actors in public sector supply chain comprise (1) private firms which receives orders from public sector agents, (2) accounting officers and (3) policy makers.

From the above citations it can be deduced that the definitions of SCM point in one direction .The authors concur that it is about demand-supply and fulfilment of orders .There are inseparable actors in the SCM .

#### *1.7.2 Demand Management*

According to Freeman (1998:2), demand management and inventory management are seen as the most important Supply Chain processes by nearly all industries. It can be described as the stage where research and planning takes place to ensure that resources required fulfil needs and comply with specifications.

The concept of demand management (DM) was also referred to as a marketing-related business process that Supply Chain Management must manage across the Supply Chain process, (Juettner et al as quoted in Landmark & Cooper (2006:3). Demand management is further explained as demand chain management by Rainbird in Juettner et al (2006:5), who view it as understanding current and future customer expectations, market characteristics and the available response alternatives to meet these through deployment of operational processes. According to Rainbird in Juettner et al (2006:5), there is a characteristic relationship between demand and supply processes within a business organisation and that the fusion between demand and supply processes can be achieved through applying management principles specific to organisations' capabilities or technology.

### 1.7.3 *Logistics Management*

According to Coyle et al, (2003:40), logistics is the process of anticipating customers needs and wants; acquiring the capital; materials; people; technologies and information necessary to meet those needs and wants; optimizing the goods and services producing network to fulfil customer requests and utilizing the network to fulfil customer request in a timely way.

Van Weele (1994:194) differentiates logistics management as materials management and physical distribution, giving logistics management application to a broad area of activities which are integrated through the value chain of the business organisation. The author further contends that all different categories of purchased goods and services will be scheduled for production, managed as inventory, and sent off for distribution to the end user. Logistics is therefore involved with both inbound upstream activities in the value chain and outbound, downstream activities towards creating customer value.

According to Drucker (1999:103), the importance of logistics was described as far back as 1962, where close to 50 cent of every dollar the American spends on goods went to activities that occur after the goods were made. The author further asserts that economically, the distribution process is where the physical property is converted into economic value, ensuring that the product is brought to the customer.

Sussams in Pretorius (2001:17) describes logistics as the science which integrates all activities required to move goods from the original sources of raw materials to the location of the ultimate consumer of the finished product. The author indicates that it is a holistic science.

From the above definitions, it can be asserted that logistics management ensures that organisations have the right product at the right time, at the right place and the right location. Both the service provider and the consumer must ensure that goods and services are delivered at the right time.



#### *1.7.4 Acquisition Management*

According to the Oxford Everyday Dictionary (2005:9), the word “acquisition” means the process of acquiring something.

Acquisition management refers to procedural considerations to: decide on the manner in which the market will be approached, to establish the total cost of ownership of a particular asset, to ensure that bid documentation is complete including evaluation criteria and to ensure that proper contract documents are signed (RSA, National Treasury, and 2004:11)

From the above definitions, it can be deduced that acquisition management is a process of compiling bid documents; inviting bids, adjudication of bids; and the eventual management of contracts.

#### *1.7.5 Policy*

According to Dye (2002:1), public policy is whatever government chooses to do or not to do. Government does many things; it regulates conflict within society; organises society to carry on conflict with other societies; distributes a great variety of symbolic rewards and material services to members of society; and extracts money from society, most often in the form of taxes. Dye (2002:1) further asserts that public policies may regulate behaviour, organise bureaucracies, distribute, or extract taxes-or all of these things at once.

Hanekom (1987:7) is of the opinion that policy is a formally articulated goal that the legislator intends pursuing with a societal group. Eston (1953:129) defines policy as the authoritative allocation through the political process, of values to groups or individuals in the society.

From the above definitions of a policy, it can be concluded that the objective of a policy on SCM is to transform procurement and promote the consistent application of best practices throughout government’s supply chain.

## **1.8 Outline of the research**

The research consists of five chapters outlined as follows:

### *Chapter 1*

Chapter one consists of general orientation to the study, statement of problem, aims of the study, objectives of the study, significance of the study, research question, definition of concepts and outline of the research and conclusion.

### *Chapter 2*

Chapter two reviews relevant literature studied. Supply Chain Management is a global management process used in both private and public sectors. Different Supply Chain models are presented; trends in Supply Chain Management are explained including success factors and challenges in Supply Chain Management.

### *Chapter 3*

Chapter three contains research methodology.

In this chapter, the description of the research method is outlined and the target groups, sampling, research techniques and applications are also reflected.

### *Chapter 4*

In Chapter four data drawn from questionnaires, interviews, observations and documentation is analysed.

### *Chapter 5*

Chapter five focuses on findings, recommendations and conclusion.

## **1.9 Conclusion**

This chapter provided a brief overview of the topic, the background of the topic, the main purpose of the study or research problem. This chapter also endeavoured to define important terms contained in the study. The introduction explained the importance of SCM in different areas where it is applied and how it is viewed. In this chapter, the concept of Supply Chain Management is viewed and explained differently by many authors based on where it is being applied as expressed by the various definitions from various authors.

Although there are many definitions, one can conclude that all the definitions have one thing in common. It is a holistic, strategic and systemic approach to demand, operations, procurement and logistic process management. The aim, objectives and significance of the study were also explained in order to add value on the main purpose of the study. The next chapter will further expand chapter one by explaining what different researchers have expressed on the impact of implementation of Supply Chain Management policy.

## **CHAPTER 2**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

The purpose of literature review in this study is to explore the understanding of the experiences of organisations and authors regarding the impact of implementation of Supply Chain Management. The literature review will also provide a synopsis of the studies already done on Supply Chain Management. It was indicated earlier that many scholars have written about Supply Chain Management, the critical question that remains to be answered in this chapter is what literature says about the experiences of institutions with regard to the impact of implementation of Supply Chain Management. In this chapter a broad understanding of the concept “Supply Chain Management” will be discussed and analysed in terms of definitions provided by other scholars.

The concept of Supply Chain Management is applied in all successful organisations in the world today. SCM is a worldwide management practice; therefore the researcher will review its definition, nature, and implementation in public service, trends, models, success factors and challenges.

#### **2.2 What is literature review?**

Mouton (2001:87), is of the opinion that literature review will provide information on the available body of knowledge to see how other scholars have investigated the topic, how they have theorised and conceptualised on issues, what they have found empirically, what instrumentation they have used and to what effect, that is, to determine what has already been done and what is yet to be studied or improved on in SCM.

McMillan and Schumacher (1993:112) indicate that an interpretive review of literature is exactly a summary and synthesis of relevant literature on the research problem. A literature

review is usually a critique of the status of knowledge on implementation of Supply Chain Management. McMillan and Schumacher further affirm that a review of literature enables a researcher to define and limit the problem, to place the study in a historical and associational perspective, to avoid unintentional and unnecessary replication, select promising methods and measures and to relate the findings to previous knowledge and suggest further research.

### **2.3 SCM in the Public Sector**

The public sector unlike the private sector focuses on service delivery rather than on maximising profit. According to Magiro and Ambe (2008: 231) actors in the public sector Supply Chain comprise of (1) private firms that receive orders from public sector agents (2) accounting officers and (3) policy makers. The contributions that the actors make to SCM have an impact on its proper implementation. The public sector concentrates on the cooperation of each sector in the supply of goods and services. To support this statement McCarthy (2003:37) suggest that cooperative relationships results in better performance by companies as opposed to untrustworthy relationship which is pretty adversarial. The cooperation between partners must be based on a relationship of trust and integrity for the SCM to yield positive impact. Searcy (2002: 15) support McCarthy to point out that Trust and commitment go hand-in-hand and lead directly to cooperative behaviors necessary to implement SCM. The presence of commitment almost necessitates some level of trust; however, firms can trust their supply chain partners without committing resources to a mutual endeavor

An analysis of Supply Chain Management reveals that the nature and complexity of public sector procurement is comparable to that in the private sector. In the Department of Local Government and Housing the focus is on logistics and provision of houses, water and electricity to the communities while in the education sector it concentrates on streamlining the chain through which teaching materials are delivered to students. The structure and shape of SCM processes employed will thus depend on the kind of goods and services required and provided. The rule remains the same for all entities that SCM policy applies to

the acquisition and disposal of all goods, services, construction and road works and immovable property of all institutions. (RSA, National Treasury, SCM, 2004:11)

The South African government that came into power in 1994 transformed SCM through the introduction of procurement reforms. These reforms started in 1995 and in terms of the Constitution of the Republic of South Africa were directed at two broad focus areas, namely, the promotion of principles of good governance and the introduction of a preference system to address socio-economic imbalances. When an organ of state, whether in the national, provincial or local sphere of government; or any other institution identified in national legislation, acquires goods or services; it must do so in accordance with a system which is equitable, transparent, competitive and cost-effective (Constitution of RSA, 1996, chapter 13: ss 217).

Procurement reform processes were embedded in section 76(4) (c) of the Public Finance Management Act (Act 1 of 1999) as amended by Act No 29 of 1999 and the Preferential Procurement Policy Framework Act (Act No 5 of 2000).

Research has been conducted on the procurement processes utilised in this country and it was found that there are some deficiencies in this area. The following are some of the deficiencies identified: procurement, Contract management, inventory management, asset control, obsolescence planning, governance, interpretation and implementation of the Preferential Procurement Policy Framework Act (Act No 5 of 2000) (PPPFA) and its associated regulations (National Treasury RSA, 2003b:2). Mkhize (2008: 230-242) is of the opinion that the deficiencies mentioned above, led to the provincial treasuries, in conjunction with the national treasury, to vigorously embark on a reform initiative to introduce best procurement practices that are efficient and effective. Based on this SCM was introduced in South African public sector.

## **2.4 Local Government and Housing SCM practices.**

The Department of Local Government and Housing focuses on the provision of houses to communities; ensures provision of basic services like water, sanitation and electricity; provides support to municipalities; provides support to the institution of traditional leaders and develops policies for sustainable human settlements. A Bid Evaluation Committee, Adjudication Committee, Internal Audit Units, Risk Management Committees, have been established in terms of the Supply Chain Management Guidelines of 2004 published by the National Treasury, South African Government. The Guidelines also emphasise the application of the SCM processes which cover demand management, acquisition management, disposal management, logistics management, risk management and performance management (RSA, National Treasury, SCM, 2004:10)

In executing the above functions, the Department develops needs register at the beginning of each planning cycle. As a result programme manager must submit procurement plan to the chief finance officer's branch. It is through the CFO's branch that the database of service providers would be accessed and used.

Deviation from the above practice result in the department experiencing court battles with service providers. The Department sometimes experience material under expenditure, wasteful expenditure and over expenditure on some programmes.

Department is often involved in litigation against certain service providers due to non-compliance to procurement procedure. The Department sometimes experience material under expenditure, wasteful, expenditure and over expenditure on some programmes.

## **2.5 Trends in Supply Chain Management**

According to Pretorius (2001:18) Klynveld Peat Marwick Goerdeker (KPMG) auditing company sponsored a research programme in 1997 to establish the state of awareness for Supply Chain basics among 500 companies from all major industry sectors spanning 25

countries in all major regions of the world. The key findings of the research were as follows:

- Demand management and Inventory management are seen as the most important Supply Chain processes for nearly all industries. Warehousing and transportation are seen as less strategically important for the overall company performance.
- The level of outsourcing is low. Strategic reasons for outsourcing are becoming more important than lower costs. The majority of the companies have no clear performance metrics for vendor management.
- Supplier and customer involvement is relatively low in all regions and industries. Generally suppliers are more involved in the supply chain process than are customers. Asian and European companies involve their customers and suppliers more in the supply chain process than North American companies do.
- The respondents view information Technology as a major enabler for good Supply Chain Management.

The latest research conducted by Seiersen (1999:26) shows ten trends in Supply Chain Management as compared to the previous one carried by Freeman(1997:2) which showed four trends in Supply Chain Management.

In terms of the research conducted by Seiersen issues re-surfaced, where the company executives, however showed greater awareness and better understanding of the issues relating to Supply Chain Management. The findings can be condensed as follows:

- Strategies for Supply Chains evolve towards supporting chains evolving towards supporting corporate strategies, although not fully at that time.
- Organising for supply chain management remains an elusive solution.
- Technology can enable quantum improvements, but information technology (IT) achievements have been limited to date.
- Organisations expect mostly incremental improvement roles for their future supply chains.



- Corporate recognition of the importance of the supply chains is growing rapidly.
- Supply chain management today is mostly cost and asset-focused with potentials benefits that have not yet been addressed.
- Budgetary constraints are normally passed on to supply chains, inhibiting better IT systems and upgrading potential.
- Effective supply chain management is far more complex and difficult than is generally recognised.
- Out-sourcing is constantly expanding and has significant potential.
- Manufacturing drives supply chain performance in several situations, requiring competence at the manufacturing and operations levels of the supply chain.(Pretorius 2001:26)

The results of the study conducted by both Seiersen in 1999 and Freeman in 1997 indicated that SCM is a more complex and difficult process. There is no single strategy that can prove to be more effective and efficient. The results of their research confirmed that there is much more to be done to improve Supply Chain performance. It remains a challenge which is extremely difficult to define and measure. Seiersen in Pretorius (2001:27) concurred that no “killer” Supply Chain strategy exists and that each organisation has to define its own strategy.

From the above citations it can be deduced that the purpose of Supply Chain Management is to ensure that organisations acquire much with the limited financial resources available. It stands to reason that no institution can claim to have sufficient funds to address all its needs. As a result, excessive outsourcing becomes a challenge in the Department’s Supply Chain Management endeavour. Department should try as much as possible to minimise outsourcing services.

## **2.6 Models for Supply Chain Management**

Currently there is a gap in literature on Supply Chain Management studies; there is no theoretical support for explaining the existence and boundaries of Supply Chain Management.

Whereas different Supply Chain models have been developed by scholars over the past few years, there is no model that has ever been found to be perfect or ideal. Researchers have realised that models must be developed to assist organisations in their search for Supply Chain optimisation. Several models will be named but only three will be discussed in detail for the purpose of this research.

Maes (2006:9) is of the opinion that there are two distinctively different models for Supply chain Management. Firstly, there is an Anticipatory Business Model which guides organisations in anticipating customer requirement. In Anticipatory Business Model companies work from marketing forecasts and try to predict customer demand. As forecaster make incorrect decision base on forecasts organisations have wrong products when customer's orders come in. This will lead to excess inventory which was expensive for the company. In this environment business relationships became adversarial.

Secondly, Response-Based Business Model is a type of joint planning in which critical functions are completed after the customer order is received and the quick and inexpensive sharing of information between companies allows for improved operational control. This model was developed as a result of the shortcomings of Anticipatory Business Model. According to Maes (2006:10), the companies who use this model are able to synchronize their operations, which allows for reduced inventory and elimination of duplicate efforts.

According to Searcy (2002:69) there is a model SCM that occurs when at least three contiguous companies have progress to the external integration. Contiguous companies have progressed to external integration. To successfully manage a supply chain those companies should be externally integrated and operating on or near their operating frontier such that the supply chain is operating on or near its operating frontier. To create a

competitive advantage, the supply chain's operating frontier must be higher than its competitors supply chains' operating frontiers. The author maintains that competitive advantage requires the company to continually integrate both internally and externally in order to push the supply chain operating frontier closer to its asset frontier.

