



Analysing strategies for successful Implementation of the Supply Chain Management Policy Framework: A case study of the Nelson Mandela Bay Municipality (NMBM) in South Africa.

A research report presented to the Graduate School of Business Leadership
In partial fulfilment of the requirements for the degree of
Master of Business Leadership (MBL)

Prepared by:
Ntomboxolo Cynthia Ngxesha
Student Number – 77901169

Prepared under the supervision of
O NCUBE

University of South Africa,
Graduate School of Business Leadership
Midrand, South Africa

November 2015

DECLARATION

I, Ntomboxolo Cynthia Ngxesha (Student number: 77901169), hereby declare that this research report titled “**Analysing strategies for successful Implementation of the Supply Chain Management policy framework: A case study of the Nelson Mandela Bay Municipality (NMBM) in South Africa**” is my own work and that all the sources that I used or quoted, were indicated and acknowledged by means of complete references.

This report is submitted in partial fulfilment of the requirements for the degree of Master of Business Leadership at the Graduate School of Business, University of South Africa. It has not been submitted before, in whole or part, for the purpose of any degree or examination at any University

NTOMBOXOLO CYNTHIA NGXESHA

Signed on Day of2015

ACKNOWLEDGEMENTS

This thesis is dedicated to my husband, Sandile Welcome Ngxesha, my daughter, Mhlali Salizwa Ngxesha, and my son, Sinakho Bulela Ngxesha, who are my pillars of strength. They gave me courage and contributed to my achievement in many ways. My husband played a crucial role during my frequent absences in their lives, standing in when at times I failed to properly fulfill my duties as wife and mother.

I thank God for countless blessings I have. God prepared time and space for me to complete my studies. God removed obstacles and prepared me to view challenges as assignments, preparing me for even more complex assignments.

I am grateful to and would like to thank the following persons:

- My promoter, Mr O Ncube, for his perseverance, guidance and the effort he exerted to assist me during my studies.
- My friends Zimkita Nkata, Gift Mashobane and Siphesihle Nkata: you have sacrificed a lot over this three-year period. Zimkita, you unconditionally supported me and accommodated me in your busy schedule and never complained; count your blessings, my friend!
- My colleagues, Ms Noluthando Kapela, Nokuzola Nana, Motlhatlhani Nthabiseng Mabena and Lumpa Kandeke: without you my journey would have been endless.
- The Statistician, Mduduzi Moyo, who made a remarkable contribution to this thesis.
- All my friends and colleagues, especially SCM Compliance staff: I value your contribution to my career path.

My late mom, Nomntu Sylvia Ndingane: your departure in 2012 made me realise the importance of empowering myself. Makhuz' Andile Ndingane: I still cannot believe that you've left us. Your sudden death left me empty and sad. Rest in peace, dear brother! God will take care of everything in His will. My heartfelt gratitude to my dear Father, Thembekile Hope Ndingane, for his understanding and sympathetic ear. May

God grant him strength to deal with the current situation and bless him with good health and many years to come.

Lastly, I wish to thank UNISA for the empowerment and knowledge impacted on me. I have never once regretted the day I decided to enroll for the UNISA Masters in Business Leadership Programme.

ABSTRACT

After South Africa's first democratic elections in 1994, the need to revisit the socio-economic and political order of South Africa was identified. The new government was confronted by significant public sector challenges, including the need to transform local government. The government was also forced to introduce new legislations and policies in line with the Constitution. National Treasury has the mandate to promote government's fiscal policy framework. National Treasury introduced the Municipal Finance Management Act No. 56 of 2003 (MFMA) with the aim of modernising budget, accounting and financial management practices by placing local government finances on a sustainable footing, in order to maximise the capacity of municipalities to deliver services to communities (Modernising Financial Governance: Implementing the Municipal Finance Management Act, 2003). Chapter 11 of the MFMA provides for processes and procedures to be adopted by municipalities when dealing with procurement activities; so as to address the limitations associated with procurement legislation, such as the Constitution of the Republic of South Africa, No. 66 of 1993.

The purpose of the study is to analyse the strategy followed by the Nelson Mandela Bay Municipality (NMBM) in the implementation of the SMPF, and to evaluate its impact of the implementation on service delivery. This analysis will be conducted to investigate and identify factors that may negatively affect the implementation of the SCMPF in the Nelson Mandela Bay Municipality.

The study revealed how far the NMBM has progressed in implementing the SCMPF and provided recommendations for improvement, where necessary. The study assessed how the NMBM ensured effectiveness, efficiency and transparency when dealing with supply chain matters. The research also revealed the degree to which Supply Chain Management strategies followed in the Municipality influence service delivery and socio-economic factors.

This study employed a mixed methods approach. Out of 80 questionnaires and 10 interviews requests, 68 completed questionnaires were returned and 8 interviews were conducted to gather the views of the respondents.

The responses were analysed, and the results revealed that SCM strategies employed by the NMBM had a negative impact on service delivery and SCM objectives. Various factors were identified as the cause of the challenges affecting the level of service delivery in the implementation of the SCMPF.

It is concluded that lack of communication, governance, lack of reliability and skills and capacity issues are major problems affecting service delivery within the NMBM. It is recommended that the NMBM should embark on a benchmarking exercise in order to measure itself against the best performing municipalities in South Africa and strive to implement an integrated SCM system, as outlined in the SCMPF.

Table of Contents

DECLARATION.....	2
ACKNOWLEDGEMENTS	3
ABSTRACT	5
ACRONYMS	12
FIGURES	13
TABLES	14
CHAPTER ONE: BACKGROUND TO THE STUDY.....	15
INTRODUCTION.....	15
1. Introduction	15
1.1 Background	16
1.2 Problem statement.....	17
1.3 Purpose of study.....	19
1.4 Objectives of research	19
1.5 Research questions	20
1.6 Benefits of study	20
1.7 Assumptions of study.....	21
1.8 Delimitation of study	21
1.9 Layout of study	22
CHAPTER TWO: Literature Review and Conceptual Framework	24
2.1 SCM goals and mission	24
2.2 Supply chain drivers	24
2.3 Supply Chain Management Strategy	25
2.3.1 Samples of strategies.....	26
2.3.1.1 Responsive Strategy or Agile	26
2.3.1.2 Lean Supply Strategy	26
2.3.1.3 Near Sourcing Strategy	26
2.4 Supply Chain Objectives.....	27
2.5 Public Procurement	28
2.6 Green Procurement	29
2.7 Elements of public procurement	30
2.7.1 Demand Management.....	31
2.7.2 Acquisitions Management	32

2.7.3	Logistics Management	32
2.7.4	Disposal Management	33
2.7.5	Preferential Procurement Policy	33
2.7.5.1	Supplier Development Programme	34
2.7.6	Database.....	36
2.8	Performance Management	37
2.9	Risk Management.....	37
2.9.1	Types of Risks	38
2.9.1.1	Strategic Risk	38
2.9.1.2	Corporate governance risk	39
2.9.1.3	Financial risks	40
2.9.1.4	Personnel skills and capacity risks.....	41
2.9.1.5	Operational, process, and accountability risks	41
2.9.1.6	Supply – demand and disruption risks	42
2.9.1.7	Logistics capacity risks.....	42
2.9.1.8	Quality, obsolescence and Reputation Risks	43
2.9.1.9	Technology developments risks	43
2.10	Ineffectiveness and inconsistent application of PPPFA.....	44
2.11	Implementation issues	45
2.11.2	Sources of Implementation Problems	47
2.11.3	Factors enabling proper implementation of SCMPF.....	48
2.12	Summary	50
2.13	Proposed Conceptual or Research Framework	51
2.14	Conclusion.....	51
CHAPTER THREE: RESEARCH DESIGN AND METHODOLOGY.....		53
3.1	Introduction.....	53
3.1.1	Research design	53
3.1.2	Research Methodology	54
3.2	Mixed Methods Research Approach.....	54
3.2.1	Qualitative Research Approach	54
3.2.2	Quantitative research approach.....	55
3.3	Population and Sample.....	55
3.3.1	Population	56
3.3.2.1	Qualitative	56

3.3.2.2	Quantitative	56
3.4	Validity	57
3.5	Reliability	57
3.6	Ethical consideration.....	58
CHAPTER FOUR: QUANTITATIVE RESEARCH RESULTS.....		59
4.1	Introduction	59
4.2	Reliability.....	59
4.3	Demographics	60
4.4	Perceptions of respondents on SCMPF	65
4.5	Perceptions of respondents on SCM Policy	66
4.6	Perceptions of respondents on SCM Support function to service delivery 67	
4.7	Perceptions of respondents on people in SCM at NMBM	68
4.8	Perceptions of respondents on SCM processes	69
4.9	Perceptions of respondents on Technology in SCM	70
4.10	Perceptions of respondents on Governance in SCM	71
4.11	Perceptions of respondents on Sustainability	72
4.12	Perceptions of respondents on Performance Management	73
4.13	Perceptions of respondents on Supply Chain Risk Management.....	75
4.14	Hypotheses Testing	76
4.14.1	Hypothesis statement 1	76
4.14.2	Hypothesis statement 2	76
4.14.3	Hypothesis statement 3	77
4.14.4	Hypothesis statement 4	77
4.14.5	Hypothesis statement 5	77
4.14.6	Hypothesis statement 6	77
4.14.7	Hypothesis statement 7	78
4.14.8	Hypothesis statement 8	79
4.14.9	Influence of SCMPF, SCM policy, people, processes, technology, SCM governance and risk management on performance	79
4.14.10	The association between service delivery, performance and supply chain management infrastructure.....	80
CHAPTER FIVE: QUALITATIVE RESEARCH RESULTS.....		83
5.1	Introduction	83

5.2	Demographics	83
5.3	Understanding of Supply Chain Management Policy Framework (SCMPF)	84
5.4	Relationship between SCMPF	84
5.5	Supply chain function versus service delivery	85
5.6	Role of Staff in implementing SCMPF	86
5.7	Role of Process in implementing SCMPF	87
5.8	Role of Technology in implementing SCMPF	88
5.9	Role of governance in implementing SCMPF	89
5.10	Role of sustainability considerations in implementing SCMPF	91
5.11	Role of performance considerations in implementing SCMPF	92
5.12	Risk management considerations in implementing SCMPF	93
5.13	Other critical variables in implementing SCMPF	94
CHAPTER SIX: DISCUSSION, RECOMMENDATIONS AND CONCLUSIONS		96
6.1	Introduction	96
6.2	Discussion	96
6.2.1	Supply Chain Management Policy Framework.....	96
6.2.2	Supply Chain Management Policy	97
6.2.3	SCM support function to service delivery	97
6.2.4	People	98
6.2.6	Technology.....	99
6.2.7	Governance.....	99
6.2.8	Sustainability	101
6.2.9	SCM Performance Management.....	101
6.2.10	SCM Risk Management	102
6.3	Recommendations.....	104
6.4	Limitations	106
6.5	Scope for future research	106
6.6	Conclusion	107
REFERENCES.....		108
APPENDICES		i
APPENDIX A: ETHICAL CLEARANCE		i
APPENDIX B: TURNITIN REPORT		iii
APPENDIX C: SUPERVISOR PERMISSION TO SUBMIT		iv

APPENDIX D: LETTER OF EXTENSION.....	v
APPENDIX E: QUANTITATIVE INTERVIEW SCHEDULE	vi
APPENDIX F: QUALITATIVE INTERVIEW SCHEDULE	xvi
APPENDIX G: EMPLOYER PERMISSION LETTER.....	xviii
APPENDIX H: EMPLOYER PERMISSION LETTER	xxi
APPENDIX I: CONFIRMATION OF REGISTRATION LETTER	xxiii
APPENDIX J: DECLARATION	xxv

ACRONYMS

3BL	-	Triple Bottom Line
BBBEE	-	Broad Based Black Economic Empowerment
BEE	-	Black Economic Empowerment
CSR	-	Corporate Social Responsibility
COGTA	-	Corporate Governance and Traditional Affairs
CPFR	-	Collaborative Planning, Forecasting and Replenishment
ERP	-	Enterprise Resource Planning
GSCF	-	Global Supply Chain Forum
HDI	-	Historically Disadvantaged Individual
HR	-	Human Resource
ICT	-	Information and Communication Technology
ICMAS	-	Institutional Contracts Management System
IDP	-	Integrated Development Plan
IT	-	Information Technology
KPI	-	Key Performance Indicators
MFMA	-	Municipal Finance Management Act
NTMR	-	National Treasury Municipal Regulations
NMBM	-	Nelson Mandela Bay Municipality
SME	-	Small and Medium-Sized Enterprise
SCM	-	Supply Chain Management
SCMP	-	Supply Chain Management Policy
SCMPF	-	Supply Chain Management Policy Framework
SCMR	-	Supply Chain Management Regulations
SCOR	-	Supply Chain operations Reference
SCRM	-	Supply Chain Risk Management
PPPFA	-	Preferential Procurement Policy Framework Act

FIGURES

FIGURE 2.1: Key Elements of Supply Chain Management.....	28
FIGURE 2.2: Sustainability and the Extended Supply Chain	30
FIGURE 2.3: Public Sector SCM generic elements	31
FIGURE 2.4: The Behaviour Change Ball	49
FIGURE 2.5: Proposed conceptual framework	51
FIGURE 4.1: Distribution of respondents by academic level.....	61
FIGURE 4.2: Distribution of respondents by service in years working for NMBM	63
FIGURE 4.3: Distribution of respondents by service in years working within SCM function at NMBM	64
FIGURE 4.4: Distribution of respondents according to SCM role at NMBM.....	65

TABLES

TABLE 2.1: BBBEE Status level of contribution	34
TABLE 4.1: Measuring reliability of the instrument using Cronbach's Alpha	60
TABLE 4.2: Distribution of respondents by directorate.....	62
TABLE 4.3: Perceptions of respondents on Supply Chain Management Policy Framework at NMBM	66
TABLE 4.4: Perceptions of respondents on SCM Policy at NMBM	67
TABLE 4.5: Perceptions of respondents on SCM Support function to service delivery	68
TABLE 4.6: Perceptions of respondents on people in SCM	69
TABLE 4.7: Perceptions of respondents on SCM processes	70
TABLE 4.8: Perceptions of respondents on technology in SCM at NMBM.....	71
TABLE 4.9: Perceptions of respondents on SCM Governance	72
TABLE 4. 10: Perceptions of respondents on sustainability at NMBM	73
TABLE 4.11: Perceptions of respondents on SCM performance management at NMBM	74
TABLE 4.12: Perceptions of respondents on Supply Chain Risk Management at NMBM	75
TABLE 4.13: Multiple linear regression analysis indicating the influence of eight factors on service delivery.....	79
TABLE 4.14: Influence of SCMPF, SCM policy, people, processes, technology, SCM governance and risk management on SC performance	79
TABLE 4.15: Examination of associations using correlation analysis	80

CHAPTER ONE: BACKGROUND TO THE STUDY

INTRODUCTION

1. Introduction

According to Hugo and Badenhorst-Weis (2013:12), purchasing is an activity that happens in both the public and the private sectors in fact, in every household. The public sector purchasing process is broader when compared to the private sector and households.

The purchasing cycle entails the following steps:

- Identifying and describing the need
- Identifying a source and selecting a supplier
- Bidding and negotiation
- Awarding the contract or accepting the offer
- Placing the order
- Expediting the order
- Receiving goods or services
- Receiving of invoice and effecting payment to the creditor or supplier

Stevenson (2012:663-664) defines a supply chain as a sequence of organisations, their facilities, functions and activities involved in producing and delivering a product or service. The author further defines Supply Chain Management (SCM) as the strategic coordination of the supply chain for the purpose of integrating supply and demand management.

Government enactments provide for the advancement of South African citizens who were previously disadvantaged socially, economically or educationally. This is

achieved by implementing policies and programmes aiming at redressing the abovementioned imbalances, which arose from past discriminatory laws. Public procurement is recognised as an empowerment strategy and a means of sustaining entrepreneurship. Public procurement refers to the process through which the state purchases the goods and services required for service delivery purposes (Quinot and Arrowsmith, 2013:125).

1.1 Background

After South Africa's first democratic elections in 1994, a need to revisit the country's socio-economic and political order was identified. The new government was confronted by significant public sector challenges, including the need to transform local government. The government was also forced to introduce new legislation and policies, in line with the Constitution. Chapter 13 of the Constitution of the Republic of South Africa states that National Treasury is responsible for ensuring transparency, accountability and sound financial controls in the management of the public sector. National Treasury has a mandate to promote government's fiscal policy framework. It is also mandated to facilitate the Division of Revenue Act and to monitor the implementation of provincial budgets (Republic of South Africa. The Constitution of the Republic of South Africa, Act 108 of 1996: Chapter 3). National Treasury is further mandated by Parliament to support the optimal allocation and utilisation of resources in all spheres of government in order to eradicate poverty. National Treasury introduced the Municipal Finance Management Act No. 56 of 2003 (MFMA) with the aim of modernising budget, accounting and financial management practices by placing local government finances on a sustainable footing in order to maximise the capacity of municipalities to deliver services to communities (Modernising Financial Governance: Implementing the Municipal Finance Management Act, 2003).

In terms of MFMA Circular No. 1 of (2004:2), the Act also linked the Integrated Development Plan (IDP) to the budget process, introduced new accounting standards, established audit committees, and strengthened internal controls. It also improved procurement and SCM, performance reporting, staff competency levels and new mechanisms to resolve financial problems and misconduct. The provisions

of the MFMA took effect on 1 July 1994, except for specific provisions that were officially delayed (Government Gazette 26510, 2004).

1.2 Problem statement

Chapter 11 of the MFMA provides for processes and procedures to be adopted by municipalities when dealing with the procurement activities; so as to address the limitations associated with procurement legislation such as the Constitution of the Republic of South Africa No. 66 of 1993, the State Tender Board Act No. 86 of 1968, the Exchequer Act No. 66 of 1975 and other related legislation. Such limitations include:

- Conflict of interests arises from the composition of Bid Committee membership.
- Issues related to the value of money.
- Lack of integration of procurement process to institutional strategic objectives and budget.
- Return on investment is not considered when procuring assets.
- A lack of uniformity in the documents used by both providers and SCM practitioners has created inefficiency.
- Appointment of consultants is not competitive and consistent.
- The Preferential Procurement Policy Framework Act, No. 5 of 2000 (PPPFA) is complex and difficult to implement correctly, SCM practitioners are not consistently applying the PPPFA, due to lack of adequate training.
- Merits of the system were not evaluated, due to the costs and outcomes of the PPPFA, which were not fully quantified (SCM: Guide for Accounting Officers, 2004).
- In September 2003, an SCM Policy document was adopted to replace the old procurement and provisioning practices. The new SCM Policy aims at achieving uniformity in the purchasing and supply processes and also in

preferential procurement legislation and policies (SCM: Guide for Accounting Officers, 2004).

National Treasury provided municipalities with the SCM Policy model and the Guide for Accounting Officers. The SCM Policy model is in line with Section 111 of the MFMA and Municipal Supply Chain Regulations. National Treasury also issued an instruction to municipalities that the reviewed Policy model must meet the needs and requirements of the municipality. According to the SCM Regulations (2005) and policy model, the Framework for SCM policies focuses on Demand Management, Acquisitions Management, Logistics, Disposal, Risk and Performance Management, and other matters, such as:

- prohibition on awards to persons in the service of the state;
- awards to close family members or persons in the service of the state;
- ethical standards;
- inducements, rewards, gifts, and favours to municipalities, municipal entities, officials and other role-players;
- sponsorships;
- objections and complaints;
- resolution of disputes, objections, complaints and queries;
- contracts providing for compensation based turnover; and
- commencement.

Hugos (2011) states that purchasing and supply management systems and procedures provide a framework for the effective and efficient execution of specific activities by purchasing personnel in order to achieve the purchasing and supply objectives. The author further states that environmental and green procurement must be taken into consideration when implementing a SCM policy. The objectives of green procurement include the facilitation of triple-R: Reduce, Re-use and Recycling.

Kraiselburd and Yadav (2012) argue that ineffective and poorly designed supply chains for the purchasing and distributing of goods and services are major impediments to service delivery.

The PPPFA does not do enough to support socio-economic transformation. Local economic and enterprise development is difficult to achieve. There is a need for measures to achieve socio-economic transformation through public procurement (Public Sector SCM Review, 2015:13).

The researcher will evaluate the implementation of the Supply Chain Management Policy Framework (SCMPF) in the Nelson Mandela Bay Municipality (NMBM).

1.3 Purpose of study

The purpose of the study is as follows:

- To analyse the strategy followed by the NMBM in the implementation of the SCMPF, and
- to evaluate its impact of the implementation of service delivery.

To give effect to the problem statement, the study seeks to investigate and identify factors that may negatively affect the implementation of the SCMPF in the Nelson Mandela Bay Municipality.

1.4 Objectives of research

The implementation of the SCMPF may necessitate change management, which requires the adequate training of personnel. Project management skills, acceptable ethical behaviour and due diligence are crucial for the success of the implementation process.

Therefore, the following objectives will guide the study:

- Identifying the strategy used by NMBM to guide implementation of SCMPF.
- Identifying tools, processes and systems required to ensure a smooth and consistent implementation of SCMPF.
- Identifying a governance structure and compliance framework to promote ethical implementation of SCMPF.
- Analysing the Municipality's management's commitment to capacity development within the SCM environment.

1.5 Research questions

This study seeks to answer the following research questions:

Main Research Question

- What is the best strategy for implementing the SCMPF within the NMBM?

Research sub-questions

- What are the tools, processes and systems that are in place for the successful implementation of the SCMPF in the NMBM?
- What are the governance structure and compliance framework necessary for the ethical implementation of the SCMPF in the NMBM?
- What are the capacity requirements of the NMBM for the successful implementation of the SCMPF?
- What is the level of management's commitment to capacitating the SCM environment to ensure successful implementation of the SCMPF?
- How is NMBM addressing issues of sustainability from a supply chain view?

1.6 Benefits of study

The study will explore the perceptions of NMBM staff regarding the SCMPF's implementation status and provide recommendations for improvement, where

necessary. The study will assess how the NMBM ensures effectiveness, efficiency and transparency in dealing with supply chain matters. The research will reveal the degree to which Supply Chain Management strategies followed in the Municipality influence service delivery; this includes the application of Broad Based Black Economic Empowerment (BBBEE) and the Preferential Procurement Policy Framework Act (PPPFA).