The Porter Model was first introduced in 1980, is the theory of five competitive forces that influence industrial competition in the quest for market equilibrium. It is based on what industry in general consists of a network of suppliers, where players each perform a part in the process of converting primary raw material into customer product, in order to meet market demand. (Frazer 2007:32)

Miller (1995:31) on the other hand talks of a systems dynamic model that represents a dyadic supply chain relationship which consists of three regions, a focal firm's sole focus area, a supplier firm's sole focus area, and an overlapping joint area of interest. The focal and supplier firms control the resources and product stocks within their sole focus areas. The joint area of interest is the overlap of their boundaries. The focal and supplier firms' sole focus areas consist of a radical product stock, incremental product stock, knowledge stock, slack resources, and flows that represent the radical and incremental innovation

According to Pretorius (2001:40) strategic models are designed for strategic decisions and are for the most part global or "all encompassing" in that they try to integrate various aspects of Supply Chain Management. The models that explain these decisions are huge and need a considerable amount of data. The structural model is based on the premise that before setting out to redesign a critical process a manager first should ask whether the chief problem is quality, cost, or speed of the process or rather the fundamental inability of the process to support strategy. The functional model is another model of logistical decision making which focuses on site selection, inventory, deployment, vendor selection, system capabilities and roles and responsibilities. The operational model focuses on the day to day operations of the Supply Chain Management which include operating policies, control rules, procedures and routing scheduling. This kind of model is somehow very specific in

nature. The model often considers great detail and provide very good if not most favourable solutions to operational decisions.

From the foregone definitions of Supply Chain models, it can be asserted that there is a significant relationship between the models described by Pretorius and those introduced by Maes. As Anticipatory-Business Model is based on forecasting while the Response-Based Business Model is a type of joint planning which allows for improved operational controls. From the above definitions it can be concluded that both the operational model and Response-Based Business Model are related. They emphasise control rules, operating procedures routing and scheduling for improved performance of Supply Chain Management.

Analysis of the description of the above models revealed that they both provide guidelines on how to identify measure and manage risk in SCM context. Adherence to policies, procedures and control rules minimises the negative impact likely to unfold as a result of implementation of SCM policy. One of their most common features is joint planning and information sharing among partners in Supply Chain Management.

From the above discussions, it can be concluded that the combination of both models will provide a better approach to improve organisational Supply Chain Management. Joint planning and information sharing is fundamental rethinking and radical design of business process to achieve dramatic improvement in critical measures of performance such as cost, quality, service and speed. It goes without saying that those models if adequately used, they can help in improving implementation of Supply Chain Management.

## **2.7 Challenges in Supply Chain Management**

Government departments are in battle to effectively utilise their Supply Chain Management in order:

- Cut costs

- Improve efficiency
- Increase innovation
- Improve quality of service at a good value for money level in a sustainable way.
- Uncover opportunities around outsourcing and collaborative product development
- Improve turnaround strategy
- Promotion of social and economic development.

(Labanon, N.J, 2004. Research paper on SCM Challenges: Optimising the Supply Chain Management: Gaining competitive advantage through SCM).

Having highlighted the above challenges the government needs to harness the benefits that organisations can offer through expertise and ability to innovate, through a procurement function. To bring about change the following steps need to be followed;

- a) A high level of professionalism has to be developed in order to deliver on improved standards of goods and services provided focusing on better value for money.
- b) The government needs to synergies the benefits where necessary which can be managed through collective effort by National, Provincial and Local Government procurement initiatives.
- c) The state should recognize the necessity of public service delivery and value of money and department must strengthen their procurement capability through greater direction and direction from the top.

From the discussion about the challenges and steps to bring about change, it can be concluded that government departments must collaborate in their purchasing of goods and services across more than one department in order to get better value for money.

## **2.8 Key Factors for Success in Supply Chain Management**

The complex nature of Supply Chain Management suggests that there is no single “killer” strategy that can prove to be perfect in the implementation of Supply Chain Management

policy. Institutions have to use a combination of models and strategies in order to be successful in their management of SCM.

However, researchers Gertz and Baptisa as quoted by Pretorius (2001:55) suggest that although strategies are important, they cannot deliver to their full potential without certain organisational capabilities which the authors refer to as foundation for growth; institutions must understand and link all three growth foundations.

The following are the three growth foundations referred to:

- (a) Complete superior value as determined by customer. As a primary interface point with the customers, Supply Chain Management can offer value in the form of competitively superior delivery and value added services, as defined by customers. In this way, the value foundation translates to customers' service excellence. Concurrent with the downsizing and engineering efforts of the past decade customer's service re-emerged as key management priority for a wide range of manufacturers. But for many companies, meeting basic services requirements and achieving customer satisfaction are still the primary goal.
- (b) Comparatively superior economics across the value chain. After defining the supply chain, the next step is to understand the economic levers, i.e. the cost elements that have the largest important impact on Supply Chain economics. The final step to improving Supply Chain economics is to become more agile in order to adapt to the changing marketplace.
- (c) Consistently superior strategy execution via organisational alignment. Traditional logistics department typically strive to link family of underlying functions as a way of overcoming the silo effect. But growth requires a supply chain organisation and business process that do more than just link functions.

Gert and Baptisa in Pretorius (2001:56) are of the opinion that through process redefinition and a horizontal management structure, Supply Chain Management can integrate interdependent process and their supporting internal specialisations, with external customers and suppliers; conversely, functional silos or traditional logistics lacks these

processes and levels of integration. This shortfall often results in conflicting objectives, priorities and measures and can lead to uncoordinated actions that inhibit the effective execution of supply chain strategy.

Institutions increasingly find themselves assigned to the untenable positions between customers increasing demands and the need for provision of quality services. Managers should learn that they can keep the balance and in fact provide better services by treating Supply Chain Management as a strategic variable. Anderson et al in Pretorius (2001:56) are of the opinion that these managers recognise two important things; Firstly the supply chain as a whole and secondly the links involved in managing the flow of services and information from services providers to their customers.

Managers operating in a public service environment should understand that clients are not only satisfied about the goods and services provided, but most importantly they are concerned about the quality of products and services. In case of provision of houses, managers should ensure that the material used are of high standard and the service providers should work according to specifications to produce quality houses, these are houses free from cracks and roof not leaking during rainy seasons.

According to Pretorius (2001:57) Anderson et al conducted a research to determine why organisations were successful. Seven fundamental principles for success were established from their study:

- (a) Principle 1: Customers are segmented on service needs of distinct groups and adapt to supply chain to serve these needs.
- (b) Principle 2: Customise the logistics networks according to the service requirement.
- (c) Principle 3: Listen to market signals and align demand planning accordingly across supply chain; ensuring consistent forecast and optimal resource allocation. Forecasting has historically proceeded silo by silo with multiple departments independently creating forecasts for the same products, all using their own assumptions, measures, and level of detail.

(d) Principle 4: Differentiate services closer to the customers and speed up conversation across supply chain.

(e) Principle 5: Manage source of supply strategically to reduce the total cost of owning inventory. Determined to pay as low price as possible for finished goods. Excellent Supply Chain Management requires a more enlightened mind set.

(f) Principle 6: Develop a supply chain wide technology strategy that supports multiple levels of decisions making and gives a clear view of the flow of goods, services and information.

(g) Principle 7: Adopt channel spanning performance measures to gauge collective success in reaching the end user effectively and efficiently. Supply chain managers have to take a broader view, adopting measures that apply to every link in the supply chain and include both service and financial metrics.

Pretorius(2001:61) assert that while the above seven principles of Supply Chain Management can achieve their full potential only if implemented together, these principles may warrant early attention because the savings that can be realized from the start can fund additional initiatives.

These principles suggest that Supply Chain managers should be dynamic ,open-minded and free-thinking individuals who are well informed about what is happening in the market so that they can adapt quickly to the pace and quantum of change. In so doing ensuring that clients get the best possible services closest to where they reside.

## **2.9 Conclusion**

Literature review provided an overview of the concept of Supply Chain Management. Different authors provide various definitions of SCM but most of them focus on progression from purchasing, materials management and logistics management. The literature showed that SCM is a complex process which requires managers to be open-



minded, free-minded and progressive to ensure that they adapt quickly to the pace and quantum of change.

Review of literature showed that public sector unlike the private sector focus on service delivery rather than on maximisation of profit. Both sectors depend on proper management of SCM in order to achieve predetermined objectives. Actors in the public sector Supply Chain comprise of (1) private firms that receive orders from public sector agents (2) accounting officers and (3) policy makers. The contributions that the actors make to SCM have an impact on its proper implementation.

Authors introduced different models to describe Supply Chain Management. Some models were proved to have similarities while others differ greatly with regard to impact on effectiveness of SCM management. The consequence of implementation of SCM is determined by the extent to which various models are integrated to produce the desired results in terms of cost, quality and speed.

Demand and inventory management are regarded as the most important factors and that there is a high level of outsourcing and low levels of client and supplier involvement in the public sector. There is a need for re-alignment and the key word for this is communication, participation and linkage. The criterion for institutional success is the manner in which the expectations of all stakeholders in the organisations are met.

Management should take cognisance of the fact that joint planning, information sharing and good relationship amongst stakeholders are critical to successful implementation of SCM. Furthermore management should plan and implement with the main objective in mind, the increase of economic value. Departments have to improve on governance and the way they implement Supply Chain Management policies. Employees need to be trained properly on the application of PFMA, PPPFA and other pieces of legislation to ensure proper execution of SCM practices.

Finally the chapter described Supply Chain Management in the public sector, Local Government and Housing SCM practices. Also discussed were trends in SCM, models for Supply Chain Management, challenges and key factors for success in SCM.

## **CHAPTER 3**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

Chapter two dealt with literature review. Emphasis was put on Supply Chain Management in the public sector. SCM in the South African Public sector, trends in the SCM, models in Supply Chain Management, challenges in the Supply Chain Management as well as strategies that can be employed to improve public sector Supply Chain Management. In this chapter, the researcher deals with research methodology.

#### **3.2 Research design**

According to Mouton (1998:107) research design is a set of guidelines and instructions to be followed in addressing the research problem. The main function of research design is to enable the researcher to anticipate appropriate research decisions to be taken so as to maximise the validity of the eventual results. He further states that the research design can be viewed as the 'blueprint' of the research project that precedes the actual research process.

Maxwell (1996:65) presents four design components that researchers must address when designing a qualitative based study. These are:

- The relationship that the researcher establishes with the subjects of the study.
- Sampling: what times, settings or individuals the researcher selects to observe or interview and what other sources of information the researcher decides to use.
- Data collection: how to gather the information the researcher will use.
- Data analysis: What the researcher does with the information in order to make sense of it.

According to McMillan and Schumacher (1993:31) research design refers to the plan and structure of the investigation used to obtain evidence to answer research questions, and the design describes the procedures for conducting the study, including when, from whom, and under what conditions the data will be obtained. Design also indicates how the research is set up, what happens to the subjects and what methods of data collection are used.

Babbie (1998:89) concurs that research design addresses the planning of scientific inquiry, i.e., to design a strategy to find out something, but further states that there are two major aspects of research design, namely, one must first specify as clearly as possible what one wants to find out, and secondly, one must determine the best way to do it.

Research design according to De Vos (1998:125) is a blueprint or detailed plan of how research study is to be conducted.

This section addresses each of the design components indicated above. According to Maxwell (1996:65), research relationship fits more closely with the passive participants' relationship than any other type. The research relationship began when the researcher and the second individual were engaged in telephonic or verbal conversation regarding the questionnaire. It includes assessing, evaluating experiences and the views of the prospective respondent on the topic.

In light of the above literature, the research method applied in this study is qualitative in nature. Primary data was collected and a comprehensive questionnaire was issued to the sample. Interviews were used to supplement data collected. The questionnaires are attached as appendices. The questionnaires were distributed to a sample drawn from all employees in the Department. Whereas interviews were conducted and analysis based on the findings from both the questionnaires and interviews.

### **3.3 Research approach**

Merriam (1994:6) outlines that qualitative researchers are interested in understanding the meaning people have constructed. This is how they make sense of their world and the experiences they have in the world. As a qualitative researcher, my interest in this study is to understand the perceptions of officials in the Department of Local Government and Housing and to determine the impact of the implementation of SCM policy in the Department. In order to achieve this, the researcher will use the qualitative mode of inquiry to gather information from junior employees, managers, senior managers, and the chief finance officer.

Bryman (1988:61) states that qualitative research enables the researcher to see through the eyes of the people being studied. Struwig and Stead (2001:12) agree that qualitative researchers are interested in understanding the issues being researched from the perspective of the research participants that is trying to see through the eyes of the participants.

Unlike quantitative research, qualitative research designs are more flexible and involve a closer relationship between the researcher and those being researched. Also, the outcomes focus on understanding rather than on predicting general patterns of behaviour. Qualitative researchers use words and sentences to explain the results of their study. The research is based on the opinions, experiences, feelings and behaviour of the people observed.

In this study qualitative research approach was used because it helps one to get closer to the participants and get their opinions, feelings, experiences and suggestions on the research topic.

### **3.4 Population**

Mouton (1998:110) defines population as a collection of objects, events or individuals having some common characteristic that the researcher is interested in studying. It is the aggregate of all the cases that conform to some designated set of specifications. Babbie

(1998:109) emphasises that population is that group about whom conclusions are to be drawn.

In this research project, the population was drawn from all the employees of the Department of Local Government and Housing in Limpopo Province of the Republic of South Africa.

### **3.5 Sampling**

According to McMillan and Schumacher (1993:159) a sample consists of persons, called the population. There are two types of samples, namely, probability and non-probability. Examples of probability samples are random samples, stratified random samples, systematic samples and cluster samples. There are four main types of non-probability sampling methods. They are convenience sampling, quota sampling, snowball sampling and purposive sampling. Selecting those times, settings and individuals that can provide you with the information that you need in order to answer your research questions is the most important consideration in making qualitative sampling decisions (Maxwell 1998:70). The research question for this study seeks to determine the impact of implementation of Supply Chain Management policy in the Department of Local Government and Housing.

De Vos (1998:191) defines a sample as a subset of measurements drawn from a population in which we are interested in describing not primarily as an end in itself, but rather as a means of helping us to explain some facet of the population.

Researchers rely on their experience, ingenuity and/ or previous research findings to deliberately obtain units of analysis in such a manner that the sample they obtain may be regarded as representative of the relevant population (Wellman and Kruger, 1999:63). Sometimes it is appropriate to select a sample on the basis of one's own knowledge of the population, its elements, and the nature of one's research aim.

In this research project the researcher drew the sample from all the employees in the department of Local Government and Housing in Limpopo province. To get a sample from the population, a list of all employees of the department was obtained from the senior manager Human Resource and Administration unit of the department. In order to get the sample, the researcher selected 5 Strategic Business Units (SBU's) which are involved in the implementation of Supply Chain Management policy since the participants occupied key positions in their units.

From each selected SBU, the researcher selected three junior officials, three managers and the senior manager. This means that the sample has fifteen junior officials, fifteen managers and 5 senior managers and the chief finance officer. The sample consists of 36 officials.

### **3.6 Sampling procedure**

The selection is a representative of the whole department. Sampling procedure is a process by which selection is done with a need to understand something about certain cases without needing or desiring to generalize to all such case McMillan and Schumacher (1993:378). It is also indicated that sampling methods are used in research when one is unable to investigate the total population, which is involved in the information that the researcher needs to obtain. (Merriam, 1994:61) concurs with the authors that through purposeful sampling, the researcher aim at discovering, understanding and selecting a sample from which the best information can be obtained.

The researcher used purposeful sampling because he wanted to understand the impact of implementation of Supply Chain Management policy from the point of view of the CFO as well as officials from a few Strategic Business Units that are involved in Supply Chain Management, viz, Housing Departmental Expenditure, Accounting Services, Budget Services, Supply Chain Management and Project Management.

SBU's were selected on the basis that they manifest the characteristics the researcher was interested in; appointment of service providers and payments for goods and services provided. McMillan and Schumacher (1993:378) state that purposeful sampling is selecting

information-rich cases for in-depth study when one wants to understand something about those cases without needing or desiring to generalise to all such cases. In purposeful sampling, the participants manifest certain characteristics that the researcher is interested in (Struwig & Stead, 2001:122).

### **3.7 Data collection instruments**

Data collection refers to the gathering of information that will be helpful in clarifying the problem being researched (Vockel and Asher, 1995:37). In this research project, a questionnaire was used to gather information about the experiences employees about the impact of implementation of Supply Chain Management policy. There are various ways of collecting data depending on the purpose and aim of the study. Researchers in social sciences collect data in three ways namely: measurement, questioning and observation.

#### *3.7.1. Interviews*

An interview is referred to as a specialised pattern of verbal interaction initiated for a specific purpose and focused on some specific content area with consequent elimination of extraneous material. Moreover, an interview is a pattern of interaction in which the role relationships of interviewer and respondent is highly specialised, its specific characteristics depending somewhat on the purpose and character of the interview (Kahn & Cannel: 1960:160).

In a structured interview, specific lists of questions are raised, here the wording of statement and questions that can be used in structured interviews are similar to those used in questionnaire. According to McMillan and Schumacher (1993:251) structured questions are followed by a set of choices and the respondent selects one of the choices as the answer.

In this study the researcher used the self administered questionnaire with senior managers, managers and junior officials. A semi-structured interview was conducted with the CFO.



The duration for the interview session was 20 minutes because the official has a very tight schedule.

### *3.7.2. Questionnaire*

The questionnaire differs from interview schedules or interview guide, because respondents fill in the questionnaire without the researcher's assistance. This is known as self-administered questionnaire. Although self-administered questionnaires can be inserted in a magazine or printed in a newspaper, they are usually distributed by mail, or given to a group of respondents at one venue. Respondents can also be sent computer disks that contain a self-administered questionnaire, which they fill in on their personal computer, this is referred to as a "disk-by-mail survey" (Wimmer & Dominick 1991:130).

McMillan and Schumacher (1993:597) define a questionnaire as a written set of questions or statements that assess attitudes, opinions, beliefs, and biographical information. They further state that a questionnaire is relatively economical, has standardized questions, can ensure anonymity, and questions can be written for specific purposes, and a questionnaire can use statements or questions, but in all cases the subject is responding to something written.

The researcher obtained permission from the Head of Department of Local Government and Housing to conduct research in the Department. The letter for permission to conduct research is attached at the end of the research.

Questionnaires were sent to selected SBUs' and officials in the Department.

Questionnaires were used because they have some measures of objectivity, validity and reliability. In this study, questionnaires were administered on senior managers, managers and other officials who are able to read and write.

The survey instrument was a seven page questionnaire that was developed by the researcher with the help of the Research and Planning Unit in the Department of Local Government and Housing. To increase face validity each survey item was matched to the research

objective. A table at the end shows the relationship between each survey item and the study's research objectives. The researcher has taken some measurable effort to ensure that the questionnaire is respondent friendly.

The following considerations were made when drawing up the questions: simplicity of the questions, qualifications, knowledge and experience in SCM, Actions taken by the Department against officials for non-compliance with regulatory framework, legal implications for non-compliance with SCM policy, core functions of SCM, changes brought by implementation of the SCM policy, the impact of implementation of SCM policy, areas that are mostly affected and also guidelines to improve implementation.

The survey instrument was e-mailed to the research sample in the Department; the mailing included the covering letter that explained the aim of the study.

The survey was mailed out on the 19<sup>th</sup> October 2009 and respondents were given four days to respond and email back the responses. The researcher conducted a telephone follow up to increase the response.

### **3.8 Reliability and Validity of the study**

A reliable measurement is one where we obtain the same results on repeated occasions De Vos (1998:54). In support of this, Mouton (1996:144) states that reliability refers to the fact that different research participants being tested by the same instrument at different times should respond identically to the instrument.

Struwig & Stead (2001:130) define reliability as the extent to which test scores are accurate, consistent or stable. He further states that a test score's validity is dependent on the score's reliability since if the reliability is inadequate, the validity will also be poor.

McMillan & Schumacher (1993:385) added by defining reliability as the extent to which independent researchers could discover the same phenomena and to which there is agreement on the description of the phenomena between the researcher and participants.

Validity on the other hand is concerned with the soundness, the effectiveness of the measuring instrument (Leedy, 1997:32). De Vos (1998:83) cites Hudson who says a valid measuring instrument has been described as doing what it is intended to do, as measuring what it is supposed to measure. De Vos (1998:55) also states that validity measure is one that measures what it is intended to measure. Validity means that the measurements are correct, i.e. the instrument measures what it is intended to measure and that it measures this correctly (Melville, 1996:41).

In this paper, the researcher endeavoured to provide verifiable facts and validated findings based on the information provided by the respondents.

### **3.9 Ethical considerations**

McMillan and Schumacher (1993:182) are of the opinion that ethics is generally considered to deal with beliefs about what is right or wrong, proper or improper, good or bad. Leedy (1997:116) states that the principles of ethical propriety resolve into simple considerations of fairness, honesty, openness of intent, disclosure of methods, the ends for which the research is executed, a respect for integrity of the individual and an informed willingness on the part of the subject to participate voluntarily in the research activity.

Although the researcher banked on the participants' co-operation, the researcher acknowledged that the participants had the right to refuse to participate and could also withdraw their participation at any time. Therefore, the researcher respected those rights of the participants throughout the process of data collection such as the following:

#### *3.9.1 Right to privacy and voluntary participation*

According to McMillan and Schumacher (1993:182) the investigator should inform the subjects of all aspects of the research that might influence willingness to participate and answer all inquiries of subjects on features that may have adverse effects or consequences. They further state that most studies require the investigator to secure informed consent

from the subjects before they participate in the research. Here the participants were contacted telephonically and indicated their willingness to participate in the research.

Struwig and Stead (2001:67) state that the participants must be informed that they are free to decline to take part and may withdraw at any point in the research process. De Vos (1998:27) cites Singleton et al who maintain that “the right to privacy is the individual’s right to decide when, where, to whom, and to what extent his or her attitudes, beliefs, and behaviour will be revealed”.

The researcher emphasised that participation in the research was voluntary and the participants were not forced to divulge certain information about them. There was informed consent and the participants were also informed about the aim of the study and made them aware of the positive or negative aspects of their participation.

### *3.9.2 The right to remain anonymous*

During the process of data collection, many people may agree to take part on condition that their names are not mentioned. In this study, the researcher respected the participant`s right to anonymity. The researcher omitted the names of the participants` altogether, but instead, used numbers to identify the participants.

### *3.9.3 Confidentiality*

According to Struwig and Stead (2001:69), the researcher is expected to respect the confidentiality of the participants and others involved in the research project. In support of this, McMillan and Schumacher (1993:140) state that information obtained about the subjects must be held confidential unless otherwise agreed on, in advance, through informed consent. No one must have access the data about the individuals or the names of the participants except the researcher and that the subjects know before they participate who will see the data.

De Vos (1998:330) emphasizes that strategies to maintain confidentiality are critical to reducing the risk of harm related to embarrassment and administrative or legal punishment to those studied.

Since the researcher used questionnaire as one of the instruments of collecting data, the researcher had direct contact with some of the participants. The researcher assured them that the information given would be treated with confidentiality, and assured them that data collected would only be used for the stated purpose of the research, and that no other people would have access to the collected data. That was very important as it made the participants to feel free to give honest and complete information. The researcher was also responsible in protecting and respecting the rights of participants.

### **3.10 Conclusion**

In this chapter, research design and methodology were discussed. Four design components that the researcher addressed when designing a qualitative-based study are:

- the research relationship that the researcher establish with those under study,
- sampling which refers to what times, settings or individuals the researcher selected to observe or interview and what other sources of information the researcher decide to use,
- data collection which is about how the researcher gather the information the researcher will use and the
- data analysis which is about what the researcher do with the information in order to make sense of it.

In this study qualitative research was used. The approach was described and applied. Sample and sampling procedures as well as population were broadly discussed. The researcher outlined how data was collected. The instrument used during the collection of data. Ethical considerations and permission to conduct research was granted by the Head of Department. A letter to that effect is attached at the end of the research.

## CHAPTER 4

### DATA ANALYSIS AND INTERPRETATION

#### 4.1 Introduction

Data collected collected from various Strategic Business Units represented of all levels of employees in the Department. Properly analysed data could help the researcher in identifying an effective strategy for implementing Supply Chain management.

The data was classified into three sections and analysed as such. Section A deals with responses from both junior officials and managers (See Appendix A) and Section B deals with the responses of senior managers' (See Appendix B) and section C deals with analysis of responses from chief finance officer (See Appendix C)

A total of 35 questionnaires were distributed to the respondents. Twenty responses were received from managers and junior officials and five (5) from senior managers. Percentage responses translate into 57, 1% for managers and junior officials, and 100% for senior managers.

#### 4.2. Section A: Analysis of responses from junior officials and managers.

Table 4.2.1. Respondents were asked to indicate their gender.

Gender	Number	%
Male	12	60%
Female	8	40%
Total	20	100

In table 4.2.1, the researcher found that 12(60%) respondents were males while 8(40%) respondents were females.

Table 4.2.2. Respondents were asked to provide information about their age.

Ages	Number	%
25-35	7	35%
36-44	10	50%
45-55	2	10%
55 and more	1	5%
Total	20	100%

In table 4.2.2, the researcher found that 7(35%) respondents fall within the age category between 25 and 35. This showed that 7(35%) respondents were youth while 10(50%) respondents fall within the age category 36-44 years which is middle adulthood. Two (5%) respondents fall in the category of 55 and more years.

Table 4.2.3. Respondents were asked to provide information about their qualifications

Qualification	Number	%
Grade 12 +Degree/Diploma	16	80%
B.Hons	4	20%
Total	20	100%

In table 4.2.3, the researcher found that 16(80%) respondents have grade 12 and a junior degree or diploma which is the minimum requirement for appointment in most official or professional positions. The data also indicated that only 4(20%) respondents have an honours degree.

Table 4.2.4. Respondents were asked to provide information about their work experience

Service in public sector	Number	%
1 -5 years	1	5%
6-11 years	6	30%
12-17 years	5	25%
18 and more years	8	40%

Total	20	100%
-------	----	------

In Table 4.2.4, the results show that 1(5%) respondent has been working in the public service for 1 to 5 years while 6(30%) respondents fall in the category of 6 to 11 years; 5 (25%) respondents fall in the category of 12-17 years of service. Eight (40%) respondents fall in the category of 18 and more years.

Table 4.2.5. Respondents were requested to provide information about their service in the Department.

Service in Department	Number	%
1-5 years	1	5%
6-11 years	14	70%
12-15 years	5	25%
16 and more years	0	0%
Total	20	100%

In table 4.2.5, the researcher found that 1(5%) respondent has been working in the Department for 1 to 5 years and 14(70%) respondents have been working in the Department for 6 to 11 years. The data also indicated that 5(25%) respondents have been working in the Department for 12 to 15 years.

Table 4.2.6. Respondents were requested to provide information on SCM training.

Response	Number	%
Yes	2	10%
No	18	90%
Total	20	100%

In table 4.2.6, the researcher found that 2(10%) respondents have attended training on Supply Chain Management while 18(90%) respondents indicated to have never attended training in SCM.



Tables 4.2.7. Respondents were requested to provide information about the availability of Supply Chain Management policy.

Response	Number	%
Yes	20	100%
No	0	0%
Total	20	100%

In table 4.2.7, the researcher found that 20(100%) respondents agreed that there is Supply Chain Management policy in the Department.

Table 4.2.8. Participants were asked to provide information on whether implementation of Supply Chain Management policy has an impact in the Department.

Response	Number	%
Agree	7	35%
Strongly Agree	9	45%
Disagree	2	10%
Strongly disagree	1	5%
Neutral	1	5%
Total	20	100%

In table 4.2.8, the researcher found that 7(35%) respondents agreed that implementation of Supply Chain Management policy has an impact in the Department, 9(45%) respondents strongly agree that there is an impact, 2(10%) respondents disagreed while 1(5%) respondent strongly disagreed and another 1(5%) respondent neither agreed nor disagreed.

Table 4.2.9. Participants were asked to indicate services in which the impact of implementation of SCM policy is noticeable.

Type of Service	Number	%
-----------------	--------	---

Procurement of stationery	7	35%
Construction of RDP houses	8	40%
Procurement of furniture	2	10%
Food and beverages	1	5%
Venues and facilities	1	5%
Other	1	5%
Total	20	100%

In table 4.2.9, the researcher found that 7(35%) respondents indicated that the impact is noticeable in the procurement of stationery, 8(40%) respondents indicated that the impact of the implementation of the policy is noticeable in the provision of RDP houses, 2(10%) respondents reflected that the impact can be observed in the procurement of furniture, 1 (5%) respondent indicated that it is in the procurement of food and beverages, 1(5%) respondent indicated that it is noticeable in the procurement of venues and facilities and 1 ( 5% ) respondent indicated that it is in other areas.

Table 4.2.10. Respondents were asked to indicate whether the Department has an effective Supply Chain performance management strategy.

Agree	Number	%
Yes	4	20%
No	16	80%
Total	20	100%

In table 4.2.10, the researcher found that 4(20%) respondents agreed that there is an effective performance management strategy while 16(80%) respondents did not agree that there is an effective performance management strategy.

Table 4.2.11. Respondents were asked to indicate whether service providers were paid for incomplete projects.

Response	Number	%%
Agree	9	45%
Strongly Agree	8	40%
Disagree	1	5%
Strongly disagree	1	5%
Neutral	1	5%
Total	20	100%

In table 4.2.11, the researcher found that 9(45%) respondents agreed and 8(40%) respondents strongly agreed that service providers were paid for incomplete projects while 1(5%) respondent disagreed, 1(5%) respondent strongly disagreed and 1(5%) respondent neither agreed nor disagreed. The data shows that 85% of the respondents agreed that money was paid to the contractors for incomplete work.

Table 4.2.12. Respondents were requested to provide information about the consequence of effective implementation of SCM policy.

Response	Number	%
Improves service delivery	5	25%
Contribute to attainment of organizational goal	7	35%
Employee satisfaction	6	30%
Positive Public image	2	10%
None	0	0
Total	20	100%

In table 4.2.12, the researcher found that 5(25%) respondents indicated that the consequence of effective implementation of SCM policy contribute towards improvement of service delivery, 7 (35%) respondents are of the opinion that it contributed to attainment

of the organisational goal, 6 (30%) respondents indicated that it boast employee satisfaction and 2 (10%) respondents are of the opinion that it build positive public image.

Table 4.2.13. Participants were requested to provide information about the availability of an effective risk management strategy.

Response	Number	%
Agree	2	10%
Strongly Agree	3	15%
Disagree	9	45%
Strongly disagree	4	20%
Neutral	2	10%
Total	20	100%

In table 4.2.13, the researcher found that 2(10%) respondents agreed while 3(15%) respondents strongly agreed that risk management strategy is available, 9(45%) respondents disagreed while 4(20%) respondents strongly disagreed that the strategy is available, 2 (10%) respondents neither agreed nor disagreed.

Table 4.2.14. Respondents were asked to provide information on challenges regarding the implementation of SCM policy in the department.

Response	Number	%
Agree	7	35%
Strongly Agree	6	30%
Disagree	3	15%
Strongly disagree	3	15%
Neutral	1	5%
Total	20	100%

In table 4.2.14, the researcher found that 7(30%) respondents agreed and 6(35%) respondents strongly agreed that there were challenges regarding the implementation of Supply Chain Management policy while 3(15%) disagreed and another 3(15%) respondents strongly disagreed that there were challenges. Only 1(5%) respondent indicated to be neutral which means neither agreed nor disagreed.

Table 4.2.15. Respondents were asked to provide information about measures taken against officials for non-compliance with SCM policy

Response	Number	%
Suspension	8	40%
Dismissal	6	30%
Warning	2	10%
Demotion	2	10%
Other	2	10%
Total	20	100%

In table 4.2.15, the researcher found that 8 (40%) respondents indicated that suspension is one of the measures taken against officials who did not comply with SCM policy, 6(30%) respondents indicate that officials are dismissed, 2(10%) respondents indicated the issue of warning while another 2(10%) respondents were of the opinion that officials were demoted, the last 2(10%) respondents indicated that other measures were taken against them.