1.7 Assumptions of study

Assumptions made when embarking on a study are basic; research could not exist without them (Leedy and Ormrod, 2011). The SCMPF prescribes that the accounting officer may not sub-delegate any supply chain management powers or duties to a person who is not an official of the municipality or to a committee that is not exclusively composed of officials of the municipality. It further prescribes that the accounting officer is responsible for maximising administration and operational efficiency in the implementation of the SCM policy (SCM Regulation 4, 2005:227).

The researcher's main assumption is that the NMBM complies with Section 4 of the SCMPF, as outlined above. Therefore, only NMBM officials are responsible for the implementation of the said framework; hence the study will exclude external role-players. Further, it is assumed that all research participants will honestly and truthfully respond to the questionnaire and that senior management will be available to participate in the study.

1.8 Delimitation of study

Simon (2011) states that delimitations are defined by researchers in order to reduce the size of the research objectives. Delimitations are in the control of the researcher. The author further states that they are linked to research questions, theory and population. According to Hugo and Badenhorst-Weis (2013), the implementation of SCM by means of an evolutionary process is critical for most of companies and organisations. In this research, it is surmised that all parties play an important role in the process of the implementation of the SCM Policy.

Due to time constraints, the research population will exclude external stakeholders, such as community members, Councillors, suppliers and prospective providers. The scope of the research will focus on the NMBM and NMBM employees, including senior managers. Other municipalities will be excluded, and the focus will be on the implementation of an effective and efficient SCM Policy within the NMBM.

1.9 Layout of study

The chapters in this study will be outlined as follows:

Chapter One: Introduction

The background to the study, the problem statement, purpose, objectives, research questions, benefits, assumptions, delimitations and layout of the study are provided. Therefore, this chapter provides the reader of the research with information that will make it easy to understand the content of the entire report.

Chapter Two: Literature Review and Conceptual Framework

The researcher gathers and reviews the literature on the work of other researchers. The aim is to empower the readers of this research with knowledge and an understanding of what other researchers observed and reported. This will assist the researcher in highlighting the importance and benefits of the study and providing recommendations for future research

Chapter Three: Research Methodology

The researcher elaborates on research methodology and provides reasons as to why a specific methodology has been selected. The definition of the research population and sample size and sample procedures followed are explained. Details are provided on how data was collected and on the response rate.

Chapter Four: Research findings

Quantitative research findings and results are presented and analysed. Graphs and tables are used to reflect and analyse data. The researcher treats this area as a story that needs to be unfolded in a logical sequence. Research limitations that impact on the study are disclosed.

Chapter Five: Research findings

Qualitative research findings and results are presented and analysed. Data are based on an interview survey targeting Senior Managers, Executive Directors and an Accounting Officer. This area is also treated as a story that needs to be unfolded in a logical sequence. Research limitations that impact on the study are disclosed.

Chapter Six: Discussions, Recommendations and Conclusions

The objectives of the study are restated, and the conclusion is linked to the objectives. The conclusion demonstrates how the research findings will help the NMBM to make certain decisions. Recommendations regarding the implications of the research are made.

CHAPTER TWO: Literature Review and Conceptual Framework

2.1 SCM goals and mission

SCM goals and mission are defined as “Increase throughput while simultaneously reducing both inventory and operating expense”. The researcher further defines SCM as the coordination of production, inventory, location and transportation among the role-players in a supply chain to realise the best mix of responsiveness and efficiency for end users. An effective supply chain needs concurrent improvements in both customer service levels and internal operating efficiencies of the companies in the supply chain (Hugos, 2011:4-9). According to Ganescu, Asandei, Gangone and Chirila (2013:158), effective SCM is a way in which companies can enhance competitive advantages, especially for companies that outsource most of their goods and services. Such companies strive to improve their social and environmental standards in the supply chain. Chandrasekaran (2012:79) describes an efficient supply chain as a means to move the right product, at the right time, right place and right quality to the right customer at the right price for everyone in the supply chain network. Therefore an efficient supply chain is one in which customers would prefer the best price at close-to-market efficient levels. Price is one of the drivers of the supply chain; it is also one of the key factors that decide demand.

2.2 Supply chain drivers

Chandrasekaran (2012:58-59) states that supply chain drivers are key to the performance of supply chain constituents and role-players across the network. Supply chain drivers enable a balance between responsiveness to the customer and efficiency in supply chain, to allow the company to be competitive in its chosen strategic arena. A network is operational only when supply chain drivers are in place; therefore, they are the operating tools for implementing supply chain strategies and carrying out operations. They could be logistical in nature, such as warehousing, facilities, inventory and transportation, as well as cross-functional, such as pricing, sourcing and information. External factors, such as the tax system and logistical infrastructure, may also impact on the performance of the supply chain indirectly

through the configuration of drivers. The supply chain cannot be independent of other functional strategies. The alignment of a specific business strategy to a corresponding supply chain strategy is achieved through the proper deployment of supply chain drivers (Chandrasekaran, 2012:58-59).

2.3 Supply Chain Management Strategy

According to Thompson, Peteraf, Gamble and Strickland (2014:32-33), a fully-fledged strategy involves four different types of actions and initiatives. Strategic making hierarchy includes corporate strategy, which is orchestrated by the Chief Executive Officer and other senior executives. Business strategy is the second in the strategic making hierarchy; it is orchestrated by general managers of each of the company's lines of business. Functional Area and operating strategies are third and fourth strategies in the strategy making hierarchy. Functional area strategy is orchestrated by the heads of the major functional activities within a particular business, often in collaboration with other key people. Operating strategies are orchestrated by brand managers, the operating managers of the plants, distribution centres and purchasing centres and the managers of strategically important activities, like website operations, often in collaboration with other key people. All these strategies have a two way influence, except for the corporate strategy (Thompson et al., 2014).

Defee and Stank (2005:32) argue that since SCM is becoming increasingly strategic for companies, strategies must be modified over time based on market and competitive conditions. SCM is the integration of key business processes across the supply chain for the purpose of adding value for customers and stakeholders. The author considers SCM to be "the systemic, strategic coordination of the traditional business functions within a particular company and across businesses within the supply chain, for the purposes of improving the long-term performance of the individual companies and the supply chain as a whole". The author argues that SCM consists of firms collaborating to leverage strategic positioning and improve operating efficiency (Defee and Stank, 2005:32). Venus (2014:1055) argues that strategic supply chain management means that supply chain management is not merely a function that supports business strategy, but a key part of strategy; hence it

is defined as the strategic, operational, and technological integration of supply chain organisations and activities through relationships, processes and information sharing to provide member organisations with a competitive advantage.

2.3.1 Samples of strategies

According to Stevenson (2012), there are plenty of strategies companies can choose from. The author cited a sample of three:

2.3.1.1 Responsive Strategy or Agile

“Responsive strategy is a flexible supply chain that has the ability to quickly respond to changes in product requirements or volume of demand as well as adapt to supply chain disruption.”

2.3.1.2 Lean Supply Strategy

“Lean supply chain strategy focuses on eliminating non-value-added activities to create an efficient low cost supply chain.”

2.3.1.3 Near Sourcing Strategy

“Using nearby suppliers shortens the supply chain, reducing transportation time and cost, reducing supply chain inventory, reducing the risk of disruptions and increasing responsiveness” (Stevenson, 2012).

The alignment of supply chain with business strategy and ensuring that the company improves its financial performance are essential roles of senior managers. Supply chain can positively or negatively affect a company’s financial performance (Johnson and Templar, 2007:4).

Kleindorfer, Sinhal and Van Wassenhove (2005:483-485) state that operations management provides the methods for analysing and improving value drivers at

process level and for measuring and balancing costs, revenues and assets. These methods include integrated financial and operations-driven metric systems, such as economic value added. Sustainability is a key element in the supply chain. The author recognises the importance of the future of people and the future of Planet Earth. These new legitimacy concerns are captured in measures such as the triple bottom line (3BL), the three Ps: People, Profit and the Planet, and the goal of maintaining viable social franchises that is the trust of employees, customers, and the communities as well as viable economic franchises, which include the ability to pay from the cash flows it generates for capital and other inputs it uses to produce its outputs (Kleindorfer et al., 2005).

2.4 Supply Chain Objectives

The goals and objectives of supply chain management are to reduce uncertainty and risks in the supply chain, thereby positively affecting inventory levels, cycle time, processes and, ultimately, end-customer service levels (Guiffrida and Nagi, 2005). Chandra and Grabis (2007:37) also cite five supply chain objectives, namely:

- improving supply chain delivery reliability
- increasing supply chain responsive
- increasing supply chain flexibility
- optimising supply chain costs
- improving supply chain asset management efficiency

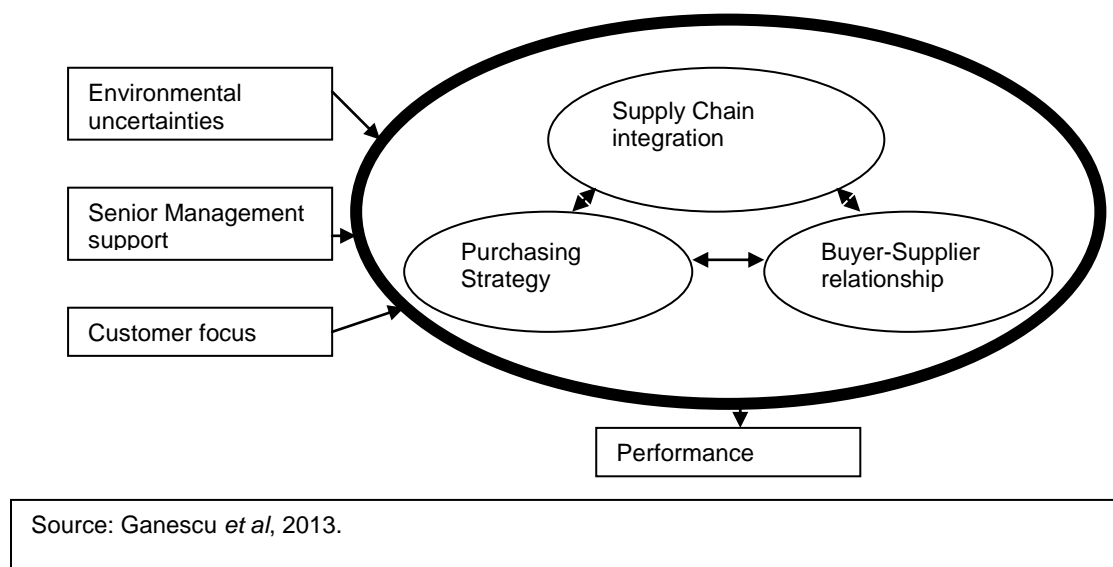
Quinot and Arrowsmith (2013:102) state that public procurement policy objectives include value for money, integrity, accountability to the public, ensuring that markets are open to competition and trade partners, support of economic and social objectives, and efficiency.

2.5 Public Procurement

Quinot and Arrowsmith (2013:1) define public procurement as a process through which government purchases goods and services to achieve its public functions. The procurement function includes the process of identifying the need, identifying the supplier, and the maintenance of contract. According to Ambe and Badenhorst-Weiss (2012:256-257), public procurement is the function whereby the public sector acquires goods and services from providers in the local and international markets, subject to the general principles of fairness, equitability, transparency, competitiveness and cost-effectiveness. Quinot and Arrowsmith (2013:186) state that legislation governing public procurement is very detailed and leaves little discretion to procuring entities when procuring goods or services. The author argues that there is lack of coherence in the scope of application of the primary procurement legislation.

The diagram below displays the key elements involved in the construction of SCM that lead to performance.

FIGURE 2.1: Key Elements of Supply Chain Management

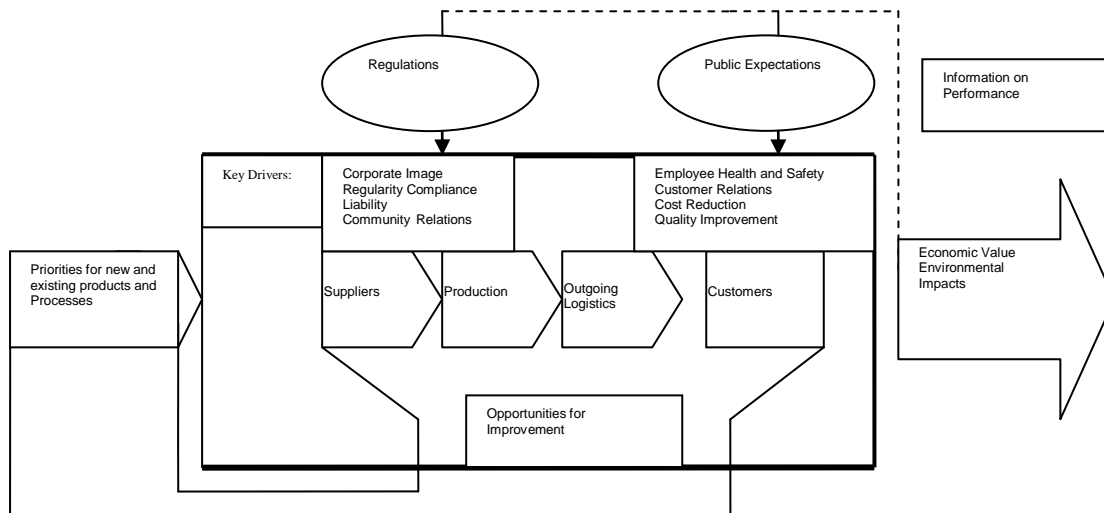


2.6 Green Procurement

Hassan, ElBeheiry and Hussein (2013) state that green supply chain has become an initial key factor for corporate sustainability. European Union (EU) 2011:4-5 defines green public procurement as a process whereby public authorities seek to procure goods and services with a reduced environmental impact throughout their life cycle when compared to goods and services with the same primary function that would otherwise be procured. The author further describes green public procurement as a procurement strategy which will lead to innovation which in turn will encourage providers to produce and supply green products. On the other hand Government spending can be reduced from procuring green products. Authorities who implement green procurement will be better equipped to meet evolving environmental challenges (European Union (EU) 2011).

According to Rao (2004) Companies who lack sustainable SCM initiatives will be held accountable for pollution caused by their production processes and also they will be liable for the environmental impact resulting from their products throughout its life cycle. Kleindorfer, et al., (2005) provides an illustration of sustainability drivers and extended supply chain process.

FIGURE 2.2: Sustainability and the Extended Supply Chain

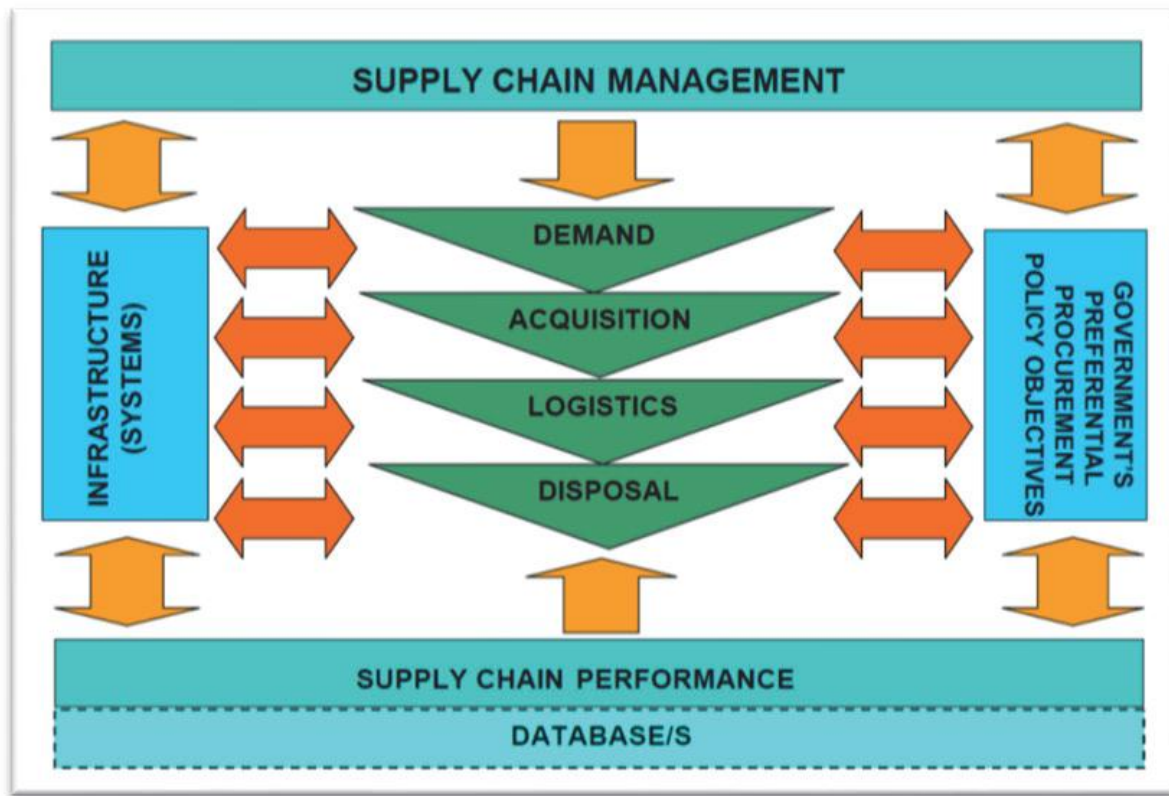


Source: Kleindorfer *et al.*, 2005:484.

2.7 Elements of public procurement

The goals of integrated SCM as to add value to all the stages of the process: from the demand of goods and services to their acquisition, managing the logistics process and finally, after use, disposal. In doing so, deficiencies in current practices related to procurement contract management, inventory and asset control as well as obsolescence planning will be addressed (Migiro and Ambe, 2008:231). Public sector SCM systems provide key SCM elements and reflect on how policies, procedures and systems support them (Public Sector SCM Review, 2015:28).

FIGURE 2.3: Public Sector SCM generic elements



Source: National Treasury - Public Sector SCM Review 2015

2.7.1 Demand Management

The Department of Corporate Governance and Traditional Affairs (Cogta) states that an appropriate demand management system is executed to ensure that required resources support department's operational commitments and department's strategy (Cogta SCM Policy 2014/15:8). Demand management deals with planning forecasting and replenishment of goods. Enhanced planning visibility in the supply chain included visibility potential benefits, such as sales increases, inventory reductions and improved customer service to both retailers and manufacturers. The Collaborative Planning, Forecasting and Replenishment (CPFR) is more focused on information technology than the process oriented Supply Chain Operations Reference (SCOR) and Global Supply Chain Forum (GSCF) Frameworks (Naslund and Williamson 2010:16).

Ambe and Badenhorst-Weiss (2012) argue that public sector purchasing runs in an environment of extremely intense scrutiny, driven by technology, programme reviews and public political expectations of service improvements. Myerson (2012:25) also argues that organisations that fail to properly leverage technology in the context of people and process fail to achieve their objectives. Dramatic shifts are occurring in many industries. Organisations that fail to recognise these shifts will get caught behind the change curve. Many of those that fail to recognise the shift will be left behind. The current shift requires demand-driven, lean SCM.

2.7.2 Acquisitions Management

Acquisitions management is the second element of the SCMPF, whereby the institution decides on how to approach the market. The objectives of the preferential procurement policy are identified at this stage (Policy strategy to guide uniformity in procurement reform processes in government, 2003). Sourcing decisions are crucial, because they affect the level of efficiency and responsiveness the supply can achieve. Outsourcing decisions are driven by the desire for growth in total supply chain surplus (Ambe, 2014). Stevenson defines outsourcing as the buying of goods and services, instead of producing or providing them in-house. Outsourcing strategies have been employed to improve supply chain performance (Stevenson, 2012).

2.7.3 Logistics Management

Logistic is that part of SCM that plans, implements and controls the efficient, effective forward and reverse flow and storage of goods, services and related information between the point of origin and the point of consumption. Logistics management integrates SCM processes, with the aim of minimising total logistic costs (Hugo and Badenhorst-Weiss, 2013). Logistics management provides for the setting of inventory levels, placing orders, receiving and distributing goods, stores and warehouse management, expediting orders, transport management, vendor performance and contract administration (SCM Regulations, 39, 2005:254).

2.7.4 Disposal Management

Disposal management deals with the discarding of assets that are no longer required by the institution and which may be required by other users. These assets include unserviceable, redundant and obsolete assets. The appointment of a committee that deals with disposal processes should be considered, to be responsible for testing and inspecting redundant material for potential re-use (Migiro and Ambe, 2008).

2.7.5 Preferential Procurement Policy

The framework for the implementation of the Preferential Procurement Policy.—(1) States that an organ of state must determine its preferential procurement policy and implement it within the framework of BBBEE. BBBEE is defined as economic empowerment of all black people, including women, workers, youth, people with disabilities and people living in rural areas through diverse but integrated socioeconomic strategies. This Policy is framed as an economic policy, aimed at dealing with social and developmental problems caused by Apartheid and racial capitalism. The initial impact of black economic empowerment (BEE) was very narrow; hence the target group did not benefit much, and inequality was entrenched further. The author argues that BBBEE demonstrates an economic policy's potential to contribute to social transformation (Patel and Graham, 2010).

An organ of state must determine its preferential procurement policy and implement it within the following framework: A preference point system must be followed; (i) for contracts with a Rand value above a prescribed amount, a maximum of 10 points may be allocated for specific goals, provided that the lowest acceptable tender scores 90 points for price; (ii) for contracts with a Rand value equal to or below a prescribed amount, a maximum of 20 points may be allocated for specific goals, provided that the lowest acceptable tender scores 80 points for price (PPPFA, 2000).

Prior to 8 December 2011, 20/10 preferential points were awarded to a tenderer for being Historically Disadvantaged Individual (HDI) and/or Sub-contracting with an HDI. The Act defined an HDI as a South African citizen who, due to the legacy of

Apartheid, had no franchise in national elections prior to the introduction of the Constitution of the Republic of South Africa, 1983 or the Constitution of the Republic of South Africa, 1993; provided that a person who obtained South African citizenship on or after the coming into effect of the Interim Constitution is deemed not to be an HDI.

The Minister of Finance promulgated an amended PPPFA, which came into effect on 8 December 2011, and stipulates that 20/10 preferential points must be awarded to a bidder for attaining the B-BBEE status level of contribution in accordance with the table below:

TABLE 2.1: BBBEE Status level of contribution

B-BBEE Status Level of Contributor	Number of points (90/10 system)	Number of points (80/20 system)
1	10	20
2	9	18
3	8	16
4	5	12
5	4	8
6	3	6
7	2	4
8	1	2
Non-compliant contributor	0	0

Source: PPPFA 2011

The above can be achieved by ensuring the implementation of an effective and efficient Supply Chain Management policy.

2.7.5.1 Supplier Development Programme

According to Quinot and Arrowsmith (2013:370-371), governments have developed horizontal policies – policies not directly related to the purpose of the procurement

function. The aims of horizontal policies vary from environmental concerns to labour issues and equality, industrial development and economic growth, crime prevention and social concerns such as poverty alleviation and wealth distribution. Horizontal policies are used to develop small and medium-sized enterprises (SMEs).

Rhodes, Warren and Carter (2006:158) define supplier development as any activity undertaken by a buying firm to improve a supplier's performance and ability to meet the buyer's short-term needs. Consistently with Rhodes; Abdulla, Lall and Tatsuo (2008) define supplier development as any organisational effort to create and maintain a network of competent suppliers and to increase their performance and ability to meet the organisation's short- and long-term supply needs. These programmes are the result of the buyer's need to be competitive and increased need to deliver technologically advanced and defect free products in a timely and cost-effective manner. The ultimate goal of these programmes is to establish mutually beneficial relationships that will help both firms to compete more effectively in the market place (Abdullah et al., 2008). Rhodes *et al.* (2006) state that both companies need to commit their resources. They must share critical and sensitive information. Also, they must develop and implement an effective means of measuring performance. The author concluded that the development and implementation of a supplier development strategy is challenging for both the buying and the supplying firms.

Rudzki and Trent have identified seven steps for approaching a supplier development programme:

Step 1: Identify improvement opportunities.

Step 2: Target specific suppliers that should benefit from development activities.

Step 3: Meet the supplier's executive leadership.

Step 4: Identify the type of supplier development support that needs to be provided.

Step 5: Make resources available to support the programme.

Step 6: Perform the development programme.

Step 7: Measure and report the return from supplier development.

Quinot and Arrowsmith (2013: 373) state that the public sector is mandated to create policies and programmes to redress social and economic inequalities brought by past discriminatory laws or practices. The author argues that South African law plays a significant role in limiting the options available to policy makers and policy implementers.

2.7.6 Database

A database is a system used to produce, manage and safeguard organisational data. It works with operation systems to store and transform data and to make data available in a variety of meaningful and authorised ways (Brown, DeHayes, Hoffer, Martin and Perkins, 2012:52).

A database of suppliers needs to be established. Quotations for the procurement of goods and services should be obtained from the suppliers listed on the database. According to Naude, Ambe and Kling (2013), Regulation 16(a) of the SCM Regulations requires public entities to develop a list of accredited providers. The author elaborates that a supplier database is a tool used for rotating providers in inviting quotations and promoting the fair distribution of work to prospective providers.

2.7.6.1 Information and Communication Technology (ICT)

Kushwaha (2011) states that the impact of globalisation, changing customer needs and the fast-growing complexity of production have compelled businesses to adopt Information and Communication Technology (ICT) practices in order to survive. Developments in ICT have created the opportunity to extend real-time control and direct response far outside a firm's boundaries.

Information Technology (IT) is a tool that can speed up the information flow and make the supply chain more robust and resilient, without undermining its efficiency. IT has in fact revolutionised SCM and enabled a paradigm shift from inventory to information, from competition to collaboration, and from cost to value (Boone and Ganeshan, 2007:

Kushwaha (2011) concludes that ICT plays a crucial role in the introduction of new products or services. It promotes innovation, improves operational processes and guides management in decision making. ZandHessam and Savoji (2011) argue that technology familiarises management with tools and instruments that enable estimation and the control of probable risk; it also assists in mitigating and avoiding risk. Otchere, Annan and Quansah (2013) states that poor technological innovations and poor information flow along the supply chain reduce efficiency and effectiveness within the industry.

2.8 Performance Management

Performance management is a monitoring process that performs an ex post facto analysis to establish whether regular processes have been followed and whether the desired objectives were achieved (Migiro and Ambe, 2008). Wagner and Bode (2008) contend that supply chain risks have a negative impact on supply chain performance. Supply Chain Risk Management (SCRM) activities are justified only if supply chain risks interfere with supply chain performance.

On the other hand performance management and evaluation of suppliers is critical for managing supplier relationship. The author states that supplier relationship can be regarded as a buying organisation's strategic management philosophy for interacting with supply base with the objective of sustaining superior performance throughout the span of their association. Wagner and Bode 2008,

2.9 Risk Management

According to Zsidisin and Ritchie (2009:69) efficient risk management can provide value to various stakeholders of companies. Compliance with appropriate procedures and corporate governance policies can help to reduce or avoid crisis situations. The author argues that many firms have developed various risk assessment programmes that are intended to: (1) Identify different types of risks. (2) Estimate the likelihood of each type of major disruption occurring. (3) Assess potential loss due to a major disruption and (4) Identify strategies to reduce risk. ZandHessami and Savoji (2011:62) argue that risk management is a recognition, analysing and economical control of risks or probability of risks which can threat

properties and economical incomes of companies. The author also states that risk management is the system which is planned to order the confronting operations against indetermination and probable deviation.

Brown, et al., (2012:107) alluded that SCRM framework involves risk identification, consequence analysis, risk assessment, risk mitigation or acceptance rate and risk monitoring, tracking and control. Arnold, Neubauer and Schoenherr (2012) highlighted that corruption and unethical behaviour are regarded as one of SCM risks factors. The author further states that lack of transparency in supply chain is regarded one of SCM challenges. Naidoo (2009) reckons that risk governance and risk management form an integral part of corporate governance. King III recommends management should develop a risk management policy and its implementation plan and the board of directors need to sign them.

2.9.1 Types of Risks

Supply Chain Management environment is subjected to risk; as a result, processes, procedures and supply chain policies may be threatened. Impact and cost of risk are not certain, as these factors are highly dependent on the type of risk. The different types of risks will be discussed below.

2.9.1.1 Strategic Risk

According to Wallace and McClure (2003), strategic risk relates to risk at corporate level. It affects the development and implementation of an organisation's strategy. The strategic risk element applies in terms of whether or not a strategic decision was correct. The author argues that strategic risk is related to a wrong decision on, for example, an organisation's long-term performance, company stakeholders, its market and corporate governance – all long-term performance variables. The author contends that strategic risk can be curbed by means of strategic risk management and that strategic risk management is a process for identifying, assessing and managing risks and uncertainties, affected by internal and external circumstances, that could inhibit an organisation's ability to achieve its strategy and strategic objectives with the ultimate goal of creating and protecting shareholder and

stakeholder value (Wallace and McClure, 2003). Weaver (2010) states that policies that are perceived to be threatening the company's strategy, mission or objectives are not given attention by implementers.

2. 9.1.2 Corporate governance risk

Naidoo (2009:3) defines corporate governance as a practice through which companies are managed and controlled. It involves (1) The creation and ongoing monitoring of an appropriate and dynamic systems of checks and balances to ensure the balanced exercise of power within a company; (2) The implementation of a system to ensure compliance by the company with its legal and regulatory obligations; (3) The implementation of a process through which risks to the sustainability of the company's business are identified and managed within acceptable parameters; and (4) The development of practices that make and keep the company accountable to its stakeholders and the broader society in which it operates (Naidoo 2009:3).

According to Wallace and McClure (2003:5), a company's corporate governance risk includes risks relating to the reputation of the organisation and the ethics with which it operates, including but not limited to corrupt practices, fraudulent activities and unethical behaviour. Buchholtz and Carroll (2012) define corruption as the improper or unlawful enrichment of officials or those close to them or the encouragement of others to do so by misusing their positions. Corruption, bribery and questionable payments are some of the most frequent and serious ethical problems. Quinot and Arrowsmith (2013:336-338) states that the root cause of corruption is that the officials or parties involved want to live in luxury. Corruption is an issue that is steeped in morality and ethics; even in secular societies it is instilled with elements of moral approbation, shame and wrongdoing, making it a sensitive subject to address. It entails behaviour that deviates from the formal duties of a public office-holder because of pecuniary or status gains or violates rules against the exercise of certain types of influence. Therefore, the offending agent pursues his or her private ends at the expense of public interests. Corporate governance risks result in the implementation of policy that is not in line with the objectives of the policy-makers

According to National Treasury Policy Strategy to Guide Uniformity in Procurement Reform Processes in Government (2003:25) good governance and SCM objectives can be achieved by developing a world class professional Supply Chain Management system which should ensure that:

- The highest standards of honesty, integrity, impartiality and objectivity;
- Promote accountability, transparency, fairness, efficiency and equitable SCM processes are maintained.
- The highest professional standards in the awarding of bids are achieved so as to maximise value for money while adhering to prescripts, rules and procedures.
- Clear specifications requirements are achieved in order to encourage innovation. The specification must make reference to the relevant technical standards where it is applicable.
- The bidding process is managed so that the genuine competition is preserved and discrimination and biasness is avoided.

2. 9.1.3 Financial risks

According to Horcher (2005:18), financial risks emanate from three sources. Firstly, financial risks emanate from an organisation's exposure to unstable market prices, such as interest rates, exchange rates and commodity prices. Secondly, financial risks result from the actions of and transactions with other organisations, such as vendors, customers and counterparties in derivatives transactions. Thirdly, financial risks arise from the internal actions or failures of the organisation, particularly people, processes and systems. The researcher argues that financial risk management focuses on dealing with the uncertainties resulting from financial markets. It involves assessing the financial risks facing an organisation and developing management strategies consistent with internal priorities and policies. Addressing financial risks proactively may provide an organisation with a competitive advantage. It also ensures that management, operational staff, stakeholders and the board of directors are in agreement on key issues of risk. Managing financial risk necessitates making organisational decisions about risks that are acceptable versus those that are not.

The passive strategy of taking no action is the acceptance of all risks by default (Horcher, 2005). According to Weaver (2010), politicians set objectives that they want to achieve and do not take into consideration the impact of financial risk on policy implementation. Financial risks are regarded as a barrier to the policy implementation process.

2.9.1.4 Personnel skills and capacity risks

National Treasury provides appropriate training support, with the intention of backing up its policy objectives. Despite National Treasury's intervention lack of skills and capacity issues are still regarded as a key challenge for public entities. The author believes that skills and capacity shortages are the main sources of failure of public procurement policies in South Africa. Appropriate organisational structures and proper training to equip SCM personnel with the necessary skills are key success factors for proper SCM implementation (Ambe and Badenhorst-Weiss, 2012).

2. 9.1.5 Operational, process, and accountability risks

Wallace and McClure (2003:22) states that operational risk relates to the production process. This includes the process itself, the asset base, the people within any project teams, and the legal controls within which the organisation operates. Operational risk can be defined as 'the risk of direct or indirect loss, resulting from inadequate or failed internal processes, people and systems or from external events. Operational risk also effectively includes anything that can impact on the overall performance of the organisation and on its ability to create value. Operational risk therefore includes events such as mistakes or missed opportunities. The primary element of operational risk management is that the control, monitoring and assurance activities of the organisation should be based upon a comprehensive business risk assessment that identifies and ranks risk by its significance to the company (Wallace and McClure, 2003). Policy implementation must be a series of steps which should reflect coordination between operations, processes and people.

2. 9.1.6 Supply – demand and disruption risks

Supply side operations are known as upstream operations; similarly, demand side operations are referred to as downstream operations. Supply side operations deal with the supply market – the delivery of goods or service from the supplier to the buying company. Demand side operations deal with goods ready for consumption or to be delivered to the end user (Mandal, 2012).

Zsidisin and Ritchie (2009) define supply side risk as the potential occurrence of an incident associated with inbound supply from individual supplier failures or the supply market, in which its outcomes result in the inability of the purchasing firm to meet customer demand or cause threats to customer life and safety. The authors argue that there are three main causes of supply risks, namely demand amplifications, deterministic chaos, and parallel interactions. It is very important that supply risk management becomes part of supplier management, as a buying company is depending on the supplier in order to deliver or render services to the end user.

Mandal (2012) argues that the disruption of the physical distribution of finished goods due to a mismatch between projected demand and actual demand also impacts on demand side operations. Demand side delays or disruptions may result from transportation problems or logistics problems, strikes or mishaps in the warehouse, such as a fire. It is critical for management not to undermine demand side risks; this should also be considered when developing a company's risk management strategy.

2. 9.1.7 Logistics capacity risks

Monczka, Handfield, Giunipero and Patterson (2016) cite operational forecast errors as one of the causes of diminished logistics capacity. Logistics capacity directly affects the distribution and operating costs of the company and is regarded as a major challenge in supply chain management. Hugo and Badenhorst-Weiss (2011:19) argue that logistics activities are all interdependent: any change in one activity is bound to influence others in the logistics system. On the other hand, Fawcett, Ellram and Ogden (2014:87) state that infrastructure decisions control the

placement of and productivity of a company's resources. Critical infrastructure decisions include facility location, process design, capacity planning and technology selection. These decisions determine the organisation's cost structure and service capability. The authors contend that a company's logistics capability is defined by the way it organises and manages people, facilities, equipment and operating policies (Fawcett et al., 2014:157). Making logistics more efficient and effective can be daunting and complex, but the potential pay-offs are significant. Therefore, the manner in which a company manages its logistics has a direct impact on its ability to achieve the desired service levels (Fawcett et al., 2014:164).

2. 9.1.8 Quality, obsolescence and Reputation Risks

Manuji and Mentzer (2008) define quality risk as a defective, damaged, or wrong product, components or materials, differences across multiple sites. Fawcett, *et al.*, (2014:192) state that customers expect near perfect quality, immediate responsiveness, universal availability and continuous innovation.

2. 9.1.9 Technology developments risks

According to Okello and Were (2014), technology influences the performance of companies to a high extent. These authors argue that poor and labour-intensive technologies, low skilled and inexperienced personnel and lack of enough capital to acquire technology are some of the technological factors affecting the performance of organisations.

Stevenson (2012) refers to technology as one of the factors that affects productivity. The author states that in order for technology to be productive, it needs to be used wisely and thoughtfully and be linked to all value chain processes. The author further states that management need to keep well informed of the benefits and risks of technology. Technologies are expensive to buy, and the cost of repairs is also high.

2.9.1.10 Political and legal risks

According to Daud, Yazid and Hussin (2010), most companies are faced with a number of risks, which include operational risk, market risk, reputational risk and compliance risk.

2.10 Ineffectiveness and inconsistent application of PPPFA

Ambe (2012:244) states that, further to the fiduciary duty to deliver goods and services to the constituents of the particular government administration, government uses public procurement to achieve a number of its objectives. Public procurement is used to attain socio-economic objectives, such as stimulating economic activity; protecting national industries from foreign competition; improving the competitiveness of certain industrial sectors; and remedying national disparities. The author argues that the objectives of public procurement are achieved through various means and legal and regulatory rules on conducting public procurement.

According to Ambe and Badenhorst-Weiss (2011b:80), the legislative requirement is that each department or entity must establish a SCM unit and implement the supply chain management policy (SCMP), as stipulated by the SCM Policy. The Preferential Procurement Policy Framework Act (PPPFA) (No. 5 of 2000) is one of the legislative frameworks that guide the SCM policy. Ambe and Badenhorst-Weiss (2016:438) state that Preferential Procurement Policy Regulations describe the preferential points system for the evaluation of tenders. The author adds that irregularities in governance and the interpretation and implementation of the PPPFA led to the introduction of supply chain management (SCM) in the public sector as a policy tool. The author believes that notwithstanding the reform processes in public procurement, the employment of SCM as a strategic tool in South Africa faces endless challenges in its public procurement practices, such as non-compliance with procurement processes, SCM related legislation and SCM policies. Tender irregularities are cited as a leading challenge.

Irani (2011:111) argues that a policy plays a critical role within an institution; it provides the principles that regulate the conduct of the members of the institution. Those principles are resulting from and informed by the laws and regulations that govern the institution, national standards and community expectations, and the values and mission the institution articulates in its strategic plan. The author concludes that the purpose of a policy is to set standards, translate values into operations, ensure compliance with legal and statutory responsibilities, guide implementers towards the achievement of its strategic plan and, lastly, to improve risk management.

Weaver (2010:3) states that leaving legislation open to later interpretation could also endeavour cost; it can result in considerable lost time and energy as implementers argue about how confusing objectives and organisational mandates should be interpreted, particularly when various steps and too many role-players are involved. It could also result in mission drift, as implementing officials or political executive pursue their own objectives instead.

2.11 Implementation issues

Baroto, Arvand and Ahmad (2014:50) state that strategy formulation is likely to suffer from the incorrect identification of internal and external factors. No strategy can be considered effective, even if correctly developed, since it requires to be implemented before it can create value for its organisation. To effectively implement the strategies, a unique approach that best suits the internal and external challenges is crucial. Weaver (2010) states that in the process of implementing a policy, the problems encountered may make it less likely to achieve desired goals and objectives. The author further states that implementation challenges tend to damage the morale and reputation of the parties involved in the implementation process. Ngugi (2014) notes that strategy implementation is ubiquitous; therefore, it is difficult to specify the procedural steps of implementation. Mthethwa (2012) concurs that policy implementation may be a difficult exercise. People who are not familiar with the government environment tend to think that once a policy is adopted, it will be implemented in accordance with the policy-maker's intent.

2.11.1 Leadership

Executive management and senior management are responsible for ensuring a sustainable strategy; sustainability values are transferred top-down to employees. This is important, as employees tend to work in line with their company's image. The author further states that a strong corporate culture with a clear value system will force employees who do not subscribe to these values to leave the company, while those who voluntarily adopt corporate values will transfer these values along the supply chain and will measure their supply chain partners based on the same value system (Cetinkaya, Cuthbertson, Ewer, Klaas-Wissin, Piotrowicz and Tyssen, 2012:28).

According to Mazzola and Kellermanns (2010:170), attitude, actions and the leadership style of leaders and managers play a significant role on strategy implementation. Personality is the primary determinant of strategy implementation action. The author further contends that effective communication is critical for strategy implementation. Therefore, for a proper policy and strategy implementation, there must be a clear communication process. Kaplan and Norton (2005) notes that strategies in many organisations are almost completely disconnected from execution. Among the responsibilities of senior managers are to support the alignment of the organisation, review strategy, develop strategy and communicate strategy.

Thompson et al., 2014 state that a balanced scorecard is used to link financial performance objectives and strategic objectives. Some organisations use balanced scorecard to provide employees with clear guidelines about how their jobs are linked to the overall objectives of the company. Some organisations apply a balanced scorecard to determine if the intended financial measures are effective. It takes a number of factors, including feedback and learning, to give companies the capacity for what is referred to as strategic learning. It enables companies to modify strategies to reflect real-time learning. A balanced scorecard "supplies three elements that are essential to strategic learning". First, it articulates the company's shared vision, defining in clear and operational terms the results that the company, as a team, is trying to achieve.

Ambe and Badenhorst-Weiss (2012) proclaim that numerous legislative frameworks that guide public sector procurement practices and other interventions provided. The author cited challenges facing South African government in the implementation of its empowerment policies. Such challenges include lack of proper knowledge, skills and capacity; non-compliance to the National Treasury policies and regulations; inadequate planning and linking of demand to the budget; lack of proper accountability; fraud and corruption; inadequate response to and inconsistency in risk management/irregularities in SCM; inadequate measures for monitoring and evaluating of SCM; unethical behaviour; too much decentralisation; and ineffectiveness of the BBBEE policy. According to Zagotta and Robinson (2002), companies have the know-how and understanding of the crafting of strategy. However, a holistic approach is needed. Tools for executing a strategy are needed. The author contends that the process should entail the quantification of the vision, communicating the strategy through short and meaningful phrases, planning for results, and opening the strategy to the organisation.

2.11.2 Sources of Implementation Problems

According to Weaver (2010), there are eight sources of implementation problems.

1) Interpretation issues

Legislations are open to interpretation, which can result in implementation delays or sometimes conflict over the company's mission.

2) Organisational Mission Issues

The policy or programme being implemented may not be suitable to the company's environment. Therefore, the policy may not be in line with the company's mission.

3) Organisational Coordination Issues

Policy may be rejected by implementers as a result there will be a lack of cooperation between role-players.

4) Resource and Organisational Capacity Constraints

Human resources and financial constraints tend to adversely affect the policy

implementation process. The company may lack the adequate skills and capacity required for effective and efficient policy implementation.

5) Timeline Issues

Politicians develop policies and tend not to consider implementation time needed by policy implementers. The author states that once politicians decide to act on a problem, they expect immediate implementation, yet transition is another factor that affects timelines.

6) Political Interference Issues

Politicians intervene to influence implementers' decisions or sometimes overturn implementation strategies.

7) Programme Operator Issues

Programme operators may deviate from the set implementation procedure and design their own implementation processes and procedures.