Table 4.2.16. Respondents were asked to provide information about workshops to sensitise officials on SCM policy.

Response	Number	%
Agree	2	10%
Strongly Agree	4	20%
Disagree	8	40%
Strongly disagree	4	20%

Neutral	2	10%
Total	20	100%

In table 4.2.16, the researcher found that 2(10%) respondents agreed and 4(20%) respondents strongly agreed that the Department arranged workshops to sensitise officials on SCM policy, 8(40%) respondents disagree while 4(20%) respondents strongly disagreed that workshops were arranged for officials and only 2(10%) respondents neither agreed nor disagreed.

In item 4.2.17. Respondents were asked to provide at least three things that reflect impact of implementation of SCM policy.

In item 4.2.17, the researcher found that 10(50 %) respondents provided the following information:

- Resistance to change on the part of the employees
- Employees resigned to establish their own businesses
- Policy was criticised by certain officials and service providers
- Rate of resignation by employees in SCM unit increased.
- More officials were dismissed due to financial misconduct
- RDP houses that are of inferior workmanship
- Delay in the appointment of service providers
- Delay in delivery of procured items

And 5(25%) of the respondents mentioned

- Irregular, wasteful ,fruitless expenditure and negative public image

Another 5(25%) of the respondents indicated the following

- Low employee morale, low quality stationery and a qualification from the Auditor-General

In item 4.2.18. Respondents were asked to provide information about the way in which supervisors contribute to poor implementation of SCM policy.

The researcher found that 10(50%) respondents indicated that supervisors do not adhere to appropriate systems and procedures of procuring goods and services, 5(25%) respondents mentioned that senior managers do not declare their business interests and another 5(25%) Respondents indicated that they do not monitor procurement processes and performance of service providers.

In item 4.2.19. Respondents were asked to provide information about actions taken by the Department to combat the abuse of SCM policy.

The researcher found that 15(75%) respondents indicated that the Department sometimes is not aware and in case of detection officials are suspended and 5(25%) respondents mentioned the issue of legal actions and blacklisting in the case of service providers.

In item 4.2.20. Respondents were asked to suggest ways to improve implementation of SCM policy in the Department.

In item 4.2.20, the researcher found that 10(50%) respondents indicated training on SCM policy and another 10 (50%) respondents mentioned the arrangement of regular meetings to sensitise officials about SCM policy.

Table 4.2.21. Respondents were asked to indicate whether implementation of SCM policy has a positive effect on service delivery

Response	Number	%
Strongly Disagree	4	20%
Disagree	2	10%
Agree	6	30%
Strongly Agree	6	30%
Neutral	2	10%
Total	20	100%

In table 4.2.21, the researcher found that 4(20%) respondents strongly disagreed, 2(10%) respondents disagreed with the statement while 6(30%) respondents agreed and another 6

(30%) respondents strongly agreed that implementation of SCM policy has a positive effect on service delivery. Two 2(10%) respondents neither agreed nor disagreed.

Table 4.2.22. Respondents were asked to indicate whether implementation of SCM can transform procurement in the Department

Response	Number	%
Strongly Disagree	2	10%
Disagree	2	10%
Agree	4	20%
Strongly Agree	10	50%
Neutral	2	10%
Total	20	100%

In table 4.2.22, the researcher found that 2(10%) respondents strongly disagreed, 2(10%) respondents disagreed with the statement while 4(20%) respondents agreed, 10(50%) respondents strongly agreed that implementation of SCM policy can transform procurement in the Department. Two 2(10%) respondents neither agreed nor disagreed.

Table 4.2.23. Respondents were asked to provide information on whether there are changes as a result of implementation of SCM policy

Response	Number	%
Strongly Disagree	2	10%
Disagree	2	10%
Agree	6	30%
Strongly Agree	10	50%
Neutral	0	0%
Total	20	100%



In table 4.2.23, the researcher found that 2(10%) respondents strongly disagreed, 2(10%) respondents disagreed with the statement while 6(30%) respondents agreed 10(50%) respondents strongly agreed that there are marked changes as a result of implementation SCM policy.

Table 4.2.24. Respondents were asked to indicate whether employees in SCM unit properly implement SCM policy

Response	Number	%
Strongly Disagree	8	40%
Disagree	4	20%
Agree	2	10%
Strongly Agree	3	15%
Neutral	3	15%
Total	20	100%

In table 4.2.24, the researcher found that 8(40%) respondents strongly disagreed, 4(20%) respondents disagreed with the statement while 2(10%) respondents agreed, and 3(15%) respondents strongly agreed that employees in SCM unit properly implement SCM policy. Three 3(15%) respondents neither agreed nor disagreed.

Table 4.2.25. Respondents were asked to provide information on whether workshops conducted by the department have a positive impact on implementation of SCM policy

Response	Number	%
Strongly Disagree	5	25%
Disagree	7	35%
Agree	3	15%
Strongly Agree	3	15%
Neutral	2	10%

Total	20	100%
-------	----	------

In table 4.2.25, the researcher found that 5(25%) respondents strongly disagreed, 7(35%) respondents disagreed with the statement while 3(15%) respondents agreed another 3 (15%) respondents strongly agreed that workshops conducted by the Department have a positive impact on implementation of SCM policy. Two 2(10%) respondents neither agreed nor disagreed.

Table 4.2.26. Respondents were asked to provide information about external interference in the implementation of SCM policy

Response	Number	%
Strongly Disagree	4	20%
Disagree	1	5%
Agree	6	30%
Strongly Agree	7	35%
Neutral	2	10%
Total	20	100%

In table 4.2.26, the researcher found that 4(20%) respondents strongly disagreed, 1(5%) respondent disagreed with the statement while 6(30%) respondents agreed while 7(35%) respondents strongly agreed that officials experience external interference in the implementation of SCM policy. Two 2(10%) respondents neither agreed nor disagreed.

Table 4.2.27. Respondents were asked provide information about their awareness of legal implications of not implementing the SCM policy properly

Response	Number	%
Strongly Disagree	2	10%
Disagree	4	20%
Agree	6	30%
Strongly Agree	5	25%

Neutral	3	15%
Total	20	100%

In table 4.2.27, the researcher found that 2(10%) respondents strongly disagreed, 4(20%) respondents disagreed with the statement while 6(30%) respondents agreed, and 5 (25%) respondents strongly agreed that they are aware of the legal implications of not implementing the SCM policy properly. Three 3(15%) respondents neither agreed nor disagreed.

### 4.3 Section B: Analysis of responses from Senior Managers

**Table 4.3.1.** Respondents were asked to indicate their gender.

Gender	Number	%
Male	3	60%
Female	2	40%
Total	5	100%

In table 4.3.1, the researcher found that 3(60%) respondents were males while 2(40%) respondents were females.

**Table 4.3.2.** Respondents were asked to provide information about their age

Age Category	Number	%
25 to 35	1	20%
36 to 44	3	60%
45 to 55	1	20%
56 and more	0	0
Total	5	100%

In table 4.3.2, the researcher found that 1(20%) respondent was between the ages of 25 and 35 while another 1(20%) respondent was between the ages of 45 and 55 and 3(60%) respondents were between 36 and 44 years old.

Table 4.3.3. Respondents were asked indicate their academic qualifications.

Qualification type	Number	%
1. Grade 12+ BA degree	3	60%
2. B .Hons	1	20%
3. MA	1	20%
4. P.hD	0	0
Total	5	100%

In table 4.3.3, the researcher found that 3(60%) respondents have grade 12 plus BA, and 1(20%) respondent has a B. Honours while another 1(20%) respondent has a Masters degree.

Table 4.3.4. Respondents were asked to provide information about their work experience.

Period in years	Number	%
1 to 5 years	0	0
6 to 11 years	1	20%
12 to 17 years	1	20%
18 and more	3	60%
Total	5	100%

In table 4.3.4, the researcher found that 1(20%) respondent has 6 to 11 years of work experience and another 1(20%) respondent has between 12 and 17 years of work experience. The data also indicated that 3(60%) respondents have 18 and more years of work experience.

Tables 4.3.5. Respondents were requested to provide information about their service in the Department.

Period in years	Number	%
-----------------	--------	---

1 to 5 years	3	60%
6 to 11 years	2	40%
12 to 17 years	0	0
18 and more	0	0
Total	5	100%

In table 4.3.5, the researcher found that 3(60%) respondents have been working in the Department for 1 to 5 years while 2(40%) respondents have been working in the Department for 6 to 11 years.

Table 4.3.6. Respondents were requested to provide information on SCM training.

Response	Number	%
Yes	1	20%
No	4	80%
Total	5	100%

In table 4.3.6, the researcher found that 1(20%) respondent indicated to have attended training on SCM issues; while 4(80%) respondents indicated that they never attended any training in this regard.

Tables 4.3.7. Respondents were requested to provide information about the availability of Supply Chain Management policy.

Response	Number	%
Yes	5	100%
No	0	0
Total	5	100%

In table 4.3.7, the researcher found that 5(100%) respondents agreed that Supply Chain Management policy is available.

Table 4.3.8. Respondents were asked to indicate whether they have served in a bid committee.

Response	Number	%
Yes	4	80%
No	1	20%
Total	5	100%

In table 4.3.8, the researcher found that 4(80%) respondents have served in the bid committee while 1(20%) respondent has never served in any bid committee.

Table 4.3.9. Respondents were asked to provide information on whether implementation of Supply Chain Management policy has an impact on the Department.

Response	Number	%
Yes	5	100%
No	0	0
Total	5	100%

In table 4.3.9, the researcher found that 5(100%) respondents agreed that the implementation of the policy has an impact in the department.

Table 4.3.10. Respondents were asked to provide information on whether implementation of Supply Chain Management policy has an impact on service delivery.

Service Type	Number	%
Procurement of stationary	1	20%
Construction of RDP Houses	3	60%
Procurement of Furniture	1	20%
Total	5	100%

In table 4.3.10, participants were asked to indicate services in which the impact of implementation of SCM policy is noticeable. The analysis showed that 1(20%) respondent agreed that the impact is noticeable in both procurement of stationary and furniture. The analysis further reveals that 3(60%) respondents indicated that the impact is noticeable in the provision of RDP houses. Another 1(20%) respondent indicated that the service affected is the procurement of furniture.

Table 4.3.11. Respondents were asked to indicate whether the Department has an effective SCM performance management strategy.

Agree	Number	%
Yes	1	20%
No	4	80%
Total	5	100%

In table 4.3.11, the researcher found that 1(20%) respondent indicated that there is effective SCM performance management strategy while 4(80%) respondents responded that there is no effective SCM performance management strategy.

Table 4.3.12. Respondents were requested to provide information about the positive impact of implementation of SCM policy.

Response	Number	%
Improves performance	2	40%
Contribute to attainment of organizational goal	1	20%
Improves service delivery	2	40%
Total	5	100%

In table 4.3.12, the researcher found that 2(40%) respondents indicated that the positive impact contribute towards improving performance of the department. Another 2(40%)

respondents argue that it improves service delivery while the remaining 1(20%) respondent was of the opinion that it contribute toward the attainment of organisational goal.

Table 4.3.13. Respondents were asked to give information on service providers who were paid for incomplete projects.

Response	Number	%
Agree	2	40%
Strongly Agree	3	60%
Disagree	0	0
Strongly disagree	0	0
Neutral	0	0
Total	5	100%

In 4.3.13, the researcher found that 2(40%) respondents agreed that service providers were paid for incomplete projects and 3(60%) respondents strongly agreed that the statement is true.

Table 4.3.14. Respondents were requested to provide information about the availability of an effective risk management strategy.

Response	Number	%
Agree	1	20%
Strongly Agree	0	0
Disagree	2	40%
Strongly disagree	2	40%
Neutral	0	0
Total	5	100%

In table 4.3.14, the researcher found that 1(20%) respondent agreed that there is an effective risk management strategy while 2(40%) respondents and another 2(40%)



respondents disagreed and strongly disagree that there is an effective risk management strategy.

Table 4.3.15. Respondents were asked to provide information on negative impact of poor implementation of SCM policy

Response	Number	%
Compromises service delivery	1	20%
Contribute to non attainment of organizational goal	2	40%
Employee dissatisfaction	1	20%
Negative Publicity of the DLGH	1	20%
Total	5	100%

In table 4.3.15, the researcher found that 1(20%) respondent indicated that it compromises service delivery, 2(40%) respondents are of the opinion that it contributed to non-attainment of the organisational goal, 1(20%) respondent indicated employee dissatisfaction while the remaining 1(20%) respondent was of the opinion that it contribute towards negative publicity on the Department.

Table 4.3.16. Respondents were asked to provide information about actions taken against officials for non-compliance with SCM policy.

Response	Number	%
Suspension	3	60%
Dismissal	1	20%
Warning	1	20%
Total	5	100%

In table 4.3.16, the researcher found that 3(60%) respondents were of the opinion that among the actions taken by the Department for non-compliance is the issue of suspension, 1(20%) respondent indicated dismissal while another 1(20%) respondent reflected the issue of warning.

Item 4.3.17. Respondents were asked to provide information about the areas that reflect impact of implementation of SCM policy.

In items 4.3.17, researcher found that 3(60%) respondents indicated the following:

- Value for money and that delivery of low quality services undermines the importance of adding value to the public through quality services provision
- Service delivery and appointment of under-qualified service providers undermines effective service delivery

And 2(40%) respondents mentioned the following:

In ethics, an ineffective implementation of Supply Chain Management policy may provide fertile ground for corrupt activities that undermine the noble objectives of the Constitution and the PFMA.

Table 4.3.18. Respondents were asked to provide information on whether they are satisfied about goods and services provided by service providers.

Response	Number	%
Agree	1	20%
Strongly Agree	0	0
Disagree	3	60%
Strongly disagree	1	20%
Neutral	0	0
Total	5	100%

In table 4.3.18, the researcher found that 1(20%) respondent agreed to be satisfied about goods and services provided by the Department, 3(60%) respondents disagreed while another 1(20%) respondent strongly disagreed with the services and goods provided.

Table 4.3.19. Respondents were asked to provide information on whether the Department is doing quality checks on goods and services provided.

Response	Number	%
Agree	1	20%
Strongly Agree	0	0
Disagree	3	60%
Strongly disagree	0	0
Neutral	1	20%
Total	5	100%

In table 4.3.19, the researcher found that 1 (20%) respondent agreed that the Department is conducting quality checks on goods and services provided, 3( 60%) respondents disagreed that that the department is doing quality checks on goods and services provided, 1(20% ) respondent are neutral.

Item 4.3.20. Respondents were asked to formulate guidelines to address constraints in implementing SCM policy.

In item 4.3.20, the researcher found that 2(40%) respondents provided the following responses:

- Appointment of people with the requisite skills ,good governance and interpretation of legislations

And another 2(40%) respondents mentioned the following issues

- Continuous training of officials on SCM policy
- Development of effective and implementable SCM performance management strategy.

1(20%) respondent provided the following information:

- The development of antifraud and corruption strategy and tightening financial controls for efficient utilization of limited financial resources
- Development an anti-fraud and corruption strategy and tightening financial controls for efficient utilization of limited financial resources.

Item 4.3.21. Respondents were asked to provide relevant examples to reflect on the impact of the implementation of SCM policy.

In item 4.3.21, the researcher found that 4(8%) respondents provided the following information:

- Delay in the appointment of service providers
- Increased rate of resignations of employees in SCM unit
- Increased rate of dismissal due to financial misconduct
- More cases of non-compliance with SCM procedures
- Low quality stationary
- Delay in the delivery of procured items
- Houses constructed are of poor quality

And 1(20%) respondent provided the following:

- Delay in the repair and replacement of goods
- Payment of service providers for incomplete projects
- Service delivery protests

Item 4.3.22. Respondents were asked to provide information about reasons contributing to poor implementation of SCM policy.