8) Target Compliance Issues

Lastly, the author states that policy targets fail to respond in ways anticipated by policy designers, due to inadequate incentives to make a choice consistent with the objectives of policy reform, due to opportunity costs (Weaver, 2010)

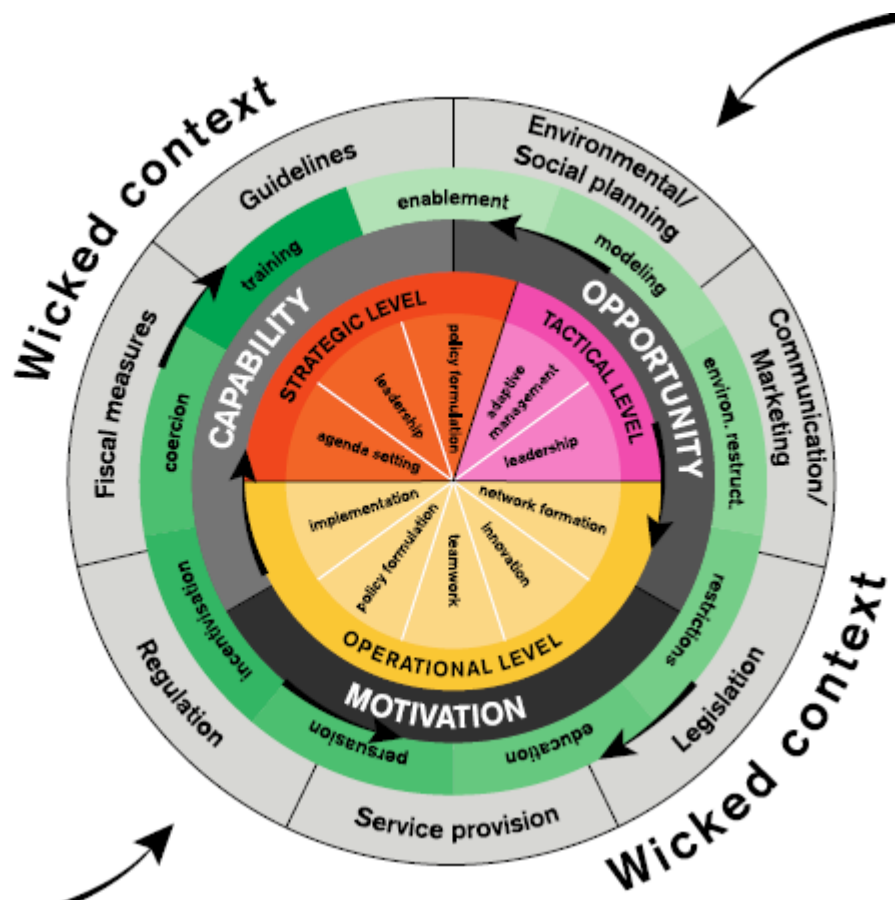
2.11.3 Factors enabling proper implementation of SCMPF

Commitment by senior managers, availability of e-procurement operations, involving suppliers in e-procurement adoption, changing manual procedures in favor of e-procurement, designing new process for automation, acquiring e-procurement system competitively, competitive bidding, employee willingness to use e-procurement system, staff readiness to make e-procurement succeed, regular e-procurement performance measurement, observation of procurement guidelines, compliance with rules and regulations, system buyers trust, up to date procurement information and efficient risk management have been adopted by large scale manufacturing companies (Mose, Njihia and Magutu, 2013).

2.11.4 Behaviour Change Ball

Hendriks, Jansen, Gubbels, De Vries, Paulussen and Kremers (2013:9) have developed a comprehensive framework (Behaviour Change Ball) that can help policy makers to identify options for improvement. The author is also of the view that this framework will assist in systematically developing solutions that may be used to support policy-makers in overcoming policy implementation barriers. The Ball consists of circles that reflect organisational behaviours – actors within three hierarchical levels: determinants of organisational behaviours, interventions, and policies or programmes. Policies or programmes enable interventions, and determinants are necessary for each of the organisational behaviours that are related to actors at the operational, tactical, or strategic level.

FIGURE 2.4: The Behaviour Change Ball



Source: Hendriks et al., 2013.

2.12 Summary

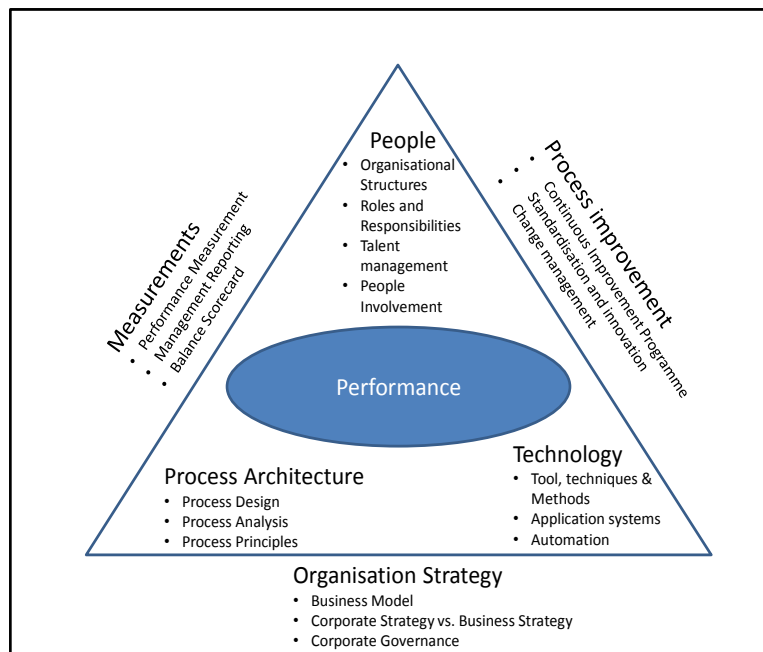
The study will focus on strategies employed by the NMBM for the successful Implementation of the Supply Chain Management Policy Framework (SCMPF). Literature was reviewed to understand SCM theory and factors impacting on and affecting policy implementation. Reviewed literature revealed that the recognition of the importance of SCM goals, mission, objectives and Supply Chain drivers could result in sound policy implementation and seamless delivery of SCM policies. Supply chain strategies are also cited as critical tools for reaping many SCM related benefits and may have an impact on waste elimination, which can lead to seamless policy implementation. Public procurement decisions focusing on the procurement of goods and services with a low impact on environment can make a good contribution towards community sustainability. Government sustainability goals are also achieved by supporting and promoting small, micro and medium enterprises and Black owned businesses. Reviewed literature revealed that government identified key elements of public procurement which need to be established in order to support and improve procurement practices and to ensure a sound procurement policy system. Supply Chain management supplier performance requires constant evaluation and monitoring. The supply chain environment is prone to risk; therefore, adequate risk management tools have to be employed. Literature further revealed that policy implementation encounters administrative, political and stakeholder issues.

Theory makes use of different terminology when referring to the “buying” function of goods and services. Cited terms are “procurement”, “acquisition”, “supply chain” “sourcing” and “purchasing”.

2.13 Proposed Conceptual or Research Framework

For an appropriate conceptual framework that reflects the environment, the following (Figure 2.5) need to form the basis

FIGURE 2.5: Proposed conceptual framework



Source: Adopted from Mkhwanazi, M. & Ncube, O. 2013.

2.14 Conclusion

Based on the above literature, it is clear that limited literature is available on the public sector. Reviewed literature helped in identifying factors that are key driving factors behind the implementation of an effective and efficient SCM policy. These factors include a strategic view on SCM, SCM role-players, leadership and management commitment, supply chain processes, ICT, supply chain performance and risk management. It is also noted that government's intervention in supply chain processes has led to a change in supply chain objectives. Public procurement objectives have now changed to the advancement of previously disadvantaged

individuals, ensuring transparency; promote accountability, and ensuring sound financial controls and sustainability.

In achieving government objectives, legislation, programmes and policies have been introduced to regulate, capacitate SCM role-players and guide public sector procurement processes. Government policies are expected to be in line with the Constitution of South Africa and are also aimed at promoting good governance.

The aim of this research is to determine the progress made by the NMBM in implementing the SCMPF. SCM role-players' commitment, however, will be examined within the broader context of the implementation of the SCMPF.

CHAPTER THREE: RESEARCH DESIGN AND METHODOLOGY

3.1 Introduction

3.1.1 Research design

Leedy and Omrod (2014) describe research design as a general strategy for problem solving. Researchers should spend time in reflecting on and examining the available options before embarking on the research design (Maree, 2011:70). Cooper and Schindler (2013) refer to the research design as a plan for selecting the sources and types of information used to answer the research question. Secondly, it is a framework for specifying the relationships between the study's variables. Thirdly, it is a blueprint that outlines each procedure, from the hypotheses to the analysis of data. It also provides answers for such questions as these: What techniques will be used to gather data? What kind of sampling will be used? How will time and cost constraints be dealt with?

According to Collis and Hussey (2013:68), a case study is an extensive examination of a single instance of a phenomenon of interest and is an example of a phenomenological methodology. It is a research study that focuses on understanding the dynamics present within a single setting. Case studies are often described as exploratory research, used in areas where there are few theories, or a deficient body of knowledge. The author submits that there are four types of case studies, namely:

- Descriptive case studies, where the objective is restricted to describing current practice.
- Illustrative case studies, where the research attempts to illustrate new and possibly innovative practices adopted by particular companies.
- Experimental case studies where research examines the difficulties in implementing new procedures and techniques in an organisation and evaluating the benefits.
- Explanatory case studies, where existing theory is used to understand and explain what is happening (Collis and Hussey, 2003).

3.1.2 Research Methodology

Maree (2011) cites three methods of research design, namely the qualitative, quantitative and mixed methods. Quantitative and qualitative methods are well established in the social and behavioural sciences, while mixed methods are growing in prominence. The researcher's philosophical orientation influences his/her decision. The author further states that each method has its own purpose. Bryman and Bell (2011) argue that while case studies are normally related with qualitative research, such identification is inappropriate. The author argues that case studies are sites for the employment of a mixed research method.

In order to properly respond to the research question, a mixed methods research approach will be used in this study to intensively analyse strategies followed by the NMBM in the implementation of the SCMPF.

3.2 Mixed Methods Research Approach

Mixed methods research is defined as a procedure for collecting, analysing and mixing both quantitative and qualitative data at some stage of the research process within a single study to understand a research problem more completely (Maree, 2011:257-263).

3.2.1 Qualitative Research Approach

The qualitative research method is used in an inquiry process of understanding where a researcher develops a complex, holistic picture, analyses words, and reports detailed views of informants and conducts the study in a natural setting. The main methods for collecting data using a qualitative method include (1) Individual interviews; (2) Focus groups; (3) Observations; (4) Action Research (Diamontopoulos and Schlegelmilch, 2000:27).

In this study, individual interviews will be conducted with senior management. Targeted participants are: the Executive Mayor of Nelson Mandela Bay, the Chief of

Staff, Chief Operating Officer, Executive Directors, Directors and Assistant Directors. Face-to-face or telephonic interviews will be arranged.

3.2.2 Quantitative research approach

Quantitative research is used to answer questions about relationships between measured variables, with the purpose of explaining, predicting and controlling phenomena. It relies on numerical data to test the relationship between two variables (Leedy and Omrod, 2014:98-100). Maree (2011) states that the group administration of questionnaires, postal surveys, telephone surveys and face-to-face surveys are methods commonly used when collecting data. Leedy and Omrod (2014) refer to a survey research as a study designed to determine the incidence, frequency and distribution of certain characteristics in a population; especially common in business, sociology and government research.

In this study, data will be collected by means of a questionnaire. Questionnaires will be distributed to targeted participants. The research questionnaire will comprise closed ended questions. The research tool will measure conceptual framework variables and demographic profile details of respondents, such as Education and Training, Employment Experience and Business Unit details. Variables will be measured by using a Likert scale with five categories, namely: (1) Strongly disagree (2) Disagree (3) Neutral (4) Agree (5) Strongly Agree.

3.3 Population and Sample

Research methodology includes the exact definition of the population studied, detailed information on the sample size, sampling procedure, response rates, the research instrument and how variables were measured (Diamontopoulos and Schlegelmilch, 2000).

3.3.1 Population

Babbie and Mouton (2006:124) define a population as “an aggregation of elements from which the sample is actually selected”. Bryman and Bell (2007:182) describe a population “as the universe of units from which the sample is to be selected”. This is in line with how Diamantopoulos and Schlegelmilch (2000) define population, namely “the totality of entities in which we have an interest i.e. the collection of individuals, objects or events about which we want to make inferences” (Diamantopoulos and Schlegelmilch, 2000:10).

The target population for this study is all SCM role-players within the NMBM. The NMBM has 278 SCM role-players. The NMBM classifies its SCM role-players as Senior Managers, Bid Committee members, NMBM employees with purchasing authority (Project Managers) and SCM practitioners.

3.3.2 Sampling

It is expected that the sample size will be sufficient to elicit responses that will make it possible to generalise the results to the population of NMBM SCM role-players. The proposed conceptual framework will be tested using two approaches, as stated below.

3.3.2.1 Qualitative

Purposive sampling will be used, as it is necessary for this study to select respondents who are supply chain role-players and responsible for the implementation of the SCMPF. Interviews will be carried out; ten senior managers will be interviewed for the purpose of this study.

3.3.2.2 Quantitative

Random sampling will be used to select relevant respondents. A survey will be carried out, testing the entire research concept and hypothesis as well as to get

insight into the NMBM strategies for the successful implementation of the SCMPF.

A functional level of SCM role-players will be surveyed. This will comprise 10 Bid Committee members, 30 SCM practitioners, 30 officials with purchasing authority, and 10 Accountants.

3.4 Validity

According to Diamantopoulos and Schlegelmilch (2000:34-35), validity of the measure is the extent to which a research instrument is free of systematic and random errors. A valid instrument needs to meet the expectations of the research. There are three types of validity, namely (1) Content Validity (2); Criterion validity; and (3) Construct validity.

In this study, the focus has been on both content and constructs validity. The instrument selected, reflects content validity, as the questions resemble the context being investigated. Furthermore, the proposed conceptual framework creates a basis for construct validity as the instruments reflects the variables in proposed conceptual framework being tested. The criterion validity concern is satisfied by the description of the population under study. In this case the population is made up of role-players of NMBM who are knowledgeable and have experience of SCM within NMBM.

3.5 Reliability

The instrument is perfectly reliable when $R = 0$. A reliable instrument is the extent to which a measure is free from random errors. Reliability can be tested by five approaches: (1) Test-retest reliability; (2) Alternative forms reliability; (3) Split-sample reliability; (4) Internal consistency reliability; and (5) Scorer reliability Diamantopoulos and Schlegelmilch, 2000:33-34).

This research analysis will be based on internal consistency reliability. Internal consistency reliability is eventually the more effective and supportive methodology to research questions and information to be analysed. Internal consistency reliability is mainly divided into different sub-types; the most important type is the "Cronbach

Alpha (α)", which will help in measuring its reliability degree (Hassan, ElBeheiry and Hussein). For this study, an acceptable Cronbach's Alpha value will be $> \text{ or } = 0.7$.

3.6 Ethical consideration

Ethical issues are necessary when research is conducted through interaction with people, especially when conflicts of interest may occur (Babbie and Mouton, 2006).

- a) The research complies with the UNISA SBL ethical clearance process (see approved ethical clearance).
- b) Informed consent will be obtained from all participants. Participants will be contacted and invited to participate in the study. Research questions or survey will be forwarded to them. Participants will voluntarily participate in the study.
- c) Right to privacy will be promoted. Participants' details will not be disclosed.
- d) To promote confidentiality and to build trust, during the interview, the study will be formally introduced to the participant and the purpose of the study and the role of the respondents will be clearly explained. A tape recorder will be used; therefore, participants need to give consent for the use of a tape recorder during the interview.
- e) The questionnaire will be completed by the participants.
- f) Findings will be reported based on data collected from respondents. In addition, there is no way that data will be fabricated to support a particular conclusion.
- g) The publication of the research report will be consistent with confidentiality clauses.

CHAPTER FOUR: QUANTITATIVE RESEARCH RESULTS

4.1 Introduction

The purpose of this chapter is to present an analysis of results on the factors that may negatively affect the implementation of the Supply Chain Management Policy Framework (SCMPF) in the Nelson Mandela Bay Municipality (NMBM). The main objectives of the study are as follows:

- Identifying the strategy used by the NMBM to guide implementation of the SCMPF.
- Identifying tools, processes and systems required to ensure a smooth and consistent implementation of the SCMPF.
- Identifying a governance structure and compliance framework to promote the ethical implementation of the SCMPF.
- Analysing the Municipality's management's commitment to capacity development within the SCM environment.

The data is based on a questionnaire and interview surveys (mixed methods approach) that targeted Supply Chain Management practitioners, Project Managers (NMBM employees with signing authority), Accountants and Accounts Payable personnel. The results of the study as presented in this chapter form the basis of the next chapter, which deals with conclusions, discussions and recommendations.

4.2 Reliability

Cronbach's Alpha (Table 4.1) was used to measure the reliability of the instrument in this research study. An overall Cronbach's Alpha of 94.7% was achieved. This is above the standard minimum threshold of 70%. As a result, it can be concluded that the measuring instrument (questionnaire) was reliable and was able to give consistent results.

TABLE 4.1: Measuring reliability of the instrument using Cronbach's Alpha

Attribute	Cronbach's Alpha (%)	Number of items
SCMPF	85.9	10
SCM Policy	69.7	5
SCM Service Delivery	49.8	5
People	82.9	5
Processes	89.5	9
Technology	76.0	7
Governance	87.0	13
Sustainability	87.4	5
Performance	90.3	9
Risk Management	88.8	8
Overall	94.7	76

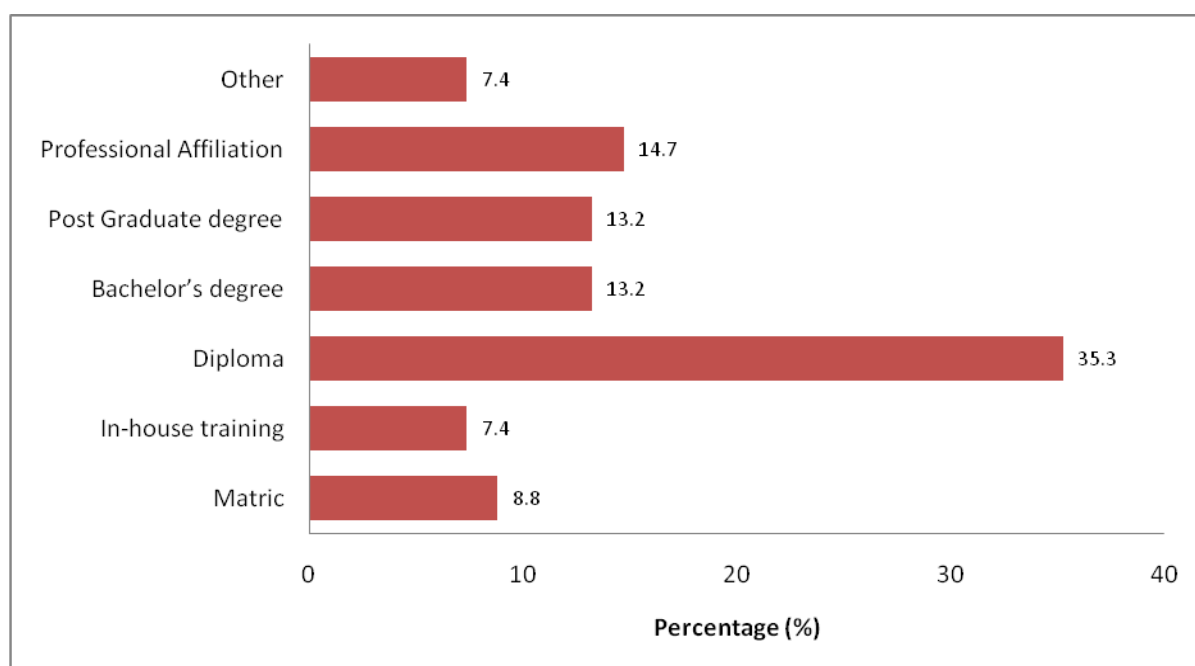
4.3 Demographics

Of the total of 80 questionnaires that were dispatched to potential respondents within the Nelson Mandela Bay Municipality (which included Supply Chain Management practitioners, Project Managers, Accountants and Accounts Payable personnel), 68 responded. This gives a response rate of 85%.

Basic statistical distributions according to academic qualification, directorate, work experience levels, experience in SCM and role in the SCM function were done. These distributions were done in order to have an understanding of the nature of respondents who took part in this exercise.

The distribution of respondents according to academic qualifications is shown in Figure 4.1 below. Of a total of 68 participants, about 35% were in possession of a diploma, while degree and post-graduate degree holders constituted about 13% respectively of the total number of respondents. Members of Professional Affiliations, those that were Trained-in-house and those with Matric only contributed about 15%, 7% and 9% respectively to the total number of respondents.

FIGURE 4.5: Distribution of respondents by academic level



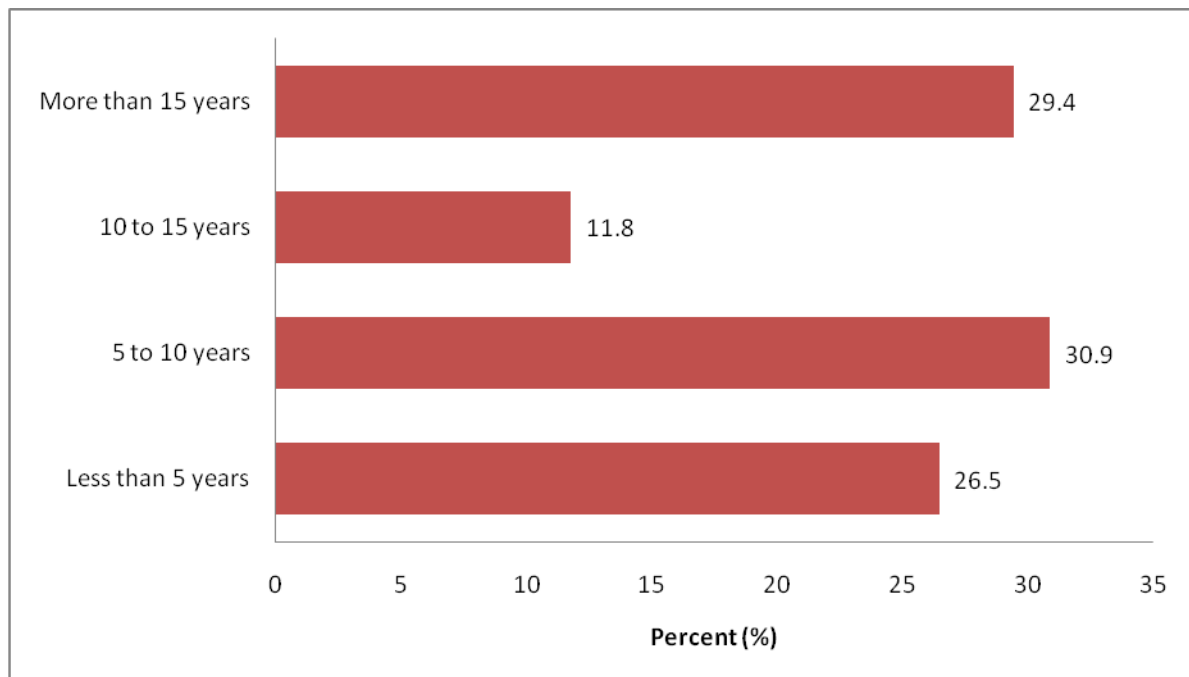
The distribution of respondents by directorate is demonstrated in Table 4.2. The majority (about 53%) of the respondents were from the Budget and Treasury Directorate while about 7% of the respondents were from the Economic Development, Tourism and Agriculture Directorate. The Electricity and Energy, Corporate Services and Human Settlement directorates contributed about 9% apiece to the total number of respondents.

TABLE 4.2: Distribution of respondents by directorate

Directorate	Frequency	Percent (%)
Budget and Treasury	36	52.9
Corporate Services	6	8.8
Economic Development, Tourism and Agriculture	5	7.4
Electricity and Energy	6	8.8
Human Settlement	6	8.8
Infrastructure & engineering	4	5.9
Office of COO	2	2.9
Public Health	2	2.9
Safety and Security	1	1.5
Total	68	100

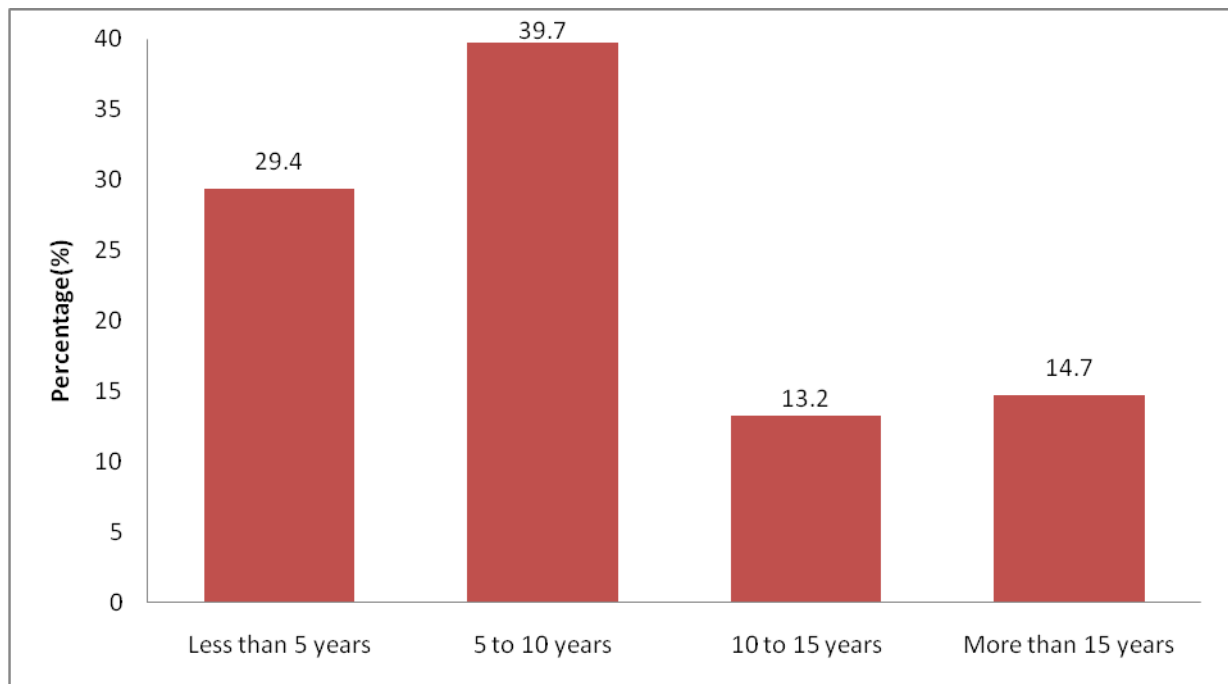
Figure 4.2 below shows the distribution of respondents by years of service in the NMBM. Of the total of 68 respondents, about 31% of the respondents declared that they had been working for the NMBM for between 5 to 10 years. About 29% of the respondents stated that they had been working for the NMBM for more than 15 years. However, nearly 27% of the respondents stated that they had been working for the NMBM for at most 5 years.

FIGURE 4.6: Distribution of respondents by service in years working for NMBM



The distribution of respondents by service in years working within the Supply Chain Management function is illustrated in Figure 4.3 below. About 40% of the respondents stated that they had been working within Supply Chain Management in the NMBM for between 5 to 10 years. Approximately 29% of the respondents declared that they had been working within Supply Chain Management in the NMBM for less than 5 years, while nearly 15% stated that they had been working within Supply Chain Management in NMBM for more than 5 years.

FIGURE 4.7: Distribution of respondents by service in years working within SCM function at NMBM



The distribution of respondents according to their SCM role in the NMBM is demonstrated in Figure 4.4 below. Of the total of 68 respondents, about 31% were project managers while about 29% were SCM practitioners. Accounts Payable personnel and accountants contributed about 21% and 13% to the total respectively.

FIGURE 4.8: Distribution of respondents according to SCM role at NMBM



The perceptions of respondents on the effectiveness of SCM systems in the Nelson Mandela Bay Municipality (NMBM) are demonstrated on a 5-point Likert scale (from 1 to 5). A score of 1 is synonymous to very poor systems in place, while a score of 5 is synonymous to very good systems in place. A mean score of 3 is synonymous to moderate, or an expression of a neutral opinion. Using this scale, a mean score of between 1 and 2.4 would imply that respondents were of the view that poor SCM systems were in place, while a score of between 2.5 and 3.4 would be an expression of neutral opinions. A score above 3.5 would imply that the respondents were happy (good) with the SCM systems in place.

The subsections below provide detailed analysis of Supply Chain Management systems within the Nelson Mandela Bay Municipality, using the above measuring system.

4.4 Perceptions of respondents on SCMPF

The perceptions of respondents on the Supply Chain Management Policy

Framework in the Nelson Mandela Bay Municipality are illustrated in Table 4.3 below. Based on the perceptions of respondents, it can be observed that the adoption of supply chain management systems, familiarity with SCM goals and mission, provision of Acquisition Management and provision of Logistics Management scored good rating. All the above mentioned Supply Chain Management Policy Framework elements recorded mean scores above the 3.5 threshold and compared favourably to a maximum possible score of 5. The remaining Supply Chain Management Policy Framework elements in Table 4.3 recorded moderate mean scores that were just satisfactory.

TABLE 4.3: Perceptions of respondents on Supply Chain Management Policy Framework at NMBM

Attribute	Mean score	Std Deviation	Comment
Adoption of SCM systems	4.0	0.961	Good
Familiarity with SCM goals and mission	3.6	1.096	Good
Clarity of SCM strategy	3.2	1.004	Moderate
Communication of SCM objectives	3.1	1.077	Moderate
Provision of Demand Management	3.1	1.392	Moderate
Provision of Acquisition Management	4.0	0.836	Good
Provision of Logistics Management	3.8	0.874	Good
Provision of Disposal Management	3.3	1.250	Moderate
Provision of SCM Performance Management	3.2	1.288	Moderate
Provision of SC Risk Management	2.9	1.331	Moderate

4.5 Perceptions of respondents on SCM Policy

The perceptions of respondents on the Supply Chain Management Policy at NMBM are demonstrated using mean scores in Table 4.4 below. The respondents were of the view that the NMBM had a supply Chain Management Policy in place that was adopted by Council. This aspect recorded a good mean score of 4.4, which

compared well with a maximum possible score of 5. The respondents also expressed delight with SCM Policy consistence with National Treasury Municipal Regulations (NTMR), reporting on deviations and compliance of the NMBM SCM Policy with Section 217 of the Constitution. All the above elements recorded mean scores of at least 3.5 and were therefore rated as good on a 5-point Likert scale's maximum possible score of 5. However, SCM Policy revision was rated moderate, with a restrained mean score of 2.9.

TABLE 4.4: Perceptions of respondents on SCM Policy at NMBM

Attribute	Mean score	Std Deviation	Comment
Existence of SCM Policy	4.4	0.741	Good
SCM Policy revised at least annually	2.9	1.161	Moderate
SCM Policy consistent with NTMR	3.8	1.016	Good
NMBM reports deviations	3.5	1.021	Good
NMBM meets requirements of Section 217	3.6	0.974	Good

4.6 Perceptions of respondents on SCM Support function to service delivery

The perceptions of respondents on the SCM Support function to service delivery are illustrated in Table 4.5 below. The respondents were of the view that the NMBM's Supply Chain Management support function was just satisfactory. All the NMBM's SCM Support elements in Table 4.5 recorded moderate mean scores of between 2.5 and 3.4, confirming average Supply Chain Management support to service delivery.

TABLE 4.5: Perceptions of respondents on SCM Support function to service delivery

Attribute	Mean score	Std Deviation	Comment
SCM role-players prioritise needs of NMBM	3.2	1.297	Moderate
Reliable SCM processes ensure quality service delivery	3.3	1.185	Moderate
Directorates' needs are budget and cash backed	3.4	1.003	Moderate
Procurement processes are approved by Bid Committees	3.4	1.184	Moderate
Goods or services specs drafted in an unbiased manner	3.2	1.061	Moderate

4.7 Perceptions of respondents on people in SCM at NMBM

Table 4.6 below demonstrates the perceptions of respondents on the people in Supply Chain Management in the NMBM. Clarity of the SCM organisational structure, clarity of SCM roles and programs to improve SCM role-players' capacity and skills were perceived to be satisfactory, with average mean scores of around 3 out of a possible maximum score of 5. However, the recruitment and retention of qualified SCM practitioners and programmes to improve job motivation and job satisfaction were poor rated by respondents, recording low mean scores of 2.4 and 2.3 respectively, compared to a possible maximum score of 5.

TABLE 4.6: Perceptions of respondents on people in SCM

Attribute	Mean score	Std Deviation	Comment
NMBM has a clear SCM organisational structure	3.1	1.299	Moderate
SCM Role-players roles and functions are clearly defined	3.0	1.218	Moderate
NMBM recruits and retains qualified SCM practitioners	2.4	1.169	Poor
NMBM has a programme of improving SCM role-players capacity and skills	2.8	1.109	Moderate
NMBM has a programme of improving job motivation and job satisfaction	2.3	1.224	Poor

4.8 Perceptions of respondents on SCM processes

Perceptions of respondents on Supply Chain Management processes at NMBM are illustrated in Table 4.7 below. Respondents perceived approval of SCM procedure manual, communication of SCM procedure manual, SCM process evaluation system, communication of process evaluation outcomes, delivery of goods and services within specific period and maintenance of accurate inventory levels to be satisfactory with average mean scores of between 2.5 and 3.4 out of a possible maximum score of 5. Delivery of goods and services within specific date was perceived to be poor with a low mean score of 2.4 compared to a maximum possible score of 5. However, respondents were of the view that SCM role-players including bid committee members are aware of the process to declare conflict of interest. This recorded a high and favourable mean score of 3.7.

TABLE 4.7: Perceptions of respondents on SCM processes

Attribute	Mean score	Std Deviation	Comment
SCM has an approved procedure manual	3.2	1.196	Moderate
Procedure manual has been communicated	2.8	1.271	Moderate
SCM role-players are aware to declare conflict of interest	3.7	1.168	Good
NMBM has SCM process evaluation system	3.3	1.212	Moderate
Process evaluation outcomes are communicated	2.7	1.086	Moderate
SCM Unit ensures goods are delivered on specific date	2.4	1.274	Poor
SCM Unit ensures goods are delivered on within specific period	2.8	1.236	Moderate
SCM Unit ensures that accurate inventory levels are maintained	2.7	1.180	Moderate
SCM processes promote efficiency and value for money	2.7	1.189	Moderate

4.9 Perceptions of respondents on Technology in SCM

Perceptions of respondents on technology in Supply Chain Management at NMBM are demonstrated in Table 4.8 below. Respondents were of the view that NMBM SCM systems are aligned to procurement processes, are user friendly and easily accessible and have an established database system for suppliers. All the above elements recorded high and favourable mean scores of at least 3.5. The remaining elements that are associated to technology in SCM were satisfactory with moderate mean scores.

TABLE 4.8: Perceptions of respondents on technology in SCM at NMBM

Attribute	Mean score	Std Deviation	Comment
NMBM SCM systems are aligned to procurement processes	3.5	0.943	Good
SCM systems positively affect productivity	3.2	1.076	Moderate
SCM Systems are user friendly and easily accessible	3.5	1.060	Good
SCM systems facilitates tendering process, in a transparent manner	3.7	0.903	Good
SCM systems facilitates and eases reporting processes	3.1	1.025	Moderate
NMBM established a supplier database system	4.4	0.529	Good
NMBM make use of rotation system for accredited providers	3.1	1.182	Moderate

4.10 Perceptions of respondents on Governance in SCM

Table 4.9 below shows perceptions of respondents on Supply Chain Management Governance at NMBM. Respondents were of the view that sub-delegation of supply chain powers and duties is limited to NMBM employees; NMBM has a system of code of conduct for SCM role-players in place, NMBM awards tenders to; Professionals and technical able bidders, competent bidders, highest preferential points scorers and lowest (Price) tender. Furthermore, respondents were of the opinion that NMBM consistently applies Public Procurement Preferential Framework Act (PPPFA) when a decision to award a tender is made. All the above elements on governance in Supply Chain Management at NMBM recorded high and favourable mean scores of at least 3.5. The remaining Supply Chain Management Governance elements (Table 4.9) at NMBM were perceived to be satisfactory with moderate mean scores of around 3 compared to a maximum possible score of 5.

TABLE 4.9: Perceptions of respondents on SCM Governance

Attribute	Mean score	Std Deviation	Comment
Delegation to SCM role-players is fully explained and monitored	3.1	1.268	Moderate
Sub-delegation of supply chain powers and duties is limited	3.5	0.938	Good
NMBM implemented system of code of conduct	3.8	1.083	Good
NMBM awards tenders to Professionals and technical able bidders	3.5	0.922	Good
NMBM awards tenders to competent bidders	3.5	0.954	Good
NMBM awards tenders to bidders with Financial resources	3.3	1.060	Moderate
NMBM awards tenders to bidders with Equipment & physical facilities	3.4	0.947	Moderate
NMBM awards tenders to bidders with Managerial capability	3.1	0.976	Moderate
NMBM awards tenders to bidders who are reliable	3.2	1.073	Moderate
NMBM awards tenders to bidders who have Experience & reputation	3.3	0.865	Moderate
NMBM awards tenders to bidders who have Human Resources	3.4	0.918	Moderate
NMBM consistently applies PPP Framework	3.9	0.741	Good
NMBM award tenders to the highest preferential points scorer	3.8	1.020	Good
NMBM award tender to the lowest (Price) tender	3.6	0.820	Good

4.11 Perceptions of respondents on Sustainability

Perceptions of respondents on Sustainability at NMBM are illustrated in Table 4.10 below. Respondents were of the view that NMBM does not have a written CSR statement of commitment and its environmental policy was not communicated to all SCM role-players. The above elements recorded poor or low mean scores of 2.4

apiece compared to a maximum possible of 5. The remainder of the sustainability elements that included pollution considerations, existence of environmental policy and goods or services environmental specifications considerations recorded moderate mean scores of between 2.5 and 3.4 as shown in Table 4.10.

TABLE 4. 10: Perceptions of respondents on sustainability at NMBM

Attribute	Mean score	Std Deviation	Comment
NMBM have a written CSR statement of commitment	2.4	1.001	Poor
NMBM has an environmental policy	3.2	1.026	Moderate
NMBM environmental policy was communicated	2.4	1.058	Poor
NMBM goods or services specification considers environmental issues	2.8	1.083	Moderate
NMBM has a system in place for pollution management	2.9	1.086	Moderate

4.12 Perceptions of respondents on Performance Management

Perceptions of respondents on Supply Chain Management performance management at NMBM are demonstrated using mean scores in Table 4.11 below. Respondents were not happy with the existence of a system in place to measure product selection and forecasting, clarity of key performance indicators to measure supplier performance and leadership priorities in filling of critical supply chain vacancies. These performance management elements recorded poor or low mean scores of 2.4, 2.4 and 2.1 respectively compared to a maximum possible score of 5. The remaining performance management elements as shown in Table 4.11 were perceived to be satisfactory with moderate mean scores of around 3 compared to a maximum possible score of 5.

TABLE 4.11: Perceptions of respondents on SCM performance management at NMBM

Attribute	Mean score	Std Deviation	Comment
Monitoring process to ensure that regular processes have been followed	3.2	1.115	Moderate
Accurate key performance indicators to evaluate SCM role-players	2.7	1.053	Moderate
System exists to measure product selection and forecasting	2.4	0.970	Poor
Strategy exists to measure logistics, inventory, warehousing management	2.8	0.960	Moderate
Clear key performance indicators exist to measure supplier performance	2.4	1.077	Poor
Management clearly communicates audit findings	3.0	1.308	Moderate
Leadership committed to implement processes, procedures to improve	2.9	1.182	Moderate
Leadership prioritises filling of critical supply chain vacancies	2.1	1.104	Poor
NMBM has a clear process of handling tender disputes	3.0	1.234	Moderate

4.13 Perceptions of respondents on Supply Chain Risk Management

Perceptions of respondents on Supply Chain Risk Management at NMBM are demonstrated in Table 4.12 below. Respondents were not happy with the way risk analysis prior to awarding tender, effectiveness of SCM risk management office and staff role clarity in the process of risk management. The above Supply Chain Risk Management elements were perceived to be unsatisfactory with poor mean scores that were less than 2.5 compared to a maximum possible score of 5. However, the remaining Supply Chain Risk Management elements such as existence of SCM risk management strategy, leadership commitment to implement SCM risk mitigation strategies, tender evaluation document to provide risk analysis findings and capacitation of staff members to perform well in their day to day activities were perceived to be satisfactory with moderate mean scores of around 3 compared to a maximum possible score of 5.

TABLE 4.12: Perceptions of respondents on Supply Chain Risk Management at NMBM

Attribute	Mean score	Std Deviation	Comment
NMBM has SCM risk management strategy	2.7	1.154	Moderate
NMBM leadership is committed to implement SCM risk mitigation strategies	2.8	1.151	Moderate
NMBM conduct risk analysis prior to awarding tender	2.4	1.143	Poor
Tender evaluation document provide risk analysis findings	2.9	1.131	Moderate
NMBM established effective SCM risk management office	2.4	1.165	Poor
SCM compliance& risk management staff are capacitated to perform	2.8	1.104	Moderate
NMBM audit findings assist in ensuring that SCM risk is reduced	3.1	1.163	Moderate
My role in the process of risk management has been clearly defined	2.4	1.139	Poor

4.14 Hypotheses Testing

This subsection of the results chapter presents hypothesis testing on the influence of Supply Chain Management Policy framework (SCMPF), supply chain management policy (SCM Policy), people, processes, technology, governance, performance and risk management on service delivery using Nelson Mandela Bay Municipality data. Multiple linear regression using F test and p values were used to check for the significance of the influence of SCMPF, SCM Policy, people, processes, technology, governance, performance and risk management on service delivery. A p value that is less than 5% (or F values of at least 4) means that the variable considered has a significant effect on service delivery. Contrary to this, a p value that is greater than 5% means that the variable under consideration does not have a significant effect on service delivery.

4.14.1 Hypothesis statement 1

H₀ Service delivery is not influenced by SCMPF

H₁ Service delivery is influenced by SCMPF

Using multiple linear regression analysis that is shown in Table 4.13 below, it can be observed that the p value of the SCMPF coefficient is 33.2%. This is more than the standard 5% threshold. H₀ is not rejected at 5% level of significance. Therefore, it can be concluded that service delivery is not influenced by SCMPF at NMBM at 5% level of significance.

4.14.2 Hypothesis statement 2

H₀ Service delivery is not influenced by Supply Chain Management Policy

H₂ Service delivery is influenced by Supply Chain Management Policy

Based on the multiple linear regression analysis that is shown in Table 4.13 below, it can be observed that the p value of the Supply Chain Management Policy coefficient is 8.9%. This is more than the standard 5% but less than 10% threshold. H₀ is rejected at 10% level of significance. Therefore, it can be concluded that service delivery is influenced by Supply Chain Management Policy at NMBM at 10% level of

significance.

4.14.3 Hypothesis statement 3

H₀ Service delivery is not influenced by people working within the municipality

H₃ Service delivery is influenced by people working within the municipality

Using multiple linear regression analysis that is shown in Table 4.13 below, it can be observed that the p value of the people coefficient is 29.5%. This is more than the standard 5% threshold. H_0 is not rejected at 5% level of significance. Therefore, it can be concluded that service delivery is not influenced by people working within the Nelson Mandela Bay Municipality at 5% level of significance.

4.14.4 Hypothesis statement 4

H₀ Service delivery is not influenced by municipality processes

H₄ Service delivery is influenced by municipality processes

Using multiple linear regression analysis that is shown in Table 4.13 below, it can be observed that the p value of the processes coefficient is 17.8%. This is more than the standard 5% threshold. H_0 is not rejected at 5% level of significance. Therefore, it can be concluded that service delivery is not influenced by Nelson Mandela Bay Municipality processes at 5% level of significance.

4.14.5 Hypothesis statement 5

H₀ Service delivery is not influenced by technology used by the municipality

H₅ Service delivery is influenced by technology used by the municipality

Using multiple linear regression analysis that is shown in Table 4.13 below, it can be observed that the p value of the technology coefficient is 88.6%. This is more than the standard 5% threshold. H_0 is not rejected at 5% level of significance. Therefore, it can be concluded that service delivery is not influenced (at 5% level of significance) by technology that is being used by municipality.

4.14.6 Hypothesis statement 6

H₀ Service delivery is not influenced by supply chain governance employed by the municipality

H₆ Service delivery is influenced by supply chain governance employed by the municipality

Based on the multiple linear regression analysis that is shown in Table 4.13 below, it can be observed that the p value of the supply chain governance coefficient is 3.7%. This is less than the standard 5% threshold. H_0 is rejected at 5% level of significance. Therefore, it can be concluded that service delivery is influenced (at 5% level of significance) by supply chain governance that is employed by Nelson Mandela Bay Municipality.

4.14.7 Hypothesis statement 7

H₀ Service delivery is not influenced by municipality supply chain performance management

H₇ Service delivery is influenced by municipality supply chain performance management

Using multiple linear regression analysis that is shown in Table 4.13 below, it can be observed that the p value of the supply chain performance management coefficient is 42.1%. This is more than the standard 5% threshold. H_0 is not rejected at 5% level of significance. Therefore, it can be concluded that service delivery is not influenced (at 5% level of significance) by municipality supply chain performance management.

4.14.8 Hypothesis statement 8

H_0 Service delivery is not influenced by municipality supply chain risk management

H_8 Service delivery is influenced by municipality supply chain risk management

Using multiple linear regression analysis that is shown in Table 4.13 below, it can be observed that the p value of the supply chain risk management coefficient is 46.2%. This is more than the standard 5% threshold. H_0 is not rejected at 5% level of significance. Therefore, it can be concluded that service delivery is not influenced (at 5% level of significance) by municipality supply chain risk management.