In item 4.3.28, the researcher found that 3(60%) respondents provided the following:

- Resignation of top officials in SCM unit
- Lack of training on SCM policy
- Failure to declare financial interest by officials

And 2 (40%) respondents mentioned the following:

- Lack of effective performance and risk management strategies

Item 4.3.23. The respondents were asked to provide recommendations on how the Department can address the issue of poor implementation of SCM policy.

In item 4.3.23, the researcher found that 3(60%) respondents provided the following information:

- Workshops and continuous training of officials on SCM policies
- Appointment of employees with the requisite skills, competency and capacity
- The Department should review antifraud and corruption strategy

And 2(40%) of the respondents indicated the following:

- The intensification of monitoring and evaluation
- Implementation of international best practices in SCM

Table 4.3.24. Respondents were asked to indicate whether implementation of SCM policy has a positive effect on service delivery

Response	Number	%
Strongly Disagree	2	40%
Disagree	1	20%
Agree	1	20%
Strongly Agree	1	20%
Neutral	0	0%
Total	5	100%

In table 4.3.24, the researcher found that 2(40%) respondents strongly disagreed, 1(20%) respondent disagreed with the statement while 1(20%) respondent agreed another 1 (20%) respondent strongly agreed that implementation of SCM policy has a positive effect on service delivery.

Table 4.3.25. Respondents were asked to indicate whether implementation of SCM can transform procurement in the Department

Response	Number	%
Strongly Disagree	1	20%
Disagree	0	0%
Agree	2	40%
Strongly Agree	2	40%
Neutral	0	0%
Total	5	100%

In table 4.3.24, the researcher found that 1(20%) respondent strongly disagreed, while 2 (40%) respondents agreed, 2(40%) respondents strongly agreed that implementation of SCM policy can transform procurement in the Department.

Table 4.3.25. Respondents were asked to provide information on whether there are changes as a result of implementation of SCM policy

Response	Number	%
Strongly Disagree	1	20%
Disagree	0	0%
Agree	3	60%
Strongly Agree	1	20%
Neutral	0	0%
Total	5	100%

In table 4.3.25, the researcher found that 1(20%) respondent strongly disagreed with the statement while 3(60%) respondents agreed, 1(20%) respondent strongly agreed that there were marked changes as a result of implementation SCM policy.

Table 4.3.26. Respondents were asked to provide information on whether workshops conducted by the Department have a positive impact on implementation of SCM policy

Response	Number	%
----------	--------	---

Strongly Disagree	1	20%
Disagree	3	60%
Agree	0	0%
Strongly Agree	1	20%
Neutral	0	0%
Total	5	100%

In table 4.3.26, the researcher found that 1(20%) respondent strongly disagreed, 3(60%) respondents disagreed with the statement while 1(20%) respondent strongly agreed that workshops conducted by the Department have a positive impact on implementation of SCM policy.

Table 4.3.27. Respondents were asked to provide information about external interferences in the implementation of SCM policy

Response	Number	%
Strongly Disagree	1	20%
Disagree	1	20%
Agree	0	0%
Strongly Agree	3	60%
Neutral	0	0%
Total	5	100%

In table 4.3.27, the researcher found that 1(20%) respondent strongly disagreed, 1(20%) respondent disagreed with the statement while 3(60%) respondents strongly agreed that officials experience external interference in the implementation of SCM policy.

Table 4.3.28. Respondents were asked provide information about their awareness of legal implications of not implementing the SCM policy properly

Response	Number	%
----------	--------	---

Strongly Disagree	0	0%
Disagree	1	20%
Agree	2	40%
Strongly Agree	2	40%
Neutral	0	0%
Total	5	100%

In table 4.3.28, the researcher found that 1(20%) respondent disagreed, 2(40%) respondents agreed with the statement while 2(40%) respondents strongly agreed that they were aware of the legal implications of not implementing the SCM policy properly.

Item 4.3.29. Respondents were asked to indicate whether SCM policy has an impact on the Department.

In item 4.3.29, the researcher found that 3(60%) respondents provided the following information:

- Claims made by certain service providers against the Department
- Resignation of senior officials attached to SCM unit
- Dismissal of employees due to non-compliance with SCM policy
- Delay in the delivery of goods and services
- Decline in incidents of corruption
- Negative publicity of the Department

Item 4.3.30. The respondents were asked to provide information on impact brought by implementation of SCM policy.

In item 4.3.30, researcher found that 2(40%) respondents provided the following information:

- Delay in procurement of goods and services by the department



- Lack of service delivery and services delivery protestations
- Disputes relating to wrong interpretation of SCM guidelines
- Termination of contracts for poor performing contractors

While 3(60%) respondents provided the following information:

- Incorrect interpretation of SCM guidelines by officials tasked with SCM implementation.
- Tenders given to friends and relatives of officials tasked with SCM policy implementation
- Poor performance due to appointment of officials who lack technical expertise in SCM
- Officials in SCM experience external interference

Item 4.3.31. Respondents were asked to provide suggestions to improve the implementation of the SCM policy in the Department.

In items 4.3.31, the researcher found that 3(60%) respondents provided the following information:

- Sharing of information among officials tasked with implementation of SCM through the use of technology
- Establishment of structures for implementation of SCM in particular structures like public private partnerships in service delivery.
- Training of departmental officials tasked with the implementation of SCM.

While 2(40%) respondents provided the following information:

- Stricter enforcement of Preferential Procurement Policy Framework Act and Public Finance Management Act
- SCM guidelines must be formulated in less technical terms
- Appointment of officials with the technical know –how in SCM unit

- Intensify monitoring of SCM performance management.

#### 4.4 SECTION C: Analysis of responses from the Chief Finance Officer

Table 4.4.1. The respondent was asked to indicate whether the Department has disposal management policy.

Response	Answer
Yes	X
No	

Table 4.4.2. The respondent was asked to provide information about the availability of the asset register.

Response	Answer
Yes	X
No	

In item 4.4.3. The respondent was asked to provide information about the impact of implementation of Supply Chain Management.

The following information was provided:

The impact is twofold: The positive impact includes better management of finances, improved compliance to policy and legislation, and improved planning of cash flow and acquisition. On the other hand it can contribute to poor management of finances, non-compliance to legislation and policy, poor planning regarding cash flow and serious challenges regarding acquisition.

Item 4.4.4. The respondent was asked to provide information about the existence of bid committees and whether they have impact in the Department.

The following information was provided:

- **Bid specification committee** must compile the specifications for the each procurement of goods or services by the department.
- **Bid evaluation committee** must evaluate the bids in terms of specification for specific procurement. The committee must be composed of officials from departments requiring the goods or services and at least one official from Supply Chain Management
- **Bid adjudication committee** must consider the report and recommendations of the bid evaluation committee and make the final award or recommendation to the Accounting Officer: the bid adjudication committee is composed of at least four senior managers of the department which include the Chief Finance Officer and at least one senior Supply Chain Management practitioner who is an official of the department.

Item4.4.5. The respondent was asked to provide information on the effectiveness of logistics management unit and whether it has impact in the management of SCM policy.

The following information was provided:

The logistics management unit is effective, it locate end-users and ensure prompt delivery; it also manages issues of orders, invoicing, and storages.

Table 4.4.6. The respondent was asked to provide information on whether the employee code of conduct has an impact on the implementation of SCM policy

Response	Answer
Yes	X
No	

Table 4.4.7. The respondent was asked to provide information on misconduct relating to SCM problem.

Response	Answer
Daily	
Weekly	
Monthly	X
Quarterly	

Item 4.4.8. The respondent was asked to provide at least three sanctions imposed on officials who violate SCM policy.

The following information was provided:

- Warning, demotion and dismissal

Item 4.4.9. The respondent was asked to provide information on how the Department addresses issues of capacity, competency and skills applicable to implementation of SCM policy.

The following information was provided:

These issues are addressed through on-job training and performance assessment.

Item 4.4.10. The respondent was asked to provide information on whether he served in the bid committee and the challenges experienced by the committees:

The following information was provided:

The chief finance officer is the head of finance in the Department and presides over bid committee meetings.

Challenges include but not limited to lack of understanding of policies and legislation by end-users, late submission of documentation and inadequate information in submissions.

Item 4.4.11. The respondent was asked to provide information on anti-fraud and corruption strategy.

The following information was provided:

The Department has anti-fraud and corruption strategy, but the document might not be available to all officials. Through the strategy the Department is able to detect, prevent and investigate allegations of fraud and corruption in the Department. The strategy is effective in reducing incidents of fraud and corruption in the Department.

Item 4.4.12. The respondent was asked to provide information on how the department response to dishonest service providers.

The following information was provided:

- Litigation, refraining from future dealings and blacklisting.

These actions have an impact in reducing corruption in the Department.

Item 4.4.13. The respondent was asked to provide information on challenges experienced by the Department in implementing SCM policy.

The following information was provided:

- Lack of understanding of policies and legislation by some officials
- Short-circuiting of process by some officials.

Item 4.4.14. The respondent was asked to provide information on the availability of effective Supply Chain performance management strategy.

The following information was provided:

The strategy is available, but is not always adhered to.

Item 4.4.15. The respondent was asked to provide at least three guidelines to improve the implementation of Supply Chain Management policy in the Department.

The following information was provided:

- Supply Chain Management should include performance management and risk management units. These two areas of SCM are recommended over and above acquisition management, disposal management, demand management and disposal management

- Staff skills audit should be conducted to ensure that employees in SCM unit have appropriate qualifications and skills required for the function.
- Regularly conduct the SCM Training to the staff in general to acquaint them with the policy and its applications
- Ensure proper adherence to all SCM policies by implementing the corrective measures and penalizing those not compliant

#### **4.5 Conclusion**

Analysis of responses revealed that the three categories of respondents concur that there is non-compliant with Supply Chain Management policy in the Department. It can be deduced that there is non-compliant with Supply Chain Management policy in the Department. Analysis of data further point out that there is misinterpretation of SCM systems and procedures due to lack of training. Non-compliant cannot only be attributed to lack of training but also to a number of factors such as dishonesty, failure to declare financial interest etc.

Chapter 4 dealt with analysis and interpretation of the data collected through questionnaires and the interview involving employees of the Department. Analysed data was collected from different respondents (such as CFO, senior managers, managers and junior officials) was grouped and analysed based on their responses to the questions. In terms of the data collected, the impact of implementation of SCM policy to the department is evident. The impact of implementation of Supply Chain Management policy manifest in a variety of ways which include payments for incomplete projects, provision of goods or poor quality services.

Chapter five will focus on the findings, recommendations and conclusion.

## **CHAPTERS 5**

### **SUMMARY, RECOMMENDATIONS AND CONCLUSION**

#### **5.1 Introduction**

In chapter 4, the collected data was analysed. Questionnaires were distributed to junior officials, managers and senior managers in the Department to obtain information from officials. A personal interview was conducted with the chief finance officer in the Department.

#### **5.2 Summary of the findings of the research**

The study revealed the following findings relating to the impact of implementation of Supply Chain Management policy in the Department.

##### *5.2.1 Summary of findings pertaining to junior officials and managers*

In table 4.2.1, the researcher found that 12(60%) respondents were males while 8 (40%) respondents were females.

In table 4.2.2, the data indicated that 7(35%) respondents fall within the age category between 25 and 35. This shows that 35% of the respondents were youth while 10(50%) respondents fall within the age category 36-44 years which is middle adulthood. Two 2 (10%) respondents fall in the category of 45-55 while 1(5%) respondent fall in the category of 55 and more year's the employees can exit the system at any time in terms of the new policy on retirement.

In table 4.2.3, the researcher found that 16(80%) respondents have grade 12 and a junior degree or diploma which is the minimum requirement for appointment in most professional positions. The data also indicated that only 4(20%) respondents have an honours' degree. This shows that most employees did not further their studies after they complete their diploma or degree.

In Table 4.2.4, the results show that 1(5%) respondent has been working in the public service for 1 to 5 years while 6(30%) respondents fall in the category of 6 to 11 years; 5(25%) respondents fall in the category of 12-17 years of service. 8(40%) respondents fall in the category of 18 and more years.

In table 4.2.5, the researcher found that 1(5%) respondent has been working in the Department for 1 to 5 years and 14(70%) respondents have been working in the Department for 6 to 11 years. The data also indicates that 5(25%) respondents have been working in the Department for 12 to 15 years.

In table 4.2.6, the researcher found that 2(10%) respondents have attended training on Supply Chain Management while 18 (90%) respondents indicated that they never attended training in SCM.

In table 4.2.7, the researcher found that 20(100%) respondents agreed that there is Supply Chain Management policy in the Department

In table 4.2.8, the researcher found that 7(35%) respondents agreed that implementation of Supply Chain Management policy has an impact in the DLGH, 9(45%) respondents strongly agreed that there is an impact, 2(10%) respondents disagreed while 1(5%) respondent strongly disagreed and another 1(5%) respondent neither agreed nor disagreed. Based on this information it can be deduced that SCM policy implementation has an impact.

In table 4.2.9, the researcher found that 7(35%) respondents indicated that the impact is mostly noticeable in the procurement of stationary, 8(40%) respondents indicated that the impact of the implementation of the policy is noticeable in the provision of RDP houses, 2(10%) respondents of the respondents reflected that the impact can be observed in the procurement of furniture, 1(5%) respondent in the procurement of food and



beverages,1(5%) respondent indicated that it is noticeable in the procurement of venues and accommodation.

In table 4.2.10, the researcher found that 4(20%) respondents agreed that there is an effective performance management strategy while 16(80%) respondents did not agree that there is an effective Supply Chain performance management strategy.

In table 4.2.11, the researcher found that 9(45%) respondents agreed and 8(40%) of the respondents strongly agreed that service providers were paid for incomplete projects while 2(10%) respondents disagreed and 1(5%) respondent neither agreed nor disagreed. The data shows that 17(85%) respondents agreed that money was paid to the contractors for incomplete work. In Limpopo Department of Local Government and Housing two developers appointed to construct RDP houses were paid 16% of the total budget for the projects and the other R2, 3 million, the developers had since vanished leaving their projects incomplete (Sowetan 9 September 2009:9).

In table 4.2.12, the researcher found that 5(25%) respondents indicated that the consequences of effective implementation of SCM policy contribute towards improvement of service delivery, 7(35%) respondents are of the opinion that it contribute to attainment of the organisational goal, 6(30%) respondents indicate that it boast employee satisfaction and 2(10%) respondents are of the opinion that it build positive public image.

In table 4.2.13, the researcher found that 2(10%) respondents agreed while 3(15%) respondents strongly agreed that risk management strategy is available, 9(45%) respondents disagreed while 4(20%) respondents strongly disagreed that the strategy is available, 2(10%) respondents neither agree nor disagree. According to the 2008/9 DLGH Annual Report (2009:68), the Auditor –General found out that a risk assessment was not conducted on a regular basis and a risk management strategy which includes a fraud prevention plan, the implication being that it is either the risk management strategy is ineffective or it is not available at all.

In table 4.2.14, the researcher found that 6(30%) respondents agreed and 7(35%) respondents strongly agreed that there are challenges regarding the implementation of Supply Chain Management policy while 3(15%) respondents disagree and another 3(15%) respondents strongly disagree that there are challenges. Only 1(5%) respondent indicated to be neutral which means neither agreed nor disagreed.

In table 4.2.15, the researcher found that 8(40%) respondents indicated that suspension is one of the measures taken against officials who do not comply with SCM policy, 6(30%) indicated that officials are dismissed, 2(10%) respondents indicated the issue of warning while another 2(10%) respondents are of the opinion that officials are demoted, the last 2(10%) respondents indicated that other measures are taken against them.

In table 4.2.16, the researcher found that 2(10%) of the respondents agreed and 4(20%) respondents strongly agreed that the Department arranges workshops to sensitise officials on SCM policy, 8(40%) respondents disagreed while 4(20%) respondents strongly disagreed that workshops are arranged for officials and only 2(10%) respondents neither agreed nor disagreed. Based on the fact that only the senior manager for Supply Chain Management was trained on SCM issues during the 2008/9 financial year one can suggest that the Department has not done enough to sensitise official on SCM policy.

In item 4.2.17, the researcher found that 10(50 %) respondents provided the following information:

- Resistance to change on the part of the employees
- Employees resigned to establish their own businesses
- Policy was criticised by certain officials and service providers
- Rate of resignation by employees in SCM unit increased
- More officials were dismissed due to financial misconduct
- RDP houses that are of inferior workmanship
- Delay in the appointment of service provider

- Delay in getting procured items

And 5(25%) respondents mentioned the following:

- Irregular, wasteful and fruitless expenditure
- Negative public image

Another 5(25%) respondents indicated the following:

- Low employee morale
- Low quality stationary
- Qualification from Auditor General

In item 4.2.18, the researcher found that 10 (50%) respondents indicated that supervisors do not adhere to appropriate systems and procedures for procuring goods and services, 5 (25%) respondents mentioned that senior managers do not declare their business interest and another

5(25%) respondents indicated that lack of monitoring on procurement processes and performance of service providers.

The researcher found that 15 (75%) respondents indicated that the Department sometimes is not aware and in case of detection officials are suspended and 5(25%) respondents mentioned issues of dismissal and demotion of employees and legal actions and blacklisting in the case of service providers.

In item 4.2.20, the researcher found that 10(50%) respondents indicated the issue of training on SCM policy and another 10(50%) respondents mentioned regular meetings to sensitise officials about SCM policy.

The results show the number of responses for each rating and the percentage thereof. An examination of the responses shows that the respondents indicated that effective training of officials on SCM policy and regular meetings can improve policy implementation.

In table 4.2.21, the researcher found that 4(20%) respondents strongly disagreed, 2(10%) respondents disagreed with the statement while 6(30%) respondents agreed another 6

(30%) respondents strongly agreed that implementation of SCM policy has a positive effect on service delivery. Two 2(10%) respondents neither agreed nor disagreed.

The results show the number of responses for each rating and the percentage thereof. An examination of the responses indicates that majority of respondents is of the opinion that the implementation of SCM policy has a positive effect on service delivery. It can be argued that implementation of the SCM has an effect on service delivery.

In table 4.2.22, the researcher found that 2(10%) respondents strongly disagree, 2(10%) respondents disagreed with the statement while 4(20%) respondents agreed, 10(50%) respondents strongly agreed that implementation of SCM policy can transform procurement in the Department. Two 2(10%) respondents neither agreed nor disagreed.

The results show the number of responses for each rating and the percentage thereof. An examination of the responses shows that majority of the respondents agreed that implementation of SCM can transform procurement in the Department. Procurement in the Department can be improved by proper implementation of SCM policy. Efficiency and effectiveness in SCM will be improved by applying uniform system in all institutions. Bidding procedures should become easy to interpret, cost effective, inexpensive, quick transparent and free of corruption.

According to Treasury Regulation No 16 of 2002 procurement procedure must include an open and transparent pre-qualification process, a competitive bidding process in which only pre-qualified organisations may participate and the criteria for the evaluation of bids to identify the bid represent the best value for money.

In table 4.2.23, the researcher found that 2(10%) respondents strongly disagreed, 2(10%) respondents disagreed with the statement while 6(30%) respondents agreed 10(50%) respondents strongly agreed that there are marked changes as a result of implementation SCM policy.

The results show the number of responses for each rating and the percentage thereof. An examination of the responses shows that majority of the respondents agree there are marked changes as a result of implementation of SCM policy. There is a dramatic increase in the percentage of contracts awarded to Historically Disadvantaged Individuals (HDI). According to the DLGH annual report for 2009/10 the department has achieved 63% of the HDI percentage against the annual target of 20%. This information has provided the answer to the research sub-question.

In table 4.2.24, the researcher found that 8 (40%) respondents strongly disagreed, 4(20%) respondents disagreed with the statement while 2(10%) respondents agreed 3(15%) respondents strongly agreed that employees in SCM unit properly implement SCM policy. Three 3(15%) respondents neither agreed nor disagreed.

An examination of the responses shows that employees in SCM unit do not implement SCM policy properly. This shows non-compliance with SCM guidelines. Non-compliance refers to failure to act in accordance with legal obligations, which means officials in SCM unit do not act within the ambit of SCM guidelines. Failure to implement SCM policy is contrary to the requirements of section 38 of PFMA. According to the PFMA, the accounting officer of a government department must take effective and appropriate disciplinary actions against any official in the service of the department who contravenes or fail to comply with the provisions of the act.

In table 4.2.25, the researcher found that 5(25%) respondents strongly disagreed, 7(35%) of the respondents disagree with the statement while 3(15%) respondents agreed another 3 (15%) respondents strongly agreed that workshops conducted by the Department have a positive impact on implementation of SCM policy. Two 2(10%) respondents neither agreed nor disagreed.

The results show the number of responses for each rating and the percentage thereof. An examination of the responses shows that workshops conducted by the Department on Supply Chain Management do not have a positive impact on implementation of SCM

policy. It can be argued that the kind of training provided does not provide the officials with the necessary skills to implement SCM policy. To fully achieve the SCM objectives in the policy document, it will be necessary to introduce dedicated, well trained, professional SCM cadres in government. It is the responsibility of every accounting officer to ensure that their SCM personnel are adequately trained (National Treasury RSA 2004:22).

In table 4.2.26, the researcher found that 4(20%) respondents strongly disagreed, 1(5%) respondent disagreed with the statement while 6(30%) respondents agreed while 7(35%) respondents strongly agreed that officials experience external interference in the implementation of SCM policy. Two 2(10%) respondents neither agreed nor disagreed.

The results show the number of responses for each rating and the percentage thereof. An examination of the responses shows that officials in SCM unit experience external interference in the implementation of SCM policy. The interference may be attributed to the fact that the SCM policy is not watertight to prevent influence from outside.

In table 4.2.27, the researcher found that 2(10%) respondents strongly disagreed, 4(20%) respondents disagreed with the statement while 6(30%) respondents agreed, 5(25%) respondents strongly agreed to be aware of the legal implications of not implementing the SCM policy properly. Three 3(15%) respondents neither agreed nor disagreed.

The results show the number of responses for each rating and the percentage thereof. An examination of the responses indicates that officials in SCM unit are aware of legal implications of not implementing the SCM policy. Non-compliance with SCM policy has negative impact on the Department, officials and service providers. Claims may be made against the Department resulting in expenditure which could have been avoided if reasonable care was taken. Disciplinary actions may be taken by the Department against the officials who contravene SCM policy and punitive measures may be taken against dishonest service providers who fail to comply in terms of costs, quality and delivery time.

The researcher revealed the following findings pertaining to the experiences and perceptions of junior officials and managers about the impact of implementation of Supply Chain Management:

- The majority of the officials never attended any training on SCM
- Officials agreed that there is an impact of implementation of Supply Chain Management policy in the Department.
- Officials and managers are of the opinion that the Department does not have performance management strategy.
- The official indicated that some service providers were paid for incomplete housing projects.
- The findings show that the Department does not have an effective risk management strategy.

#### *5.2.2 Summary of findings pertaining to the Senior Managers*

The researcher revealed the following findings pertaining to the experiences and perceptions of senior managers about the impact of implementation of Supply Chain Management policy:

In table 4.3.1, the researcher found that 3(60%) respondents were males while 2(40%) were females. The implication is that the senior management of the Department of Local Government and Housing was male dominated. Based on the above data one can assert that the Department is not gender sensitive when it comes to appointments in senior positions.

In table 4.3.2, the researcher found that 1(20%) respondent is between the ages of 25 and 35 while another 1(20%) respondent is between the ages of 45 and 55. This indicated that 1 (20%) respondent was still a youth and 1(20%) respondent was nearing retirement. The data also revealed that 3(60%) respondent of the SMS's are at their middle adulthood.

In table 4.3.3, the researcher found that 3(60%) respondents have grade 12 plus BA, and 1(20%) respondent has B. Hons while another 1(20%) respondent has a Masters degree. It can be deduced from this data that most of the employees do not further their studies after completing their first degree.

In table 4.3.4, the researcher found that 1(20%) respondent has 6 to 11 years of work experience and another 1(20%) respondent was between 12 and 17 years of work experience. The data also indicates that 3(60%) respondents of the SMS's have 18 and more years of work experience.

In table 4.3.5, the researcher found that 3(60%) respondents have been working in the Department for 1 to 5 years, while 2(40%) respondents have been working in the Department for 6 to 11 years.

In table 4.3.6, the researcher found that 1(20%) respondent indicated to have attended training on SCM issues; while 4(80%) respondents indicated that they never attended any training in this regard. Based on this data and the annual target set in the 2008/9 Annual report, it can be deduced that the Department has not done enough in capacitating SMS's on SCM.

In table 4.3.7, the researcher found that 5(100%) respondents agreed that Supply Chain Management policy is available. This was also supported by both the Departmental Performance Plan and Annual Reports.

In table 4.3.8, the researcher found that 4(80%) respondents have served in the bid committees while 1(20%) respondent has never served in any bid committee.

In table 4.3.9, the researcher found that 5(100%) respondents agreed that the implementation of the policy has an impact in the Department. The respondents cited the issue of service providers who were paid for incomplete projects, the Department will not



achieve its strategic objectives if this is not prevented from happening in future, the other issue was that Hensa Towers building was a standing item in every management meeting.

According to the minutes of the Management Meeting (DLGH, Minutes: 16 May 2010), Strategic Business Units (SBU's) located in Hensa Towers have been cut from the outside world, in that they could not communicate with their fellow colleagues housed in other buildings because cabling was not completed for the previous two years. This reflects that there is a serious procurement challenge.

In table 4.3.10, the researcher found that 1(20%) respondent agreed that the impact was noticeable in the procurement of stationary and furniture. The analysis further revealed that 3(60%) respondents indicated that the impact was noticeable in the provision of RDP houses. From information provided above it can be asserted that the responses were true based on the fact that this was an area where there was a high demand for accommodation and shelter. The Department allocated more 70% of its budget to housing programme.

According to Audit and SCOPA resolution of 2009, the Department must conduct an investigation into circumstances that lead to the R15 million regarded by the AG as fruitless and wasteful expenditure, and if officials are found to have contravened the relevant legislation, the sanctions commensurate with the offense must be meted out. (DLGH Annual Report 2008/9:64).

In table 4.3.11, the researcher found that 1(20%) respondent indicated that there was effective performance management strategy while 4(80%) respondents responded that there was no effective SCM performance management strategy.

In table 4.3.12, the researcher found that 2 (40%) respondents were of the opinion that the positive impact contribute toward improving performance of the Department. Another 2(40%) respondents argued that it improved service delivery while the remaining 2(20%)

respondents were of the opinion that it contributed towards the attainment of organisational goal.

In table 4.3.13, the researcher found that 2(40%) respondents agreed that service providers were paid for incomplete projects and 3(60%) respondents strongly agreed that the statement was true.

In table 4.3.14, the researcher found that 1(20%) respondent agreed that there is an effective risk management strategy while 2(40%) respondents disagreed and another 2(40%) respondents strongly disagreed that effective risk management strategy was available.

In table 4.3.15, the researcher found that 1(20%) respondent indicated that it compromised service delivery, 2(40%) respondents were of the opinion that it contributed to non-attainment of the organisational goal, 1(20%) respondent indicated that the issue of employee dissatisfaction while the remaining 1(20%) respondent was of the opinion that that it contributed towards negative publicity of the Department.

In table 4.3.16, the researcher found that 3(60%) respondents were of the opinion that among the actions taken by the Department for non-compliance was suspension, 1(20%) respondent indicated dismissal while another 1(20%) respondent reflected the issue of warning.

In items 4.3.17, the researcher found that 3(60%) respondents indicated the following:

- Value for money- delivery of low quality services undermines the importance of adding value to the public through quality services provision
- Appointment of under qualified service providers undermines effective service delivery
- Appointment of contractors for RDP houses
- Appointment of consultants

- Procurement of furniture

And 2(40%) respondents mentioned the following:

Ineffective implementation of Supply Chain Management policy may provide fertile ground for corrupt activities that undermine the noble objective of ethical public service.

In table 4.3.18, the researcher found that 1(20%) respondent was satisfied about goods and services provided by the Department, 3(60%) respondents disagreed while another 1(20%) respondent strongly disagreed about the quality of services and goods provided.

In table 4.3.19, the researcher found that 1(20%) respondent agreed that the Department conducted quality checks on goods and services provided, 3(60%) respondents disagreed that the Department conducted quality checks on goods and services provided, and 1(20%) respondent was neutral.

In item 4.3.20, the researcher found that 2(40%) respondents provided the following:

- Appointment of people with the requisite skills
- Good governance
- Good interpretation of legislation

And another 2(40%) respondents mentioned the following:

- Continuous training of officials on SCM policy
- Development of effective and implementable SCM performance management strategy

1(20%) respondent provided the following information:

- The development of antifraud and corruption strategy and tightening financial controls for efficient utilization of limited financial resources
- Development of anti-fraud and corruption strategy and tightening financial controls for efficient utilization of limited financial resources.

In item 4.3.21, the researcher found that 4(80%) respondents provided the following information:

- Delay in the appointment of service providers
- Low quality stationary
- Delay in getting procured items
- Construction of houses of poor quality

And 1(20%) respondents provided the following

- Delay in the repair and replacement of goods
- Payment of service providers for incomplete projects
- And Service delivery protests

In item 4.3.22, the researcher found that 3(60%) respondents provided the following:

- Resignation of top officials in SCM unit
- Lack of training on SCM policy
- Failure to declare financial interest by officials

And 2(40%) respondents mentioned the following

- Lack of effective performance and risk management strategies.

In item 4.3.23, the researcher found that 3(60%) respondents provided the following information:

- Training of officials on SCM policies
- Appointment of employees with the requisite capacity
- The Department to review antifraud and corruption strategy

And 2(40%) respondents indicated the following

- The intensification of monitoring and evaluation
- Implementation of international best practices in SCM

In table 4.3.24, the researcher found that 1(20%) respondent strongly disagreed, while 2 (40%) respondents agreed, 2(40%) respondents strongly agreed that implementation of SCM policy can transform procurement in the Department.

The results show the number of responses for each rating and the percentage thereof. An examination of the responses indicated that majority of the respondents agreed that implementation of SCM can transform procurement in the Department. Procurement in the Department can be improved by proper implementation of SCM policy. Efficiency and effectiveness in SCM will be improved by applying uniform system in all institutions. Bidding procedures should become easy to interpret, cost effective, inexpensive, quick transparent and free of corruption.

According to Treasury Regulation No 16 of 2002 procurement procedure must include an open and transparent pre-qualification process, a competitive bidding process in which only pre-qualified organisations may participate and the criteria for the evaluation of bids to identify the bid represent the best value for money.

In table 4.3.25, the researcher found that 1(20%) respondent strongly disagreed with the statement while 3(60%) respondents agreed, 1 (20%) respondent strongly agreed that there are marked changes as a result of implementation SCM policy.

The results show the number of responses for each rating and the percentage thereof. An examination of the responses shows that majority of the respondents agreed that there are marked changes as a result of implementation of SCM policy. There is a dramatic increase in the percentage of contracts awarded to Historically Disadvantaged Individuals (HDI).According to the DLGH annual report for 2009/10; the Department has achieved 63% of the HDI percentage against the annual target of 20%.