TABLE 4.13: Multiple linear regression analysis indicating the influence of eight factors on service delivery

Variable	Unstandardised Coefficients		Standardised Coefficient	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.906	1.211		1.574	0.121
SCMPF	-0.234	0.239	-0.146	-0.979	0.332
SCM Policy	0.032	0.227	0.018	0.142	0.089
People	0.217	0.205	0.171	1.057	0.295
Processes	0.379	0.278	0.274	1.365	0.178
Technology	-0.049	0.341	-0.025	-0.144	0.886
Governance	-0.274	0.305	-0.140	-0.897	0.037
Performance	0.289	0.356	0.204	0.811	0.421
Risk Management	0.251	0.339	0.172	0.740	0.462

4.14.9 Influence of SCMPF, SCM policy, people, processes, technology, SCM governance and risk management on performance

The influence of SCMPF, SCM policy, people, processes, technology, SCM governance and risk management on SC performance is established using multiple

linear regression analysis in Table 4.14 below. Based on Table 4.14, it can be observed that p values of people, processes and risk management coefficients are all less than 5%. This means that SC performance management at NMBM is significantly (at 5% level) influenced by people, processes and risk management. However, the p values of SCMPF, SCM policy, technology and SCM governance coefficients are greater than the standard 5% level. Hence, it can be concluded that SCMPF, SCM policy, technology and SCM governance have no significant (at 5% level) influence on performance of the municipality.

Table 4.14: Influence of SCMPF, SCM policy, people, processes, technology, SCM governance and risk management on SC performance

Variable	Unstandardised Coefficients		Standardised Coefficient	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.906	1.211		1.574	0.121
SCMPF	0.034	0.090	0.030	0.377	0.708
SCM Policy	0.016	0.086	0.013	0.188	0.851
People	0.203	0.073	0.227	2.793	0.007
Processes	0.357	0.093	0.365	3.822	0.000
Technology	-0.076	0.129	-0.055	-0.592	0.556
Governance	-0.089	0.115	-0.064	-0.775	0.442
Risk Management	0.549	0.105	0.534	5.248	0.000

4.14.10 The association between service delivery, performance and supply chain management infrastructure

The association between service delivery, performance and supply chain management infrastructure is established using Pearson correlation coefficient in Table 4.15 below. Based on the correlation analysis in Table 4.15 below, it can be observed that there are positive and moderate associations between service delivery and supply chain performance (with a correlation coefficient of +0.49), service

delivery and processes (with a correlation coefficient of +0.48), service delivery and people (with a correlation coefficient of +0.43), service delivery and technology (with a correlation coefficient of +0.37) and service delivery and risk management (with a correlation coefficient of +0.39). All the above moderate associations are significant at 1% level. Performance showed strong and positive associations with SCMPF, people, processes, technology, SCM governance and risk management with correlation coefficients that are at least 0.5 which are all significant at 1% level. However, the association between performance and supply chain management policy is positive but weak with a correlation coefficient of +0.28 which is significant at 5% level.

TABLE 4.15: Examination of associations using correlation analysis

Variable	Correlation	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]
SCMPF[1]	Correlation	1							
	Sig.								
SCM Policy[2]	Correlation	0.329	1						
	Sig.	0.006							
SCM Service Delivery [3]	Correlation	0.262	0.161	1					
	Sig.	0.032	0.194						
People[4]	Correlation	0.499	0.295	0.429	1				
	Sig.	0.000	0.017	0.000					
Processes[5]	Correlation	0.559	0.361	0.477	0.553	1			
	Sig.	0.000	0.003	0.000	0.000				
Technology[6]	Correlation	0.404	0.256	0.374	0.463	0.710	1		
	Sig.	0.001	0.041	0.002	0.000	0.000			
Governance[7]	Correlation	0.391	0.325	0.186	0.380	0.432	0.395	1	
	Sig.	0.001	0.007	0.131	0.002	0.000	0.001		
Performance[8]	Correlation	0.596	0.281	0.492	0.680	0.728	0.629	0.518	1
	Sig.	0.000	0.020	0.000	0.000	0.000	0.000	0.000	
Risk Management[9]	Correlation	0.556	0.199	0.392	0.527	0.548	0.621	0.643	0.807
	Sig.	0.000	0.103	0.001	0.000	0.000	0.000	0.000	0.000

CHAPTER FIVE: QUALITATIVE RESEARCH RESULTS

5.1 Introduction

The purpose of this chapter is to provide a qualitative analysis of the results on the factors that affect the implementation of the Supply Chain Management Policy Framework (SCMPF) in the Nelson Mandela Bay Municipality (NMBM). The data is based on an interview survey that targeted Senior and Executive Management personnel at the Nelson Mandela Bay Municipality. The results of the study from this chapter form the basis for the research conclusions, discussions and recommendations.

5.2 Demographics

Due to the fact that most senior managers and executive personnel in the Nelson Mandela Bay Municipality have tight work schedules, only 8 people were interviewed in order to establish factors affecting the implementation of the Supply Chain Management Policy Framework (SCMPF). Out of the 8 employees that were interviewed, 3 were managers, 4 were directors and 1 was the Accounting Officer (City Manager). All the 8 interviewees had different roles within the Municipality.

One of the 3 managers, Respondent 1, was responsible for operations and administrative functions in the Electricity and Energy Directorate. The second manager, Respondent 6, maintained the infrastructure of water and sanitation services, while manager 3, Respondent 8, was responsible for assessing, evaluating and monitoring Human Settlements projects.

Respondent 2 was the Accounting Officer, responsible for the financial management of the Municipality and ensuring that all financial systems were in place. He was also responsible for the successful implementation of Council policies, strategies and objectives. Respondent 3 was the Deputy Director in Safety and Security, responsible for operations of the Municipal Court and for ensuring the availability of resources for the smooth running of the courts. The third Director, Respondent 4, was a Deputy Director in Corporate Services and was responsible for projects and

the maintenance of municipal property. The fourth Director, Respondent 5, was the Executive Director of Public Health. He was responsible for managing the performance of Public Health, including Waste Management, Parks, Cemeteries, Occupation, Health and Safety, as well as Wellness and Environmental Health related issues within the Municipality. The fifth Director, Respondent 7, was the Deputy Director Budget and Financial Management and was in charge of the Operating Budget.

5.3 Understanding of Supply Chain Management Policy Framework (SCMPF)

All 8 interviewees shared the same understanding of the Supply Chain Management Policy Framework. In particular, Respondent 1, Respondent 2 and Respondents 8 were of the opinion that the Supply Chain Management Policy Framework was a structure designed to regulate supply chain management processes within an organisation. Respondent 3 and Respondent 4's understanding of the Supply Chain Management Policy Framework was more specific to procurement processes. They were of the view that the Supply Chain Management Policy Framework regulated and guided how government procurement processes should be done and was based on MFMA and SCM regulations.

Respondent 5 was of the view that the Supply Chain Management Policy Framework regulated the actions of the officials in conducting their business within the Municipality in terms of the MFMA. Respondent 7 added that the Supply Chain Management Policy Framework was born from the Constitution, Chapter 11 of the MFMA and municipal SCM Regulations.

5.4 Relationship between SCMPF

Of the 8 respondents, 6 (which included Respondent 1, Respondent 3, Respondent 4, Respondent 6, and Respondent 7 and Respondent 8) were in agreement that the SCM Policy provided guidance and regulated the procurement business operations at Nelson Mandela Bay Municipality. The above respondents also pointed out that the SCM Policy must be in line with the SCM Regulations and SCM Policy

Framework. Respondent 6 went further and suggested that the SCM Policy supported the competitive bidding process and regulated how the NMBM funds should be spent. Additionally, Respondent 4 was of the view that the SCM Policy promoted and ensured that NMBM practices were fair, transparent and equitable. It also enabled the delivery of quality services to the residents and ensured that good value for money was achieved. Respondent 8 was of the opinion that although the NMBM was striving to fully comply with the SCMPF, the current SCM system was missing some important SCM elements, like demand management, SCM performance and risk management. On the other hand, Respondent 2 and Respondent 5 very briefly and suggested that the SCM policy regulates the SCM processes of the Municipality.

5.5 Supply chain function versus service delivery

According to Respondent 1, some of supply chain's functions included the design and implementation of supply chain processes, resourcing the Municipality and ensuring that all policies governing the operations of the organisation were complied with at all times. This enabled the Supply Chain Unit to support the broad business objectives of delivering a quality service to the residents of the NMBM. However, some of the NMBM supply chain processes in operation, such as the tendering process, were not reliable. This held negative repercussions for the quality of goods and services procured, which ultimately adversely affected service delivery.

Respondent 7 and Respondent 8 were of the view that the SCM Unit had been set up in order to help the entire institution with SCM process designs and implementation, to support the realisation of the institutional service delivery goals. However, they pointed out that NMBM SCM processes were not reliable. Over and above this, Respondent 7 and Respondent 8 pointed out that the NMBM was understaffed and had perennial problems with finances. It was not easy to provide reliable and quality services to residents with all such constraints. According to Respondent 3, supplier selection was one of the key functions of the SCM Unit that had to be applied objectively in order to source goods and services from providers that had the capacity and know-how and could deliver the right quality. Respondent 3 was of the view that supplier selection at NMBM was not objective, as it favoured

providers who lacked the capacity and skills to develop desired products.

5.6 Role of Staff in implementing SCMPF

Respondent 2 and Respondent 3 suggested that the roles of people was to strengthen the proper implementation of the SCMPF. There were committees within the NMBM established to promote a sound and fair SCM environment. These committees were also responsible for supporting and promoting quality service delivery and to strengthen SCM control measures. From time to time, people were trained in order to ensure that they were adequately equipped to deal with procurement issues enhancing service delivery. Respondent 3 also added that the NMBM had a programme in place whereby employees were trained to do other jobs beside their normal day-to-day functions, which gave them exposure to areas outside their scope of work. This programme motivated employees and assisted in retaining the existing skills. It also enhances the level or quality of services rendered by the Municipality.

Contrary to the above, Respondent 4 and Respondent 6 were of the view that the NMBM had no skills development programme in place to motivate and improve job satisfaction in the workplace. Respondent 4 suggested that the skills policy that used to be in place to benefit SCM role-players was no longer in place. This used to motivate people to work and achieve their individual targets, in addition to broader municipal objectives, which include service delivery. Lots of employees were now demotivated, while some with professional expertise and specialised skills had left the NMBM, forcing the Municipality to employ less qualified employees, with a detrimental effect on service delivery. However, Respondent 6 suggested that there was BayStars Awards Programme in place which motivated staff to go the extra mile in the performance of their duties. This programme improved service delivery, as employees put the needs of the public first, knowing that their hard work would be recognised by the institution.

According to Respondent 5 and Respondent 7, it was expected that SCM practitioners and role-players would be well informed of SCM processes in order to support this function and enable the Municipality to deliver quality service to its

residents. Therefore, there was a need for capacity development through training or regular workshops and benchmarking with other municipalities. Respondent 8 was of the view that the SCM Unit in the NMBM had a good structure with each position backed by a duty list. However, the SCM structure could not be implemented due to the institutional financial challenges. Recruitment processes had been put on hold for the next three years. This simply meant that the NMBM would not be able to render good services to its communities. Again, employees employed by the SCM office were not skilled or experienced to render quality service to the public and internal customers.

5.7 Role of Process in implementing SCMPF

Respondent 1 and Respondent 6 were of the view that SCM practitioners, together with management, had developed an SCM manual which was used as a guiding tool for the performance of their functions. These guidelines ensured that quality standards were pursued to give communities value for money. However, Respondent 1 was of the view that the SCM manual had never been reviewed and was now outdated. SCM processes were not the same as they were at the time that this document was developed. This resulted in unreliable processes, which adversely affected service delivery. Respondent 1 stated that the Municipality had a process to declare conflict of interest in order to avoid corruption and the negative effect that it had on the quality of service offered to communities. However, Respondent 8 was of the view that the employees who were not serving in bid committees were still not aware of the need to declare any conflict of interest.

Respondent 3 submitted that the NMBM leadership strived to ensure that the tender process was fair, equitable and transparent. However, he suggested that problems with SCM process included that these processes were cumbersome and took too long to be completed. This affected the delivery time of goods and services. Respondent 8 suggested that some SCM officials were still not completely familiar with their duties; as a result, people were being given contradictory advice on the same issue. SCM senior officials were not sharing information with other directorates; as a result, tender processes were taking too long. In stark contrast to this view, Respondent 4 suggested that the Municipality's SCM processes promoted

efficiency and value for money. He further pointed out that timeframes of delivery of goods and services had been shortened by the new processes that were supported by the municipal SCM leadership.

According to Respondent 5, although there were systems in place for NMBM SCM role-players and SCM practitioners to perform their duties objectively, corruption was at the core of SCM processes. Leadership was not really assisting or providing any support to ensure quality service delivery. Above this, leadership put SCM practitioners and role-players under pressure to corruptly award tenders to certain companies. Respondent 7 disagreed with the above assertion, stating that the NMBM leadership provided financial resources and support to improve SCM processes and enhance service delivery. Respondent 7, however, emphasised that the NMBM has no demand management section to monitor and enforce compliance with the institution's Integrated Development Plan.

5.8 Role of Technology in implementing SCMPF

Out of 8 respondents, 3 (Respondent 1, Respondent 2 and Respondent 3) were in agreement that NMBM systems or technologies were designed to support SCM processes. In support of this view, Respondent 4 was of the understanding that technology promoted efficiency and value for money, as it shortened the delivery time of goods and services. Respondent 1 and Respondent 7 further pointed out that there was a new user-friendly system (Institutional Contracts Management System) in place, designed to track tender processes, from the specifications to the tender award stages. It also automated all SCM processes and reduced human intervention and interference.

Despite the arrival of this new system at the NMBM, Respondent 2 and Respondent 3 were of the opinion that the NMBM needed to ensure that these systems were aligned to regulations and procurement prescripts so as to ensure the smooth delivery of services. In addition, Respondent 7 suggested that the NMBM was not making use of its ICT in full or that employees were not trained to understand what was available for them to expedite service delivery. Outdated systems were also observed to be negatively affecting service delivery (Respondent 7 and Respondent

8). For instance, signing for a requisition was still done manually and it took a lot of time to do this. Respondent 7 and Respondent 8 suggested that the NMBM needed to invest in an ERP system that supported procurement processes, from ordering to the delivery of goods. An ERP system will ensure that all systems used by the Municipality were integrated and communicate in real time.

Respondent 5 was of the view that NMBM systems were facilitating tender processes to be conducted in an open, transparent and accountable manner. However, human interference was the main cause of irregular tender processes, and the system might be seen as ineffective.

5.9 Role of governance in implementing SCMPF

Respondent 2 was of the opinion that the NMBM had policies in place to ensure that governance was improved, and also to promote transparency in awarding tenders. He further suggested that the NMBM leadership, compared to the past, was committed to ensure that the SCM Unit received the required support in terms of training SCM personnel, appointment of a permanent director and employing more qualified personnel. Contrary to the above, Respondent 4 was of the view that SCM role-players were not formally delegated, hence there were many errors and irregular SCM processes. He further stressed that training to SCM role-players was virtually non-existent.

According to Respondent 5, the NMBM had quite a number of oversight structures in place to promote good governance. The Internal Audit Division was one of the oversight structures responsible for playing a lead role in creating a SCM risk-free environment and providing guidance on proper control measures. However, Respondent 5 was of the view that this office was lacking in providing meaningful guidance that added value to the effective implementation of the SCMPF and service delivery. According to Respondent 5, that Unit only reacted when matters were queried.

Respondent 5 was of the view that the NMBM had an SCM compliance office, which was responsible for monitoring and evaluating SCM processes. However, the SCM

Compliance Office performed supplier database related functions that added no value in ensuring the proper implementation of SCMPF to enhance service delivery.

Respondent 5 was also of the view that the Municipal Public Accounts Committee (MPAC) was one of the oversight structures responsible for monitoring and promoting the accountability of NMBM leadership and ensuring the effective and efficient use of NMBM resources. It was also responsible for promoting public awareness of the financial performance issues of the NMBM. This Committee, to a certain extent, had driven the NMBM leadership to a point where strategies to deal with irregular supply chain management processes had been developed. However, no monitoring was conducted to ensure that developed strategies were implemented and were effective.

Respondent 6 was of the view that the NMBM has not done much to promote good governance. For instance, the SCM Policy was last reviewed in 2013. Again, employees had not yet been afforded an opportunity to submit their inputs to assist in the formulation of a policy that would accommodate the needs of service departments. However, it was encouraging to learn that the NMBM had tender evaluation criteria that were in line with PPPFA and other legislation (Respondent 6). For example, the NMBM tenders always considered Occupational Safety and Health issues and price. However, price did not matter much, as long as the organisation received value for money.

According to three respondents out of eight (Respondent 4, Respondent 7 and Respondent 8), the NMBM had no system of delegation in place, and clear instructions were not given to NMBM SCM role-players. Respondent 7 and Respondent 6 also pointed out that the Code of Conduct of the NMBM was poorly communicated and that there was no-one to raise awareness or to educate SCM role-players. Respondent 6 furthermore added that the ethical conduct of NMBM SCM employees was purely dependent on individual values and principles. The NMBM did not seem to be committed to support and promote ethical conduct. Respondent 4 recommended that it would be better that the SCM Code of Conduct be introduced at entry level, when the Human Resources Department is conducting induction. However, Respondent 8 disagreed with the above, as he suggested that

the Code of Conduct of the NMBM was well communicated through circulation to all SCM role-players, who were required to acknowledge receipt and returned it to the SCM Compliance Office.

Respondent 8 suggested that the NMBM had no Ethics Committee or office in place responsible for ensuring and promoting ethical behaviour within the procurement processes. The NMBM had oversight structures, which included bid evaluation committees and Municipal Public Accounts Committee (MPAC). These committees played an important role in promoting good governance within the Municipality.

5.10 Role of sustainability considerations in implementing SCMPF

All 8 respondents agreed that the Nelson Mandela Bay Municipality had no CSR statement aligned to SCM processes to support sustainability. Respondent 2 was of the opinion that the Municipality was evaluating its SCM processes and that the CSR statement was one of the areas that being developed to be included in the SCMP. However, out of the total of 8 respondents, 3 respondents (Respondent 3, Respondent 4 and Respondent 5) were of the view that the Municipality had a Green Procurement Policy. However, none of these respondents were confident whether the Green Procurement Policy was being communicated to all stakeholders or not.

Respondent 4 was of the view that the Public Health Directorate within the Municipality had policies in place that dealt with environmental and health issues. These policies were taken into consideration when bid specifications were developed. He further elaborated that there was a general lack of integration of policies, as each directorate was doing its own thing and not sharing any information with other directorates. Communication was still a problem that needed to be addressed to promote unity and working together to provide quality services to the residents of the Metro.

5.11 Role of performance considerations in implementing SCMPF

Out of the 8 respondents, 7 (Respondent 1, Respondent 2, Respondent 3, Respondent 4, Respondent 5, Respondent 7 and Respondent 8) were of the view that the Municipality had developed an organisational structure, but that this structure had not been implemented and that the filling of vacancies had been frozen. This was negatively affecting service delivery, as the Municipality suffered from staff capacity inadequacies to meet expectations.

Respondent 4 suggested that municipal employees were generally overworked, demotivated and demoralised. As a result, there was a very high rate of absenteeism, emanating from the stressful environment at the workplace. This had a negative impact on service delivery, with many backlogs yet to be addressed. In support of this view, Respondent 3 stated that the NMBM was focusing on cost cutting, neglecting priorities and strategic areas that were key to service delivery.

According to 4 of the 8 respondents (Respondent 2, Respondent 5, Respondent 6 and Respondent 7), performance management was lacking in the Municipality. Service providers' performance was not measured and service level agreements were generally not signed with suppliers. Respondent 5 further stated that the performance management system in place was not accurate in measuring the performance of the SCM function. SCM key performance indicators were being measured on the basis of the number of tenders awarded to companies owned by historically disadvantaged individuals; this was not in line with the amended PPPFA. In sharp contrast, Respondent 3 was of the view that the NMBM had clear performance indicators aligned to the products and services. In addition, Respondent 5 and Respondent 8 were of the view that the NMBM was not properly monitoring and evaluating the performance of the SCM function.

Respondent 6 and Respondent 7 were of the opinion that there was miscommunication and misunderstanding between NMBM management and Internal Audit Division. This made it possible for management to communicate audit findings and identify weaknesses. Failure to communicate audit findings made it more likely

that similar mistakes would be repeated. However, Respondent 8 was of the view that audit findings were only communicated at strategic level, but not clearly communicated to the lower levels. For this reason, staff was not aware how their actions and conduct influenced the organisation.

According to Respondent 6, Respondent 7 and Respondent 8, lack of service delivery and community protests were the results of lack of leadership support to the Supply Chain Management Unit. Leadership lacked commitment to provide financial resources and human capital to support the SCM Unit. Leadership was also not committed to implement strategies to improve SCM processes in order to enhance service delivery in the City.

5.12 Risk management considerations in implementing SCMPF

According to 4 out of 8 respondents (Respondent 1, Respondent 6, Respondent 7 and Respondent 8), the NMBM has no SCM Risk Management Strategy and there was no office responsible for risk management. Leadership was showing no commitment to introducing strategies to curb and mitigate SCM risks, and adverse results were being recorded as a result of this. However, according to Respondent 4, there was a risk register in place populated and submitted to the Risk Office under the Office of the Chief Operating Officer, in which strategies and policies to minimise and reduce risk were developed. Furthermore, the NMBM used the Internal Audit Section to assist in the process of identifying risks, control weaknesses and to promote the ethical conduct of SCM role-players. According to Respondent 8, the NMBM leadership recently introduced a corporate culture demonstrating a commitment to curb and mitigate SCM risk. The strategies put in place were not really addressing the municipal challenges; instead they were costing the institution and yielding no positive outcomes.

Even though the NMBM had not yet established an SCM Risk Management Office, risk management was dealt with at a centralised point within the Internal Audit Section of the organisation (Respondent 2 and Respondent 3). Respondent 2 and Respondent 3 further stated that the NMBM had an SCM Risk Strategy, and all role-players were afforded an opportunity to participate in the process of reviewing it.

They were of the view that even though the NMBM was currently faced with the challenge of fraud and corruption linked to SCM processes, leadership was more than committed to curb and mitigate SCM risk.