In table 4.3.26, the researcher found that 1(20%) respondent strongly disagreed, 3(60%) respondents disagreed with the statement while 1(20%) respondent strongly agreed that workshops conducted by the Department have a positive impact on implementation of SCM policy.

The results show the number of responses for each rating and the percentage thereof. An examination of the responses shows that majority of the respondents agreed that workshops conducted by the Department do not have an impact on implementation of SCM policy.

In table 4.3.27, the researcher found that 1(20%) respondent strongly disagreed, 1(20%) respondent disagreed with the statement while 3(60%) respondents strongly agreed that officials experience external interference in the implementation of SCM policy.

The results show the number of responses for each rating and the percentage thereof. An examination of the responses shows that majority of the respondents agreed that officials in SCM unit experience external interference in implementing SCM policy. The responses agreed with those of the managers in table 4.2.26. External interference could be brought by the use of invisible hand or it might be as a result of failure to declare interest by officials in SCM unit.

In table 4.3.28, the researcher found that 1(20%) respondent disagreed, 2(40%) respondents agreed with the statement while 2(40%) respondents strongly agreed that they are aware of the legal implications of not implementing the SCM policy properly.

The results show the number of responses for each rating and the percentage thereof. An examination of the responses shows that majority of the respondents agreed to be aware of legal implications of not implementing the SCM policy properly.

In item 4.3.29, the researcher found that 3(60%) respondents provided the following information:

- Claims made by certain service providers against the Department
- Resignation of senior officials attached to SCM unit
- Dismissal of employees due to non-compliance with SCM policy
- Delay in the delivery of goods and services
- Decline in incidents of corruption
- Negative publicity of the Department

The majority of senior managers agreed that the implementation of SCM policy has an impact in the department

- The majority of senior managers argued that there is no effective SCM performance management strategy
- Senior managers are of the opinion that the Department does not have effective risk management strategy
- Senior managers agreed that the factors that contribute to poor implementation of SCM policy are issues relating to lack of capacity, skills and a culture of non-compliance
- The majority of the senior managers asserted that the Department is not doing well in terms of quality checks

In item 4.3.30, researcher found that 2(40%) respondents provided the following information:

- Delay in procurement of goods and services by the Department
- Lack of service delivery and services delivery protestations
- Disputes relating to wrong interpretation of SCM guidelines
- Termination of contracts for poor performing contractors

While 3 (60%) respondents provided the following information:

- Incorrect interpretation of SCM guidelines by officials tasked with SCM implementation.
- Tenders given to friends and relatives of officials tasked with SCM policy implementation
- Poor performance due to appointment of officials who lack technical expertise in SCM
- Officials in SCM experience external interference.

In items 4.3.31, the researcher found that 3(60%) respondents provided the following information:

- Sharing of information among officials tasked with implementation of SCM through the use of technology
- Establishment of structures for implementation of SCM in particular structures like public private partnerships in service delivery.
- Training of departmental officials tasked with the implementation of SCM.

While 2(40%) respondents provided the following information:

- Enforcement of Preferential Procurement Policy Framework Act and Public Finance Management Act
- SCM guidelines must be formulated in less technical terms
- Appointment of officials with the technical know-how in SCM unit
- Intensify monitoring of SCM performance management.

### *5.2.3 Summary of findings pertaining to the chief finance officer*

The researcher revealed the following findings pertaining to the experiences and perceptions of chief finance officer about the impact of implementation of Supply Chain Management policy:

In Table 4.4.1, the respondent was asked to indicate whether the Department has disposal management policy.

The following information was provided:

The Department has disposal management strategy.

In Table 4.4.2, the respondent was asked to provide information about the availability of the asset register.

The following information was provided:

The asset register is available.

In item 4.4.3, the respondent was asked to provide information about the impact of implementation of Supply Chain Management. The following information was provided:



The impact is twofold: The positive impact includes better management of finances, improved compliance to policy and legislation, and improved planning of cash flow and acquisition. On the other hand it can contribute to poor management of finances, non-compliance to legislation and policy, poor planning regarding cash flow and serious challenges regarding acquisition.

In item 4.4.4, the respondent was asked to provide at least three committees that play a role in acquisition management.

The following three committees were provided:

- **Bid specification committee** must compile the specifications for the procurement of goods or services by the department.
- **Bid evaluation committee** must evaluate the bids in terms of specification for specific procurement. The committee must be composed of officials from Departments requiring the goods or services and at least one official from Supply Chain Management
- **Bid adjudication committee** must consider the report and recommendations of the bid evaluation committee and make the final award or recommendation to the Accounting Officer, the bid adjudication committee is composed of at least four senior managers of the department which include the chief finance officer and at least one senior Supply Chain Management practitioner who is an official of the Department.

In item 4.4.5, the respondent was asked to provide information on the role of logistics management in the Department.

The following information was provided:

The role of logistics management in the Department is to locate end-users and ensure prompt delivery; it manages issues of orders, invoicing, and storages

In table 4.4.6, the respondents were asked to provide information on employee code of conduct. The following information was provided:

The Department has code of conduct for the employees.

In table 4.4.7, the respondent was asked to provide information on misconduct relating to SCM problem.

The following information was provided:

The Department attend to cases of misconduct related to SCM on a monthly basis.

In item 4.4.8, the respondent was asked to provide at least three measures taken against officials who violate SCM policy.

The following measures were provided:

- Warning, demotion and dismissal

In item 4.4.9, the respondent was asked to provide information on how the Department addresses issues of capacity, competency and skill applicable to SCM.

The following information was provided:

These issues are addressed through on-job training and performance assessment

In item 4.4.10, the respondent was asked to provide information on whether he served in the bid committee and the challenges experienced by the committees.

The following information was provided:

Challenges include but not limited to lack of understanding of policies and legislation by end-users, late submission of documentation and inadequate information in submissions.

In item 4.4.11, the respondent was asked to provide information on ways by which the Department addresses the issue of disposal management.

The following information was provided:

The issue of disposal management is addressed through auctions and donations.

In item 4.4.12, the respondent was asked to provide information on anti-fraud and corruption strategy.

The following information was provided:

The Department has anti-fraud and corruption strategy, but the document might not be available to all officials. Through the strategy, the Department is able to detect, prevent and investigate allegations of fraud and corruption in the Department. The strategy is effective in reducing incidents of fraud and corruption in the Department

In item 4.4.13, the respondent was asked to provide information on how the Department respond to dishonest service providers.

The following information was provided:

- Litigation, refraining from future dealings and blacklisting

In item 4.4.14, the respondent was asked to provide information on challenges experienced by the Department in implementing SCM policy.

The following information was provided:

- Lack of understanding of policies and legislation by some officials
- Short-circuiting of processes by some officials

In item 4.4.15, the respondent was asked to provide information on the availability of effective Supply Chain performance management strategy.

The following information was provided: The strategy is available, but is not always adhered to.

In item 4.4.16, the respondent was asked to provide information on the officials or structures responsible for formulating Supply Chain risk management strategy.

The following information was provided:

Senior manager in Supply Chain Management is responsible for developing the strategy.

In item 4.4.17, the respondent was asked to provide at least three guidelines to improve the implementation of Supply Chain Management policy in the Department.

The following information was provided:

- Supply Chain Management should include performance management and risk management.
- Strict actions such as demotion and dismissal should be applied in case of violation of policy
- Staff skills audit should be conducted to ensure that employees within the SCM unit have appropriate qualification.
- Regularly conduct the SCM Training to the staff in general to acquaint them with the policy and its applications
- Ensure proper adherence to all SCM policies by implementing the corrective measures and penalizing those not complying.

### **5.3 Limitations of the study**

- The study was conducted in one Department in Limpopo province and the findings cannot be generalised to the entire province and country.
- The research population was limited to employees of the Department of Local Government and Housing in Limpopo province.
- The study focused on a small research sample.

### **5.4 Recommendations of the research**

This section provides suggestions and the directions for future research and considerations for research potentials.

The respondents provided the following recommendations for the Department to improve implementation of Supply Chain Management policy.

- Supply Chain Management should have six areas, viz., acquisition management, demand management, logistics management, disposal management, performance management and risk management. The Department does not have Supply Chain Risk Management and Performance management. It is recommended that Risk Management and Performance management unit be included over and above

acquisition management, demand management, logistics management and disposal management. The Department should ensure that all these areas are effective.

- Conduct regular training of SCM staff to acquaint them with policy and its implications. From the findings it was indicated that non-compliance is due to inadequate interpretation of procurement procedures. To fully achieve the SCM objectives in the policy document, it will be necessary to introduce a dedicated, well trained, professional SCM cadre in Government. It is the responsibility of every accounting officer to introduce a dedicated, well trained, professional SCM cadre in government (RSA, National Treasury, SCM, 2004:22).
- Strict actions such as demotion and dismissal should be applied in case of violation of policy. Ensure proper adherence to all SCM policies by implementing the corrective measures and penalising those not compliant with SCM policy. Dishonest officials who violate SCM procedure must be dealt with in terms of chapter 10 of the PFMA as amended
- Staff skills audit should be conducted to ensure that employees within the SCM unit are qualified. It was revealed that certain employees attached to SCM unit do not have the request skills to implement the policy.

The researcher recommends that further studies be conducted on this topic; emphasis should be on the impact of implementation of Supply Chain Management policy in Municipalities. The researcher further recommends that:

- Future research should study the impact of implementation of Supply Chain Management policy in other provinces of the Republic of South Africa. The study was limited to Limpopo Provincial Department of Local Government and Housing
- Future research should seek to utilize multiple respondents from various government departments in an effort to enhance reliability of the research findings since the study focused on a small sample
- Future research should also examine in detail the effects of Supply Chain Management policy on service providers. Data on the views and experiences of service providers was not collected.

- Future research should examine the impact of Supply Chain Management on financial performance of an institution. There seems to be a relationship between implementation of SCM policy and departmental expenditure
- Future research should examine the effectiveness of Supply Chain Management in Municipalities.

## **5.5 Conclusion**

The South African Government has adopted an integrated SCM in its procurement policy. Public institutions are required to comply with legislative requirement pertaining to procurement in the public service. The study confirmed that the Department experienced challenges in implementing the SCM policy as it revealed a significant change in behavioural pattern of the certain employees of the Department after the SCM policy was implemented. The study also revealed that implementation of SCM policy has both the positive and negative effects on the Department, employees of the Department, service providers as well as communities. Furthermore, the research revealed that violation of SCM policy has a negative impact on service delivery.

The study has provided answers to both the main research question and sub-questions. From the findings, it can be concluded that implementation of SCM policy can have both a negative and a positive impact on the performance of the Department.

The positive impact of Supply Chain Management policy implementation is crucial to the proper running of the Department. Therefore, managers should also be involved to contribute to good performance of the Department. If managers are not involved, this may lead to poor performance and this may in turn tarnish the image of the Department.

Failure to properly implement SCM policy can lead to poor financial performance by the Department which may lead to a qualification by the Auditor-General. Non-compliance with regulatory requirements has both financial and legal implications on the Department,

departmental officials and service providers. The DLGH Annual report for 2009/10 financial year indicated that the Department has under spent on some of the programmes and claims were made against the Department by certain service providers. Effective and appropriate disciplinary steps will be taken against officials who contravene or fail to comply with the provisions of the PFMA.

The fact that service providers were paid for incomplete projects and left without trace, suggests that the service providers appointed either lacked the capacity to do the work or wrong procedures were followed in appointing them. The most burning issue about improper implementation is that it perpetuates poverty, unemployment and service delivery protest. The researcher hope that the findings and recommendations made in this study will help managers, senior managers, chief finance officer and the accounting officer to deal with the implementation of Supply Chain Management successfully.

## Acronyms

The following abbreviations were used in this document and were listed in alphabetical order and not in the order in which they appeared.

AJBM	African Journal of Business Management
CFO	Chief Finance Officer
DLGH	Department of Local Government and Housing
EDI	Electronic Data Interchange
ERP	Enterprise Resource Planning
IMP	Implementation of Management Philosophy
ISCM	Integrated Supply Chain Management
IT	Information Technology
MEC	Member of Executive Council
NCOP	National Council of Provinces
NHBRC	National Home Builders Registration Council
PFMA	Public Finance Management Act
PPPFA	Preferential Procurement Policy Framework Act
SBU	Strategic Business Unit
SCM	Supply Chain Management
SCO	Supply Chain Orientation
SMS	Senior Management Services
SMP	Set of Management Process
UP	University of Pretoria
UNISA	University of South Africa



## References

- African Journal of Business Management* Vol.2 (12).pp230-242 December 2008 <http://www.academicjournal.org/AJBM>. (Accessed on 23/02/2009)
- Babbie, E .1998. *The practice of social research*. Half Way House: International Thomson Publishers.
- Bryman, A. 1988. *Quantity and quality in social research*. London: Unwin Hyman.
- Chopra, S, & Mendel, P. 2001.*Supply chain management: strategy, planning and operations*. New Jersey: Upper Saddle River.
- City Press*, 2009 .Sunday 25 January 2009.p.9
- Coyle, JJ, Bardi, EJ & Langley, CJ.2003.*The management of business logistics: a supply chain perspective*.7<sup>th</sup> ed. Toronto, Canada: Thomson
- Dabblers, DW & Burt, DN. 1996. *Purchasing and supply chain management*. Irwin: McGraw-Hill
- De Vos, AS. 1998. *Research at grassroots level: a primer for caring profession*. Pretoria: Van Schaick publishers.
- Drucker, PF. 1999.*Management Challenges for 21<sup>st</sup> Century*, New York: Harper Collins Publisher.
- Dye, TR. 2002. *Understanding Public Policy*. 10<sup>th</sup> edition. USA: Prentice Hall.
- Freeman, B. 1998. *Survey Says: Highlights of KPMG's Global Supply Chain Survey*.  
Logistics & Supply Chain Journal. Spring 1998  
<http://www.manufacturing.net/magazine/logistics/pointpgs/webex.htm>
- Fraser, J. 2007. *Research paper: Beyond supply chain management: Investigating the extent of barriers to internet usage with South African organisations supply chains*: Pretoria: University of Pretoria
- Gertz, D & Baptista, J. 1997. *Grow to be great: Breaking the downsizing cycle*
- Grange, B.1992. *Building supply chain relationships. paper given at retail solutions* 1992.BACC consulting. October 1992

- Hanekom, SX. 1987. *Public Policy: framework and instrument for action* .South Africa: International Thomson publishers.
- Hugo, M. 2006. *Essentials of supply chain management* 2<sup>nd</sup> Edition. USA: John Wiley & Sons.
- International Journal of Operations & Production Management*, 2006 .26/7  
<http://www.emeraldinsight.com/ijopm> accessed 28/04/2009
- Isma & C, Ronald. 2008. *Institutionalization of supply chain management*  
<http://hdl.handle.net/10019/1451> accessed 28/04/2009
- Kahn, RL. & Cannel, CF. 1960. *The dynamics of interviewing*. New York: John Wiley and Sons, Inc.
- Lambert, DM, Stock JR & Ellram. 1998. *Fundamentals of logistics management*. Boston: Irwin McGraw-Hill
- Lebanon, NJ. 2004. *Supply chain management: Optimizing the supply chain management: Gaining competitive advantage through SCM*.SPE on line presentation .January 22 2004.GH Associates 908-83-22207
- Leedey, PD. 1997. *Practical research: planning and design*. Sixth edition. New Jersey: Prentice Hall.
- Maes, JF. 2006. *Research paper: Analysis of supply chain management certification training for manufacturers needs*. University of Wisconsin-Stout.
- Maxwell, J. 1996. *Qualitative research design*. Thousand Oaks: A Sage publications
- McCarthy, TM. 2007. *Research Paper: Integration demand: Integration the role of marketing in bridging the gap between demand and SCM*. University of Tennessee-Knoxville.
- McMillan, JH & Schumacher, S. 1993. *Research in education: a conceptual introduction*. USA: Harper College Publishers.
- Melville, S. & Wayne, G. 1996. *Research methodology*. Cape Town: Juta publishers
- Merriam, SB. 1994. *Qualitative research and case study applications in education*. Revised and expanded from case research. The falmer press.
- Miller.RJ.1995. *New product development and innovation through joint knowledge creation and transfer in a dyadic supply chain relationship*. Ohio State University.