According to Respondent 5, despite the risk management strategy in place, the NMBM was continuously receiving adverse findings from the Auditor-General. SCM was always having issues around irregular tender processes and lack of a proper filing system. The issue of political interference was also affecting the status of NMBM audits. Respondent 5 further stated that the NMBM risk strategy was not taken seriously. No Chief Risk Officer, who was supposed to lead the institution on risk management strategies, was yet appointed. The position had been vacant for a very long time; yet it was a very critical function. An SCM risk management office should be in existence, yet the leadership was not showing any commitment to establishing it. This inertia to establish the office was having an adverse effect on service delivery.

Respondent 7 was of the opinion that NMBM was faced with a challenge to implement the SCM elements to comply with the SCMPF. Furthermore, Demand management, Performance and Risk management elements were not yet established, although they were crucial elements for risk management that could support effective service delivery to meet the expectations of communities.

5.13 Other critical variables in implementing SCMPF

Various ideas were suggested by different respondents on what the Municipality needed to do in order to ensure the successful implementation SCMPF to improve service delivery. Details of such suggestions are provided below;

Respondent 3 suggested that the NMBM needed to establish an SCM ombudsman, who could resolve all SCM disputes and other queries, including payment related queries. He further suggested that tender processes should be redesigned and improved to support service delivery. Respondents 3 also suggested that training needed to be improved. This would help to keep up with technology and would produce innovative SCM role-players who could deliver quality service to local

communities.

Respondents 4 suggested that Bid Committees should have diverse representation and should also include people with ICT skills. He also suggested that the Municipality should appoint ad hoc committee members that should avail themselves when other Committee members were absent. Respondent 4 recommended that an institutional supplier performance management system be introduced, be established under the SCM Unit.

Respondents 5 recommended that the Municipality should carry out regular workshops to inform and educate employees on critical issues affecting the institution. SCM should strengthen its monitoring and evaluating of SCM processes so as to deal with the existing conflicts of interests that exist.

According to Respondent 6, the NMBM should include the SCM policy in the induction programme for new employees. The NMBM needed to invest in technology, so as to allow its employees to be more innovative.

Respondent 7 suggested that leadership and SCM Directors must possess the required qualifications and skills. He also suggested that should officials fail to implement the SCM Regulations or to comply, there should be consequences. Such consequences must be consistently applied. According to Respondent 7, training was one of the key issues that needed to be taken very seriously. He also suggested that the SCM staff structure must be properly capacitated.

Respondent 8 was of the opinion that the NMBM needed to consider outsourcing the appointment of SCM Practitioners. The existing appointment processes were not assisting the institution. The responded further suggested that the institution needed to revisit its corporate governance and consider implementing best practices.

CHAPTER SIX: DISCUSSION, RECOMMENDATIONS AND CONCLUSIONS

6.1 Introduction

Chapters Four and Five presented the results of the study regarding the analysis of strategies for the successful implementation of the Supply Chain Management Policy Framework (SCMPF), using the NMBM as a case study. This chapter offers conclusions on the research findings, discussions and recommendations. The proposed recommendations can be adopted to assist the NMBM in formulating strategies that will ensure the smooth and consistent implementation of the SCMPF and to develop a governance structure and compliance framework that will promote the ethical implementation of the SCMPF and to boost management's commitment to capacity development within the SCM environment.

6.2 Discussion

6.2.1 Supply Chain Management Policy Framework.

The results of this study confirm that the NMBM has SCM systems in place and that the role-players are familiar with SCM goals and objectives. The results further indicate that the NMBM has adequate Acquisition and Logistics management systems in place to support activities and business operations. These results are in line with the theory that the SCMPF is issued to provide guidance on uniformity in procurement reform initiatives in the three spheres of government in South Africa (PFMA, 1999). However, demand management, disposal management, supply chain performance management and supply chain risk management are not yet established. This is contrary to the Public Sector SCM generic elements depicted in Figure 2.3. The senior managers participating in this study commented that the SCMPF was developed to regulate public procurement and to enhance the quality of service delivery. However, the interviews conducted, revealed that the NMBM SCM system lacked important elements such as demand management, SCM performance and risk management; therefore, no monitoring and enforcement of compliance with

the institution's Integrated Development Plan (IDP) was taking place.

6.2.2 Supply Chain Management Policy

SCM regulations state that the SCM Policy of a Municipality must ensure that its procurement processes are conducted in terms of Section 217 of the Constitution, which requires that procurement processes must be conducted in a fair, equitable, transparent, competitive and cost effective manner. The SCM Regulations also require that a municipality must adopt a supply chain management policy and ensure that it is reviewed annually (SCM Regulations, 225-226). The respondents in this study revealed that the NMBM's SCM Policy adopted by Council was consistent with the NTMR; that the NMBM had reported deviations from the SCM Policy model; and that the NMBM SCM Policy met the requirements of Section 217 of the Constitution. However, the respondents also reported that the NMBM did not review its SCM Policy on an annual basis, as mandated by National Treasury SCM regulations.

Senior managers confirmed that the NMBM SCM Policy was in line with the NTMR and SCMPF; that the NMBM SCM Policy was developed to promote fairness, transparency and equitability; that it ensured value for money and had a positive impact on service delivery.

6.2.3 SCM support function to service delivery

Table 4.5 represents the results of the study conducted on the NMBM SCM Support function to service delivery. The results revealed that the SCM Support function to service delivery was merely satisfactory. According to Hugo and Badenhorst-Weis (2011), reliability is the ability to meet public expectations continuously. The results of the interviews conducted for the purpose of this study pointed to the opposite, as they revealed that NMBM tender processes were not reliable; affecting the quality of service delivery. Another SCM constraint raised by the respondents was the capacity of the SCM Unit. Respondents were of the view that the inadequate capacity of the SCM Unit resulted in unreliability in the quality of service delivery. Bias towards certain suppliers was another factor cited: the respondents alleged that the NMBM favoured suppliers who lacked experience and who had no capacity to deliver quality

service.

6.2.4 People

The study revealed that the NMBM had a fairly acceptable organisational structure in place, as well as a programme to improve SCM role-players' capacity and skills and a program to improve job motivation and job satisfaction. The study revealed that SCM role-players' roles and functions were fairly well defined. However, the NMBM performed poorly in recruiting and retaining qualified SCM practitioners.

The interviews conducted, revealed that the NMBM's job motivation and employee retention programmes enhanced the level of quality of service it rendered to the public. The Bay Stars Employee Performance Awards Programme was seen as having had a positive influence on employee performance. However, the NMBM has stopped its employee motivation programmes, partly contributing to the fact that experienced and qualified professionals had left the Municipality, forcing the institution to recruit less qualified and inexperienced employees. These findings are supported by Ambe and Badenhorst-Weis (2012), who confirm that the South African public procurement is negatively affected by lack of skills and capacity. The authors also argue that one of the key success factors in SCM implementation is a suitable organisational structure, supported by experienced and qualified employees.

6.2.5 Processes

Based on the perceptions of respondents of SCM processes, it was observed that NMBM SCM role-players and Bid Committee members were aware of the requirement that any conflict of interest be declared. It was also observed that the NMBM had an approved procedures manual in place and that the process of communicating the requirements of the SCM procedures manual and SCM process evaluation outcomes was fairly acceptable. The Unit's performance in inventory management was also fairly acceptable. However, the SCM Unit ensured that goods were delivered within the specified period, and not on specific dates. The senior managers interviewed, emphasised that the lack of annual reviews of the SCM procedures manual contributed to ineffective and unreliable SCM processes. It was confirmed that SCM Bid Committee members were familiar with the process of

declaring conflicts of interest. However, the SCM role-players who did not serve in any Bid Committee were not familiar with the process of declaring conflicts of interest. Furthermore, SCM processes were too cumbersome and too long to complete; as a result, the quality of service delivery was being negatively affected. It was also contended that SCM practitioners were not familiar with their duties and that SCM processes were therefore unreliable. In addition, contradictory advice was being given to internal and external customers. The interviews conducted, further revealed that leadership provided financial resources and support to improve service delivery. However, it was also alleged that leadership was putting SCM role-players under pressure to corruptly award tenders to certain companies.

6.2.6 Technology

Perceptions of respondents on technology revealed that NMBM systems were aligned to SCM processes, were user friendly and easily accessible, and were facilitating tendering processes in a transparent manner. However the systems' positive effect on productivity, the facilitation of reports and the rotation of accredited providers was merely satisfactory. The interviews conducted, also revealed that the NMBM had ICMAS in place, designed to support contract management processes, automate SCM contracts related processes, and reduce human intervention. Despite this NMBM initiative, respondents were of the opinion that the NMBM needed to ensure that SCM systems were aligned to regulations and procurement prescripts so as to ensure smooth service delivery. Respondents were also of the view that the existing NMBM SCM systems were outdated and negatively impacted on the level of service delivery. It was further stated that human interference in the SCM system was the main cause of irregular tender processes, rendering systems ineffective. This finding is supported by Hugo and Badenhorst-Weis (2011), who state that system performance is threatened by system failures, breaches of security, implementation challenges and failure, deficient system capacity, and poor data integrity.

6.2.7 Governance

Based on the perceptions of respondents regarding SCM governance, it was

observed that SCM duties were delegated to NMBM employees and that their duties were delegated in writing and fully explained to them. It was further revealed that the NMBM had implemented a Code of Conduct; the PPPFA was consistently applied in decision making; and tenders were awarded to the lowest bidder and to the highest point scorer. Respondents' perceptions of technical evaluation factors revealed that the NMBM placed emphasis on professional and technical qualifications and competencies factors. Results regarding financial resources, equipment and other physical facilities, managerial capability, reliability, experience, reputation and human resources evaluation factors were merely satisfactory. The interview results confirmed that the Code of Conduct of the Municipality was not being properly communicated and that the SCM Unit needed to educate and raise awareness on all SCM related matters so as to capacitate role-players. Lack of annual reviews of the SCM Policy was cited as another factor that contributed to poor service delivery, as the existing Policy was said not to talk to the needs of other directorates and the public. It was also contended that there was lack of commitment to the promotion of ethical conduct within the NMBM, probably exacerbated by the absence of an Ethics Committee.

The respondents stated that the NMBM had policies in place to ensure that governance was improved and to promote transparency in awarding tenders. The existing NMBM leadership was committed to the improvement of the capacity of the SCM Unit. However, functions were not formally delegated; hence the large number of irregularities and the fact that the NMBM obtained a qualified audit opinion in three consecutive years. This is contrary to MFMA Section 106 (2), which states that the delegation of powers and duties to municipal officials by the accounting officer must take place in writing and must be subject to limitations (MFMA, 2003). The interviewees suggested that the NMBM's Internal Audit and SCM compliance offices were not providing meaningful guidance that would add value to the implementation of the SCMPF and promote service delivery. While the Municipal Public Accounts Committee (MPAC) was identified as one of the committees responsible for monitoring, promoting accountability and ensuring the effective and efficient use of NMBM resources, the implementation of developed strategies was not monitored.

6.2.8 Sustainability

In terms of the Chartered Institute of Procurement & Supply (CIPS) (2012), a public sector procurement policy must introduce sustainability considerations into the product specification. According to the respondents participating in this study, the NMBM performed unsatisfactory regarding this element, as it performed poorly regarding the CSR statement of commitment and the communication of the environmental policy. It was also observed that the NMBM's performance regarding the adoption of an environmental policy, the consideration of environmental issues, pollution prevention and the management of hazardous substances was just satisfactory. The outcome of the interviews disclosed that the NMBM had no sustainability strategy in place. The green procurement policy was never communicated and could not be implemented as its implementation was subject to the review of the SCM Policy. This is contrary to the theory, which states that the society is putting emphasis on corporate sustainability practices in the form of governmental regulations. Organisations should make sustainability a key goal. Therefore, a sustainability strategy is required for the success of the organisation. Assessing the environmental impact of a product or service throughout its useful life is vital (Stevenson, 2012:142).

6.2.9 SCM Performance Management

The performance of the NMBM regarding SCM performance management was unsatisfactory. The study revealed that monitoring processes, SCM KPIs to evaluate the performance of SCM role-players, the strategy to measure logistics, inventory and warehousing management, clear communication of audit findings, control deficiencies and root causes by management, and leadership commitment to implement processes and procedures to improve the SCM Unit were fairly acceptable. However, NMBM systems to measure product selection and forecasting, clear key performance indicators to measure supplier performance, and the prioritisation of critical supply chain vacancies by leadership were poor.

The performance of the NMBM was contrary to the CIPS (2012:96-97) theory, which argues that SCM performance management is important, as it provides

measurement to assess the performance of an SCM unit. Key Performance Indicators (KPIs) are clear qualitative and quantitative statements that define adequate or desired performance in key areas. Performance management is the tool that assesses and promotes the achievement of set quality standards.

The NMBM's SCM organisational structure has a negative impact on the performance levels of its SCM Unit. The respondents argued that SCM role-players were overworked and demoralised, also evident in the high rates of absenteeism that prevailed. Leadership decisions negatively contributed to the above-mentioned situation, as cost-cutting strategies were resulting in the neglect of service delivery priorities and strategies. Lack of leadership support, including in the provision of human resources and financial resources, had a detrimental effect on service delivery and the performance of SCM role-players. The respondents further stated that the NMBM had no performance management system in place to measure the implementation of the SCMPF, except for the measurement of tenders awarded to historically disadvantaged individuals. It was also cited that there was no monitoring and evaluation of performance of the SCM function. The research results show that the NMBM's performance is not in line with the Policy Strategy to Guide Uniformity in Procurement Reform Processes in Government (2003:23), which states that SCM performance management must be implemented in order to monitor SCM processes and to undertake a retrospective analysis to evaluate whether the proper processes are being followed and whether the set goals are obtained.

6.2.10 SCM Risk Management

According to Ambe and Badenhorst-Weis (2012), South African government spheres need to implement risk management strategies in order to mitigate the risks associated with public procurement and to detect control deficiencies. Respondents' views revealed that the NMBM's performance regarding the SCM risk management element was not impressive. Performance was poor regarding the manner in which SCM risk analysis prior to the awarding of a tender was conducted, the establishment of an effective SCM risk management office and the definition of its role in the process of risk management. Performance was unconvincing regarding the existence of risk mitigation strategies, including an SCM risk management

strategy; leadership commitment to implement SCM risk mitigation strategies; risk analysis findings documented on tender evaluation report; the capacity of SCM compliance and risk management personnel; and risk reduction using SCM audit findings.

The interviews held with respondents also highlighted that the NMBM had no SCM risk management strategy in place and that leadership was showing no commitment in developing and implementing risk management strategies. There were contradictory views regarding leadership commitment, as it was also argued that the existing leadership (when compared to the previous leadership) had introduced a corporate culture demonstrating its commitment to curb SCM risk. The Internal Audit Sub directorate was the only office responsible for the assessment of institutional control and risk environment. Despite the involvement of the Internal Audit Sub directorate and leadership, the NMBM was still challenged with the qualified audit status, emanating from lack of resources, control deficiencies, fraudulent, unethical behavior and failure by the leadership to prioritise critical vacancies. The respondents also viewed non-compliance with the SCMPF as another risk factor. They also contended that the establishment of the Demand Management, Performance Management and Risk management elements was critical, as these elements were crucial to support effective service delivery. The NMBM's performance in this regard was contrary to the National Treasury (2010)'s Risk Management Framework, which states that leadership must set the right tone to control risk, fraud and corruption. It also requires that leadership must implement risk mitigation strategies throughout the organisation.

Using the regression analysis, the study established that service delivery was not influenced by the SCMPF, the people involved in the SCMPF implementation, the technology used by the NMBM, SCM performance management and risk management. This was in disagreement with the theory that states that the SCM must be used as a strategic tool to address socio-economic objectives and the South African government is faced with endless challenges in public procurement. The Auditor-General observed weaknesses in SCM, control over information technology, human resources management, capital assets and performance reporting, which all had dire effects on the SCM strategies developed to enable municipalities to deliver

quality service to the public (Ambe and Badenhorst-Weis, 2016:438-444). The study also discovered that the Supply Chain Management Policy of the NMBM and SCM governance employed by the NMBM significantly affected service delivery. This is supported by the theory that states that the main objective of SCM is to enhance value at each step of the procurement process. Hence National Treasury mandated municipalities to adopt an SCM policy in order to ensure uniformity in SCM processes (Ambe and Badenhorst-Weis, 2012). National Treasury Policy Strategy to Guide Uniformity in Procurement Reform Processes in Government (2003) states that a world-class professional Supply Chain Management system must be developed in order to achieve good governance and SCM objectives.

6.3 Recommendations

Based on the above findings, it is recommended that NMBM should do the following:

- Embark on a benchmarking exercise in order to measure its self against the best performing municipalities and strive to implement an integrated SCM system, as outlined in the SCMPF.
- Establish a Demand Management Section, to be responsible for procurement planning and controlling and ensuring that goods and services are sourced and delivered at the right time, right location and at a cost effective price. Demand management element will ensure that all intended procurement are contained in the approved procurement plan, which will contain all items to be procured for the period, linked to timeframes. The procurement plan will be used as a monitoring tool for performance against the targets set out in the plan.
- Develop a SCM implementation plan, which will ensure that the SCM strategy is aligned to the institutional IDP and strategic objectives. The plan should identify policy implementation barriers and resource requirements and constraints, and provide for remedial action. The SCM implementation plan should be supported by a procedures manual.

- Design an SCM structure aligned to SCM elements. Financial resources should be made available to support the implementation of the SCM structure. The structure should be supported with suitably qualified SCM practitioners. Leadership should support SCM staffing and skills development programmes. The NMBM should make use of independent and professional recruitment agencies in order to ensure that qualified and experienced SCM practitioners are recruited.
- Conduct regular skills and capacity audits in order to develop a plan to enhance SCM employees' skills and capacity. Work skills plans should be developed, based on the skills audit outcomes. Leadership should be committed in supporting employee motivation programmes and form a task team to monitor and review employee motivation and development programmes.
- Develop and implement systems of delegation in which the duties of senior managers, leadership and SCM role-players are clearly defined and delegated in writing. Systems of delegations should form the basis of SCM role-players' performance management.
- Develop and implement a SCM communications strategy reflecting clear SCM objectives, and encourage the participation of all stakeholders. SCM annual reviews should form part of the communications strategy. The SCM communications strategy should also serve as an education and awareness programme to keep all SCM role-players and other stakeholders abreast of SCM issues. The NMBM should develop an intranet to post and upload all SCM circulars and communiqués.
- Update its systems and ensure that the systems in use support the SCM strategy. An Enterprise Resource Planning (ERP) system can be implemented to integrate and streamline SCM processes. An ERP System may be used to support inventory management, track SCM processes and enable reporting.
- Implement and properly communicate a code of conduct, which will be acknowledged by all NMBM employees and Councillors. A platform to report

breaches of code of conduct and corrupt practices should be created within the SCM environment. In addition to the existing NMBM committees, leadership should establish an Ethics Committee and a Risk Committee to strengthen good governance within the institution.

- Ensure that the SCM Policy includes a statement of CSR commitment. The NMBM must adopt and implement an environmental policy. Tender technical specifications should include environmental and sustainability requirements as technical factors. Sustainability considerations should be considered at tender specification level.
- Establish a Supply Chain Performance Management Office, to be responsible for evaluation and monitoring SCM implementation. The performance management function of SCM role-players should be delegated to this office.
- Establish a Supply Chain Risk Management Office, to be responsible for developing and implementing a sustainable risk management strategy. The NMBM SCM risk management strategy should be communicated to all stakeholders and should also take their inputs into consideration. Leadership should ensure that the SCM risk management strategy forms part of the institutional strategic plan.

6.4 Limitations

The study encountered no challenges or lack of cooperation. Of the 80 questionnaires distributed and the ten interview requests, 68 completed questionnaires were returned and eight participants responded positively. This is not viewed as a limitation, as respondents' participation was on a voluntary basis.

6.5 Scope for future research

The study discovered that the strategies employed by the NMBM in the implementation of SCMPF had impacted on the level of service delivery. Due to time constraints, the research scope was limited to the NMBM and internal SCM role-players. The research findings necessitate future research in which the research

scope will be expanded and the research will be extended to understand the impact of SCMPF on external SCM role-players, such as service providers and communities.

6.6 Conclusion

The purpose of the study was to analyse the strategy followed by the NMBM in the implementation of the SMPF, and to evaluate its impact of the implementation of service delivery.

The study highlighted several issues affecting the quality of service delivery. Lack of communication, governance, lack of reliability and skills and capacity issues were seen as major problems affecting service delivery. The respondents suggested the following possible remedial actions to improve service delivery. a) Training intervention to develop employee capacity and technical skills; b) Establishment of diverse bid committees (ICT personnel should be involved); c) The NMBM should implement the institutional performance management system; d) The NMBM should conduct regular workshops to educate municipal employees on critical issues affecting the Municipality; e) The SCM Policy must be included in the Human Resources Management's formal Employee Induction Programme; f) Leadership and SCM directors must meet at least minimum competency requirements; g) There must be consequences for not complying with SCM regulations; h) The SCM structure must be properly capacitated; i) Appointment of SCM practitioners should be outsourced to improve the current recruitment processes; j) the NMBM should revisit its governance structure and implement the best practice supply chain management system.

It was observed that the SCM strategies employed by the NMBM had a negative impact on service delivery and SCM objectives. This study provided recommendations that can be adopted to assist in improving the performance of the NMBM in serving the public with the best possible level of service.