- Mkhize, Z. 2004. *Supply chain management conference. Transforming government procurement systems*. Durban. Republic of South Africa. 22-23 November.
- Mouton, J. 2001. *How to succeed in your master's & doctoral studies: a South African guide and resource book*, first edition .Pretoria: Van Schaik Publishers
- Mouton, J. 1998. *Understanding social research*. Pretoria: Van Schaik Publishers.
- Oxford Everyday Dictionary*, 2005. Fourth edition .Cape Town: Auckland
- Patterson. KA, Grimm, CM & Corsi, TM. 2003. *Adopting new technologies for supply chain management .transportation research part E* 39: 95-121. Available from Science Direct: [www.elsevier.com/locate/tre](http://www.elsevier.com/locate/tre)
- Republic of South Africa. 2010. *Annual report for Limpopo Department of Local Government and Housing*. P. 66. Polokwane: Review printers.
- Republic of South Africa. 2009. *Public Finance Management Act 1999* (Act 1 of 1999 as amended). Pretoria: Government Printers
- Republic of South Africa. 2000. *Preferential Procurement Policy Framework Act 5 of 2000*. Pretoria: Government Printers
- Republic of South Africa. 2002. *Regulations in terms of Public Finance Management Act, 1999: Treasury Regulations for Departments, Trading entities, Constitutional institutions and public entities*. Government Gazette No. 22219. 25 May Regulatory Gazette No 23463.
- Searcy, DL. 2002. *Facilitators and impediments in moving firms towards supply chain management: a qualitative field study*. Tennessee: University of Tennessee-Knoxville
- Sowetan, 2008, *RDP houses dubbed as death traps* .p.25
- Sowetan, 14 September 2009.p7
- Sowetan, 9 September 2009.p9
- Siersen, N. 1999. *10 trends in supply chain management*, Canadian & logistics Journal. November 1999
- Stock, GN. 1998. *Logistics, strategy and structure, int. Operations & production management*. Vol 181, No 1 1998 p37-52

- Struwig, FW. & Stead, G.B. 2001 *Planning, designing and reporting research*. Cape Town: Maskew Miller Longman.
- Sussams, JE .1994.*The impact of logistics on retailing and physical distribution, logistic information management*.vol7.No1 .1994 p 36-40  
<http://www.infochain.org/quarterly/Journalshtml>.
- Van Weele, AJ. 2000. *Purchasing management: analysis, planning and practice*: Half Way House: International Thomson Business.
- Vockell, EL & Asher, JW.1995.*Educational research*. Upper Saddle River: Merrill/Prentice Hall
- Welman, JC. & Kruger, SJ. 1999. *Research methodology for the business and administrative sciences*. Half way house: Thompson Publishing Ltd.
- Wikipedia: The Free encyclopaedia: *Supply chain management*:  
[http://en.wikipedia.org/wiki/supply\\_chain\\_Management](http://en.wikipedia.org/wiki/supply_chain_Management) accessed 10 April 2010
- Wimmer, RD & Dominick, JR. 1991. *Mass media research: An Introduction*, 3<sup>rd</sup> ed. Belmont CA: Wadsworth

## Appendix A

### SECTION A: Questionnaire for junior officials and managers

#### Instructions

- (a) Do not provide your name
- (b) Be honest when responding to the questions
- (c) Cross in the appropriate box which indicate your answer

Table 4.2.1: Please indicate your gender.

Gender	Number	%
Male		
Female		
Total		

Table 4.2.2: Please indicate your age group

Ages	Number	%
25-35		
36-44		
45-55		
55 and more		
Total		

Table 4.2.3: Please indicate your highest academic qualification

Qualification	Number	%
Grade 12 +Degree/Diploma		
B.Hons		

Total		
-------	--	--

Table 4.2.4. Please indicate your work experience

Service in public sector	Number	%
1 -5 years		
6-11 years		
12-17 years		
18 and more years		
Total		

Table 4.2.5. Please indicate your service in the Department

Service in Department	Number	%
1-5 years		
6-11 years		
12-15 years		
16 and more years		
Total		

Table 4.2.6. Does the Department provides officials with training on SCM?

Response	Number	%
Yes		
No		

Total		
-------	--	--

Table 4.2.7. Does the Department have Supply Chain Management Policy?

Response	Number	%
Yes		
No		
Total		

Table 4.2.8. The implementation of Supply Chain Management policy has an impact in the Department

Response	Number	%
Agree		
Strongly Agree		
Disagree		
Strongly disagree		
Neutral		
Total		

Table 4.2.9. Please indicate services in which the impact of implementation of SCM policy is noticeable.

Type of Service	Number	%
Procurement of stationery		
Construction of RDP houses		

Procurement of Furniture		
Food and beverages		
Venues and facilities		
Other		
Total		

Table 4.2.10. Does the Department have an effective Supply Chain performance management strategy?

Agree	Number	%
Yes		
No		
Total		

Table 4.2.11 Some service providers were paid for incomplete projects.

Response	Number	%
Agree		
Strongly Agree		
Disagree		
Strongly disagree		
Neutral		
Total		

Table 4.2.12: Please indicate the consequence of effective implementation of SCM policy



Response	Number	%
Improves service delivery		
Contribute to attainment of organizational goal		
Employee satisfaction		
Positive Public image		
None		
Total		

Table 4.2.13. The Department has an effective risk management strategy.

Response	Number	%
Agree		
Strongly Agree		
Disagree		
Strongly disagree		
Neutral		
Total		

Table 4.2.14. The Department experiences challenges in the implementation of SCM policy.

Response	Number	%
Agree		
Strongly Agree		

Disagree		
Strongly disagree		
Neutral		
Total		

Table 4.2.15 What are the measures taken against officials for non-compliance with SCM policy?

Response	Number	%
Suspension		
Dismissal		
Warning		
Demotion		
Other		
Total		

Table 4.2.16. The Department provides workshops to sensitise officials on SCM policy.

Response	Number	%
Agree		
Strongly Agree		
Disagree		
Strongly disagree		
Neutral		

Total		
-------	--	--

4.2.17. Provide at least three impact of poor implementation of SCM policy.

-----  
 -----

4.2.18. Please provide ways in which supervisors contribute to poor implementation of SCM policy.

-----  
 -----  
 -----

4.2.19. What actions are taken by the Department to combat the abuse of SCM?

-----  
 -----

4.2.20. Please suggest ways to improve implementation of SCM policy in the Department.

Table 4.2.21. The implementation of SCM policy has a positive effect on service delivery

Response	Number	%
Strongly Disagree		
Disagree		
Agree		
Strongly Agree		
Neutral		
Total		

Table 4.2.22 Proper implementation of SCM policy can transform procurement in the Department

Response	Number	%
Strongly Disagree		
Disagree		
Agree		
Strongly Agree		
Neutral		
Total		

Table 4.2.23. There are marked changes as a result of implementation of SCM policy

Response	Number	%
Strongly Disagree		
Disagree		
Agree		
Strongly Agree		
Neutral		
Total		

Table 4.2.24 Employees in Supply Chain Management unit properly implement SCM policy

Response	Number	%
Strongly Disagree		
Disagree		

Agree		
Strongly Agree		
Neutral		
Total		

Table 4.2.25 Workshops conducted by the department have a positive impact on implementation of SCM policy

Response	Number	%
Strongly Disagree		
Disagree		
Agree		
Strongly Agree		
Neutral		
Total		

Table 4.2.26 Officials in the SCM unit experience external interferences in the implementation of SCM policy

Response	Number	%
Strongly Disagree		
Disagree		
Agree		
Strongly Agree		

Neutral		
Total		

Table 4.2.27. You are fully aware of legal implications of not implementing the SCM policy properly

Response	Number	%
Strongly Disagree		
Disagree		
Agree		
Strongly Agree		
Neutral		
Total		

## Appendix B

### SECTION B

#### QUESTIONNAIRE FOR SENIOR MANAGERS

##### Instructions

- (a) Do not provide your name
- (b) Be honest when responding to the questions
- (c) Cross in the appropriate box which indicates your answer.

Table 4.3.1: Please indicate your gender

Gender	Number	%
Male		
Female		

Total		
-------	--	--

Table 4.3.2: Please indicate your age category

Age Category	Number	%
25 to 35		
36 to 44		
45 to 55		
56 and more		
Total		

Table 4.3.3 Please indicate your highest academic qualifications.

Qualification type	Number	%
1. Grade 12+ BA degree		
2. B .Hons		
3. MA		
4. P.hD		
Total		

Table 4.3.4. Please indicate your work experience

Period in years	Number	%
1 to 5 years		
6 to 11 years		

12 to 17 years		
18 and more		
Total		

Table 4.3.5. Please indicate your service in the Department

Period in years	Number	%
1 to 5 years		
6 to 11 years		
12 to 17 years		
18 and more		
Total		

Table 4.3.6. Does the Department provides officials with training on SCM?

Response	Number	%
Yes		
No		
Total		

Table 4.3.7. Does the Department have Supply Chain Management policy?

Response	Number	%
Yes		
No		



Total		
-------	--	--

Table 4.3.8. Have you ever been appointed to serve in a bid committee?

Response	Number	%
Yes		
No		
Total		

Table 4.3.9. Does the implementation of Supply Chain Management policy have an impact in the Department?

Response	Number	%
Yes		
No		
Total		

Table 4.3.10. Please indicate an area/s that shows impact of implementation of Supply Chain Management policy.

Service Type	Number	%
Procurement of stationary		
Construction of RDP Houses		
Procurement of Furniture		
Total		

Table 4.3.11. Does the Department have an effective SCM performance management strategy?

Agree	Number	%
Yes		
No		
Total		

Table 4.3.12: What is the positive impact of implementation of SCM policy?

Response	Number	%
Improves performance		
Contribute to attainment of organizational goal		
Improves service delivery		
Total		

Table 4.3.13 Some service providers were paid for incomplete projects?

Response	Number	%
Agree		
Strongly Agree		
Disagree		
Strongly disagree		
Neutral		
Total		

Table 4.3.14: Does the Department have an effective risk management strategy?

Response	Number	%
Yes		
No		
Total		

Table 4.3.15. What is the negative impact of poor implementation of SCM policy?

Response	Number	%
Compromises service delivery		
Contribute to non attainment of organizational goal		
Employee dissatisfaction		
Negative Publicity of the Department		
Total		

Table 4.3.16. What actions are taken by the Department against officials for non-compliance with SCM policy?

Response	Number	%
Suspension		
Dismissal		
Warning		
Total		

4.3.17. What are the areas that reflect serious impact of implementation of SCM policy?

-----  
 -----  
 Table 4.3.18: As an official of the Department you are satisfied about goods and services provided by service providers.

Response	Number	%
Agree		
Strongly Agree		
Disagree		
Strongly disagree		
Neutral		
Total		

Table 4.3.19: The Department is doing quality checks on goods and services provided.

Response	Number	%
Agree		
Strongly Agree		
Disagree		
Strongly disagree		
Neutral		
Total		

4.3.20. Please formulate guidelines to address the constraints in implementing SCM policy

-----  
 -----  
 -----

4.3.21. Please provide relevant examples to reflect on the impact of the implementation of SCM policy.

-----  
 -----

4.3.22. What are the reasons contributing to poor implementation of SCM policy?

-----  
 -----

**4.3.23.** Provide recommendations on how the Department can address the issue of poor implementation of SCM policy.

-----  
 -----

Table 4.3.24 Proper implementation of SCM policy can transform procurement in the Department

Response	Number	%
Strongly Disagree		
Disagree		
Agree		
Strongly Agree		
Neutral		
Total		

Table 4.3.25. There are marked changes as a result of implementation of SCM policy

Response	Number	%
Strongly Disagree		

Disagree		
Agree		
Strongly Agree		
Neutral		
Total		

Table 4.3.26 Workshops conducted by the department have a positive impact on implementation of SCM policy

Response	Number	%
Strongly Disagree		
Disagree		
Agree		
Strongly Agree		
Neutral		
Total		

Table 4.3.27 Officials in the SCM unit experience external interferences in the implementation of SCM policy

Response	Number	%
Strongly Disagree		
Disagree		
Agree		

Strongly Agree		
Neutral		
Total		

Table 4.3.28 You are fully aware of legal implications of not implementing the SCM policy properly

Response	Number	%
Strongly Disagree		
Disagree		
Agree		
Strongly Agree		
Neutral		
Total		

4.3.29. Does the SCM policy have an impact in the Department? Motivate your answer.

-----  
-----  
-----

4.3.30. What do you see as impact brought about by the implementation of SCM policy?

-----

4.3.31. Make suggestions to improve the implementation of the SCM policy in the Department.

-----  
-----  
**Appendix C**

**SECTION C: Interview with Chief Finance Officer**

4.4.1. Does the Department have disposal management policy?

Response	Answer
Yes	
No	

4.4.2. Does the Department have asset register?

Response	Answer
Yes	
NO	

4.4.3. What is the impact of implementation of Supply Chain Management?

-----  
-----  
-----

4.4.4. Please provide at least three committees that play a role in acquisition management.

-----  
-----  
-----

4.4.5. What is the role of logistics management in the department?

-----  
-----  
-----



4.4.6. Does the Department have employee code of conduct?

Response	Answer
Yes	
No	

4.4.7. How often does the Department deal with misconduct relating to SCM problem?

Response	Answer
Daily	
Weekly	
Monthly	
Quarterly	

4.4.8. Please provide at least three measures taken against officials who violate SCM policy.

-----

-----

-----

4.4.9. How does the Department address issues of capacity, competency and skill applicable to SCM?

-----

-----

4.4.10. Have you ever served in the bid committee? What are the challenges experienced by the committees

-----  
-----  
-----

4.4.11. How does the Department address the issue of disposal management?

-----  
-----  
-----

4.4.12. Does the Department have anti-fraud and corruption strategy?

-----  
-----  
-----

4.4.13. How does the department respond to dishonest service providers?

-----  
-----

4.4.14. What challenges are experienced by the Department in implementing SCM policy?

-----  
-----  
-----

4.4.15. Does the department have effective Supply Chain performance management strategy?

-----  
-----

4.4.16. Who is responsible for formulating Supply Chain risk management strategy?

-----  
-----

4.4.17. Please provide at least three guidelines to improve the implementation of Supply Chain Management policy in the Department.

-----  
-----  
-----





Box 4726

POLOKWANE

0700

15 /09/ 2009

HEAD OF DEPARTMENT

Department of Local Government and Housing

28 Market Street

Polokwane

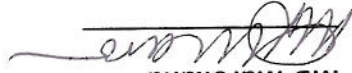
0700

RE: PERMISSION TO CONDUCT RESEARCH IN THE DEPARTMENT

MD Marokana (Deputy Manager: Strategic Management)

1. The above matter refers.
2. I have enrolled for the MPA programme with the University of Limpopo. It is a requirement that students must conducted research in the partial completion of the programme.
3. The research topic is "The impact of implementation of Supply Chain Management policy in the department of local government and housing in Limpopo".
4. I hereby humbly request for permission to do research in the department.
5. The purpose of the research is to conduct a comprehensive study on the implementation of SCM policy.
6. The duration of the research will be two weeks , from the 20<sup>th</sup> to 31<sup>st</sup> October 2009 and the information collected will be treated as confidential
7. Attached please find the letter from the University of Limpopo.
8. For further information please contact me at the number 0724526300

MD Marokana



Date

15/09/2009

Permission Granted/~~Not granted~~

Comments by the HOD

Signature HOD



Date

16/09/09