REFERENCES

- Abdulla R, Lall MK & Tatsuo K. 2008. 'Supplier Development Framework in the Malaysian Automotive Industry: Proton's Experience', *International Journal of Economics and Management*, Vol. 2(1):29-58.
- Ambe, I.M & Badenhorst-Weiss, J.A. 2012. Procurement Challenges in South African Public Sector *Journal of Transport and Supply Chain Management*, Vol. 1:242-261.
- Ambe, I.M. & Badenhorst-Weiss, J.A. 2011a. An exploration of public sector supply chains with specific reference to the South African situation. *Journal of Public Administration*, 46(3):1100–1115.
- Ambe, I.M. & Badenhorst-Weiss, J.A. 2016. A review of procurement practices in the South African Public Sector. [Online] Available From: < http://ippa.org/jopp/download/vol12/Book/Chapter%2016_Ambe_Weiss.pdf > [Accessed on 01 July 2015]
- Ambe, I.M. & Badenhorst-Weiss, J.A. 2011b. 'Managing and Controlling Public Sector Supply Chains', *Supply Chain Management*, Dr pengzhong Li (Ed.), ISBN: 978-953-307-184-8, InTech, [Online] Available from: < <http://www.intechopen.com/books/supply-chain-management/managing-and-controlling-publicsector-supply-chains> > [Accessed 01 July 2015]
- Ambe, I.M. 2014. 'Differentiating supply chain strategies: the case of light vehicle manufacturers in South Africa', *Problems and Perspectives in Management*, 12 (4): 415-426.
- Ambe, IM & Badenhorst-Weiss JA. 2012. 'Procurement challenges in the South African Public Sector', *Journal of Transport and Supply Chain Management*, 1: 243-261.
- Arnold, U., Neubauer, J. & Schoenherr, T. 2012. 'Explicating factors for companies' inclination towards corruption in Operations and supply chain management: An exploratory study in Germany', *International Journal of Production Economics*, 138(1): 136–147.
- Babbie, E. and Mouton, J. 2006. *The Practice of Social Research*. 1st Edition. Cape Town: Oxford University Press
- Baroto, M.B., Arvand, N. & Ahmad, F. 2014. 'Effective Strategy Implementation',

- Journal of Advanced Management Science, 2(1): 50-54.
- Boon, T. & Ganeshan, R. 2007. 'The frontiers of eBusiness technology and supply chains' Journal of operations management, 25: 1195-1198.
- Brown, C.V., DeHayes, D. W., Hoffer, J. A., Martin, E. & Perkins, W. C. 2012. Managing Information technology. 7th Edition. England: Pearson
- Bryman, A. & Bell, E. 2011. Business Research Methods. 3rd Edition. New York: Oxford University Press
- Buchholtz, A. K. & Carroll, A. B. 2012. Business and Society Ethics: and Stakeholder Management. 8th Edition. Canada: South-Western Cengage Learning.
- Cetinkaya, B., Cuthbertson, R., Ewer, G., Klaas-Wissin, T., Piotrowicz, W. and Tyssen, C. 2011. Sustainable Supply Chain Management: Practical Ideas for Moving Towards Best Practice. 1st Edition. New York: Springer
- Chandra, C. & Grabis, J. 2007. Supply Chain Configuration: Concepts, Solutions and Applications. 1st Edition. New York: Springer Science and Business Media
- Chandrasekaran, N. 2012. Supply Chain Management: Process, System and Practice. 2nd Edition India: Oxford University Press
- Chartered Institute of Procurement & Supply. 2012. Business needs in procurement and supply. 1st Edition New Zealand: Profex Publishing Limited
- Circular no 1: 2004. National Treasury: Municipal Finance Management Act 56 of 2003. [Online] Available From:
< <http://mfma.treasury.gov.za/Circulars/Pages/default.aspx> > [Accessed 09 January 2015]
- Collis, J. & Hussey, R. 2013. Business Research: A practical Guide for Undergraduate and Post Graduate Students. 4th Edition London: Palgrave Macmillan Press
- Cooper, D.R. & Schindler, P.S. 2013. Business Research Methods. 12th Edition. New York: McGraw-Hill Irwin
- Daud, W.H.W., Yazid, A.S. & Hussin, H.M.R. 2010. 'The Effect Of Chief Risk Officer On Enterprise Risk Management Practices: Evidence From Malaysia', International Business & Economics Research Journal, 9(11): 55-64
- Defee, C.C. & Stank, T.P. 2005. 'Applying the strategy-structure-performance paradigm to the supply chain environment', The international Journal of Logistics Management, 16 (1): 28-50
- Diamantopoulos, A. and Schlegelmilch, B.B 2000. Taking the fear out of Data

- Analysis. Canada: Cengage Learning EMEA
- European Union. 2011. Green Public Procurement. [Online] Available From: <
<http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52008DC0400>>
 [Accessed 18 January 2015]
- Fawcett, S.E., Ellram, L.M. & Ogden, J.A. 2014. Supply Chain Management: From Vision to Implementation. 1st Edition. New Jersey: Pearson Prentice Hall
- Ganescu, M.C., Asandei, M. Gangone, A. & Chirila, C. 2013 'Performance Determinants for Responsible Supply Chain Management in the European Emerging Countries' Supply Chain Management, XV(33): 154-169
- Guiffrida, A.L. & Nagi, R. 2005. 'Cost Characterizations of Supply Chain Delivery Performance', Department of Industrial Engineering [Online] Available From: <
<http://www.eng.buffalo.edu/~nagi/papers/IJPE-AG.pdf> > [Accessed 13 January 2015]
- Hassan, M., ElBeheiry, M.M., Hussein, K.N. 2013. 'Drivers and Barriers facing adoption of Green Supply Chain Management in Egyptian Food and Beverage Industry', International Transport and Logistics [Online] Available from: <
<http://gccbs2013.aast.edu/newgcc/images/pdf/driversandbarriersfacingadoptionofgreensupplychainmanagementinegyptianfoodandbeverageindustry.pdf>> [Accessed 27 March 2015]
- Hassan, M., ElBeheiry, M.M., Hussein, K.N. 2013. 'Drivers and Barriers facing adoption of Green Supply Chain Management in Egyptian Food and Beverage Industry'. International Transport and Logistics [Online] Available from:
- Hendriks, A., Jansen, M.W.J., Gubbels, J.S., De Vries, N.K, Paulussen, P. & Kremers, S.P.J. 2013. 'Proposing a conceptual Framework for Integrated Local Public Health Policy, Applied to Childhood Obesity: The Behavior Change Ball', Implementation Science, 8(46): 1-17.
- Horcher, A. 2005. Essentials of Financial Risk Management. 1st Edition. Canada: Wiley & Sons Inc.
<http://www.treasury.gov.za/divisions/ocpo/sc/Guidelines/SCM%20Jan900-Guidelines.pdf> > [Accessed 10 January 2015]
- Hugo, W.M.J. & Badenhorst-Weis, J.A. 2011. Purchasing and Supply Chain Management. 6th Edition. Pretoria: Van Schaik
- Hugo, W.M.J. & Badenhorst-Weis, J.A. 2013. Purchasing and Supply Chain Management. 6th Edition. Pretoria: Van Schaik

- Hugos, M. H. 2011. Essentials of Supply Chain Management. 3rd Edition. New York Wiley & Sons Inc.
- Irani, F.N.H.A. & Noruzi, M.R. 2011. 'Looking on Policy and Social Policy in the Context of Public Administration and Management', Journal of Public Administration and Governance, 1(1): 106-114
- Johnson, M. & Templar, S. 2007. The influence of Supply Chains on a company's financial performance PA Consulting group [Online] Available from: <https://dspace.lib.cranfield.ac.uk/bitstream/1826/4375/1/The_influence_of_supply_chains_on_a_companys_financial_performance.pdf> [Accessed 10 January 2015]
- Kaplan, R.S. & Norton, D.P. 2005. 'The Office of Strategy Management', Strategic Finance, no. 4(8): 59–60.
- Kleindorfer, P.R., Singhal, K. & Van Wassenhove, L. N. 2005 'Sustainable Operations Management', Production and Operations Management, 14(4): 482-492.
- Kraiselburd, S & Yadav, P. 2012. 'Supply Chains and Global Health: An imperative for Bringing Operations Management Scholarship into Action', Production and Operations Management, 0(0):1-5
- Kushwaha, G.S. 2011. 'Competitive Advantage Through Information and Communication Technology (ICT) Enabled Supply Chain Management Practices', International Journal of Enterprise Computing and Business Systems, 1(2): 1-13.
- Leedy, P.L. and Omrod, J.E. 2014. Practical Research Planning and Design 10th Edition. Harlow: Pearson Education Limited
- Mandal, S. 2012. 'Conceptualizing a Model for Demand –Side Risk in Supply Chain', International Journal of Disaster Recovery and Business Continuity 3: 1-12
- Manuji, I & Mentzer, J.T. 2008 'Global Supply Chain Risk Management Strategies', international Journal of Physical Distribution & Logistic Management. Vol 38 (3) 192-223
- Maree, K., Creswell, J.W., Ebersohn, L., Elloff, I., Ferreira, R., Ivakonova, N., Jansen, J.D., Nieuwenhuis, J., Pietersen, J., Plano Clark, V.L. and Van der Westhuizen, C. 2011. First steps in Research. 7th Edition. Pretoria: Van Schaik

- Mazzola, P. & Kellermanns, F.W. 2010. Handbook of Research on Strategy Process. 1st Edition. United Kingdom: Edward Elgar Publishing Limited
- Migiro, S.O. & Ambe, I.M. 2008. 'Evaluation of the implementation of public sector supply chain management and challenges: A case study of the central district municipality, Northwest province, South Africa' African Journal of Business Management, 2(12): 230-242.
- Mkhwanazi, M & Ncube, O. 2013. A conceptual framework for business process transformation in the transport and logistics industry: A case study in South Africa. University of South Africa. Unpublished Thesis
- Monczka, R., Handfield, R., Giunipero, L. & Patterson, J. 2016. Purchasing and Supply Chain Management. 6th Edition. Cengage Learning
- Mose, J.T., Njihia, J.M & Magutu, P.O. 2013. 'The Critical Success Factors and Challenges in E-Procurement Adoption Among Large Scale Manufacturing Firms In Nairobi, Kenya', European Scientific Journal. 9 (13) 375-401.
- Mthethwa, R.M. 2012. 'Critical dimensions for policy implementation', African Journal of Public Affairs, 5(2): 37-47.
- Myerson, P. 2012. Lean Supply Chain and Logistics Management. 1st Edition. Harlow: Pearson Education Limited.
- Naidoo, R. 2009. Corporate Governance. 2nd Edition: South Africa: Lexis Nexis Cape Town.
- Naslund, D. & Williamson, S. 2010. 'What is Management in Supply Chain Management? – A critical Review of Definitions, Frameworks and Terminology' Journal of Management Policy and Practice. Vol. 11(4) 11-28.
- Naude, M.J, Ambe I.M. & Kling, R. 2013. 'Supplier Relationship Management – Anethema for the South African Public Procurement Sector' Journal of Transport and Supply Chain Management. 7(1):1-8.
- Okello, J.O. & Were, S. 2014. 'Influence of Supply Chain Management Practices on Performance of The Nairobi Security Exchange's Listed, Food Manufacturing Companies in Nairobi' International Journal of Social Sciences and Entrepreneurship. Vol. 1(11) 107-128.
- Otchere, A.F., Annan, J. & Quansah, E. 2013. 'Assessing the Challenges and Implementation of Supply Chain Integration in the Cocoa Industry: a factor of

- Cocoa Farmers in Ashanti Region of Ghana', *International journal of Business and Social Science*, 4(5): 112-123.
- Patel, L & Graham, L. 2010. How broad-based is broad-based black economic empowerment? *Development South Africa*, 29(2): 193-207.
- Quinot, G & Arrowsmith, S. 2013. *Public Procurement Regulations in Africa*. 1st Edition: New York: Cambridge University Press
- Rao, P. (2004) 'Greening production: a South-East Asian experience', *International Journal of Operations & Production Management*, 24(3): 289-320.
- Republic of South Africa. 1996. *The Constitution of the Republic of South Africa*, Act 108 of 1996, Pretoria: Government Printers.
- Republic of South Africa. 2003. *Municipal Finance Management Act*, (Act 56 of 2003). Pretoria: Government Printers
- Republic of South Africa. 2004. *Local Government: Municipal Finance Management Act*. Government Gazette. 26510. Pretoria: Government Printers
- Republic of South Africa. 2005. *National Treasury Supply Chain Regulations*. Government Gazette. 27636. Pretoria: Government Printers.
- Republic of South Africa. 2005. *Preferential Procurement Policy Framework Act*, No 5 of 2000. 22549. Pretoria: Government Printers.
- Republic of South Africa. 2010. *National Treasury. Public Service Risk Management Framework*. Pretoria: Government Printers.
- Republic of South Africa. 1999. *National Treasury. Public Finance Management Act*. Pretoria: Government Printers.
- Rhodes, E.D., Warren, J.P. & Carter, R. 2006. *Supply Chain and Total Product Systems: A Reader*, 1st Edition. United Kingdom: Wiley
- Rudzki, R.A. & Trent, R.J. 2011. *Next level Supply Chain Management Excellence: Your Straight to the bottom Line Road Map*, 1st Edition. Florida: J Ross Publishing.
- South Africa. National Treasury. 2004. 'Modernising Financial Governance: Implementing the Municipal Finance Management Act, 2003' [Online] Available From: <http://mfma.treasury.gov.za/MFMA/Guidelines/IntroductoryguideRevised.pdf> > [Accessed 13 January 2015]
- South Africa. National Treasury. 2003. 'Policy Strategy to Guide Uniformity in Procurement Reform Processes in Government' [Online] Available From:

- <http://www.treasury.gov.za/legislation/pfma/supplychain/Policy> to Guide Uniformity in Procurement Reform Processes in Government. pdf' [Accessed 30 November 2015]
- South Africa. National Treasury. Public Sector Supply Chain Management Review (2015). [Online] Available From: <<http://www.treasury.gov.za/publications/other/SCMR%20Report%202015pdf>> [Accessed 10 January 2015]
- South Africa. National Treasury. 2004. 'Supply Chain Management: Guide for Accounting Officers' [Online] Available From: <<http://www.treasury.gov.za/divisions/ocpo/sc/Guidelines/SCM%20Jan900-Guidelines.pdf>> [Accessed 10 January 2015]
- Simon, M.K. 2011. 'Assumption, Limitations and Delimitations' [Online] Available From: < <http://dissertationrecipes.com/wp-content/uploads/2011/04/Assumptionslimitationsdelimitations.pdf> > [Accessed 19 January 2015]
- Stevenson, W. 2012. Operations management: Theory and Practice. 11th Edition: New York: McGraw-Hill Irwin
- Thompson, A.A., Peteraf, M.A., Gamble, J. E. & Strickland III, A. J. 2012. Crafting and Executing Strategy Concepts and Cases. 18th Edition. New York: McGraw- Hill Irwin.
- Venus, K. 2014. 'Supply Chain Management—Part of Strategic Management' Journal of Business and Economics, Vol. 5 (7):1052-1067.
- Wagner MS, & Bode C., 2008. 'An empirical examination of Supply Chain Performance along several dimension of risk', Journal of Business Logistics, Vol. 29 (1) 307-325.
- Wallace, W. & McClure, N. 2003. Strategic Risk Management. 1st Edition. Great Britain
- Weaver, R.K. 2010. 'But Will It Work?: Implementation Analysis to Improve Government Performance', Government Studies, 32: 1-17
- Zagotta, R. & Robinson, D. (2002) "KEYS TO SUCCESSFUL STRATEGY EXECUTION", Journal of Business Strategy, 23(1): 30 - 34
- ZandHessami, H. & Savoji, A. 2011. 'Risk Management in Supply Chain Management', International Journal of economics and Management Sciences, 1(3): 60-72.

Zsidisin, G.A. & Ritchie, B. 2009. Supply Chain Risk: A handbook of Assessment, Management, and Performance. 1st Edition. New York:Springer

APPENDICES

APPENDIX A: ETHICAL CLEARANCE

Graduate School of Business Leadership, University of South Africa, PO Box 392, Unisa, 0003, South Africa
Cnr Janadel and Alexandra Avenues, Midrand, 1685, Tel: +27 11 652 0000, Fax: +27 11 652 0299
E-mail: sbl@unisa.ac.za Website: www.unisa.ac.za/sbl

SCHOOL OF BUSINESS LEADERSHIP RESEARCH ETHICS REVIEW COMMITTEE (GSBL CRERC)

16 September 2015

Ref #: 2015_SBL_126_FA
Name of applicant: Mrs N
Ngxesha
Student #: 77901169

Dear Mrs N Ngxesha

Decision: Ethics Approval

Student: Mrs Ntombxolo Ngxesha, cnxesha@yahoo.com, 083 544 4258

Supervisor: Mr O Ncube, ncubeo@unisa.ac.za, 011 652 0331

Project Title: Analysing strategies for successful implementation of the Supply Chain Management Policy Framework (SCMPF): A case study of the Nelson Mandela Bay Municipality (NMBM) in South Africa.

Qualification: Masters in Business Leadership (MBL)

Thank you for applying for research ethics clearance, SBL Research Ethics Review Committee reviewed your application in compliance with the Unisa Policy on Research Ethics

Outcome of the SBL Research Committee:

Approval is granted for the duration of the Project



The application was reviewed in compliance with the Unisa Policy on Research Ethics by the SBL Research Ethics Review Committee on 11/09/2015.

The proposed research may now commence with the proviso that:

- 1) The researcher/s will ensure that the research project adheres to the values and principles expressed in the UNISA Policy on Research Ethics.
- 2) Any adverse circumstance arising in the undertaking of the research project that is relevant to the ethicality of the study, as well as changes in the methodology, should be communicated in writing to the SBL Research Ethics Review Committee. An amended application could be requested if there are substantial changes from the existing proposal, especially if those changes affect any of the study-related risks for the research participants.
- 3) The researcher will ensure that the research project adheres to any applicable national legislation, professional codes of conduct, institutional guidelines and scientific standards relevant to the specific field of study.

Kind regards



Prof R Ramphal

Chairperson: SBL Research Ethics Committee

011 – 652 0363/ramphrr@unisa.ac.za

APPENDIX B: TURNITIN REPORT

Turnitin

Page 1 of 1




Ntomboxolo Cynthia NGXESHA User Info Messages Student English Help Logout

Class Portfolio Peer Review My Grades Discussion Calendar

NOW VIEWING: [HOME](#) > [MBL 2015: MBLREPP \(NCUBE Q\)](#)

Class Homepage

This is your class homepage. To submit to an assignment click on the "Submit" button to the right of the assignment name. If the Submit button is grayed out, no submissions can be made to the assignment. If resubmissions are allowed the submit button will read "Resubmit" after you make your first submission to the assignment. To view the paper you have submitted, click the "View" button. Once the assignment's post date has passed, you will also be able to view the feedback left on your paper by clicking the "View" button.

Assignment Inbox: MBL 2015					
	Info	Dates	Similarity		
Research Report DRAFT		Start 18-Jun-2015 3:51PM Due 01-Dec-2015 11:59PM Post 19-Jun-2015 12:00AM	30%	Submit	View
Literature Review		Start 06-Jul-2015 1:10PM Due 01-Dec-2015 11:59PM Post 07-Jul-2015 12:00AM		Submit	View
Research Report FINAL (no resubmissions allowed)		Start 01-Sep-2015 2:04PM Due 01-Dec-2015 11:59PM Post 02-Sep-2015 12:00AM	25%	Submit	View

Copyright © 1998 – 2015 Turnitin, LLC. All rights reserved.

[Usage Policy](#) [Privacy Pledge](#) [Helpdesk](#) [Research Resources](#)

APPENDIX C: SUPERVISOR PERMISSION TO SUBMIT

APPENDIX 4.4

The Programme Administrator: MBL 3
Graduate School of Business Leadership
P O Box 392
UNISA
0003

Fax no: +27 11 6520299

CONSENT TO SUBMIT RESEARCH REPORT

Consent is hereby given to

Ntomboxolo Cynthia Ngxeshu

Student number.....77901169.....to submit his/her research report in its final form.

STUDY LEADER.....O. Ntshu!.....DATE.....10/12/2015.....

Scholars must obtain this consent from their Study Leaders before Final Submission of the 2 RING BOUND to the MBL3 Office. Research Report must reach Ms Talana Lebelo on or before the due date. SBL, ROOM 02-18, lebeltg@unisa.ac.za

APPENDIX D: LETTER OF EXTENSION

Graduate School of Business Leadership, University of South Africa, PO Box 392, Unisa, 0003, South Africa
Cnr Janadel and Alexandra Avenues, Midrand, 1685, Tel: +27 11 652 0000, Fax: +27 11 652 0299
E-mail: sbl@unisa.ac.za Website: www.unisa.ac.za/sbl

30 November 2015

RE: REQUEST FOR EXTENSION ON RESEARCH REPORT SUBMISSION

Dear Ngexesha NC

The SBL acknowledges receipt of your application for an extension and has carefully considered your request. We have also sought counsel from your respective Supervisor and the Area Head that that supervisor reports to. Please accept our apologies for delays in getting back to you as your matter needed considered opinions from various academics.

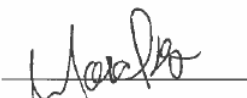
In your case, the SBL **grants you an extension to no later than 16.00 on 11 December 2015**. There will be no further extension granted after this date and time and you will be required to re-register in 2016 paying full fees to have your Research Report examined in 2016.

Do note that this is not a blanket extension to all students and has been granted to you on an individual case assessment. We trust that you will be able to meet your new deadline submitting the Research Report for examination with all the necessary documentation. Also note that you may have to contact the Programme Administrator to have the EDS open for you to submit on any date after 30 November 2015 up to and including 11 December 2015.

For further enquiries, please contact OK Ramokolo at ramokok@unisa.ac.za.

We trust that this latitude will enable you to complete your MBL studies successfully

Yours sincerely



Prof Visvanathan Naicker
Acting Academic Director

Unisa - SBL



APPENDIX E: QUANTITATIVE INTERVIEW SCHEDULE

Informed consent shared with the respondents of this research.

Research Title: **Analysing strategies for successful Implementation of the Supply Chain Management Policy Framework (SCMPF): A case study of the Nelson Mandela Bay Municipality (NMBM) in South Africa.**

My name is Ntomboxolo Cynthia Ngxesha and I am pursuing a research for my Master of Business Leadership degree at the University of South Africa. I humbly request your participation in my study which is aimed at identifying the factors affecting success or failure of complex projects in the private and public sectors.

The study requires that I conduct interviews to collect data using the enclosed questionnaire. This study will largely benefit all stakeholders in understanding how far is NMBM regarding SCMPF's implementation status.

The enclosed questionnaires will take 30 minutes of your time to complete, and take note that participation is voluntary. I humbly request that you complete the questionnaire individually without any consultation and be honest as you can.

The targeted participants in this research are NMBM employees and Senior Managers involved in the implementation of SCMPF.

Note: The completed questionnaires can be emailed back to me at cngxesha@mandelametro.gov.za

Thank you in advance for your time and participation, much appreciated.

Researchers undertaking and research survey guidelines:

✚ **Protection from Harm:** The researcher will not expose research participant to unnecessary physical or psychological harm. If the study involves any discomfort, participants should know ahead of time, and ensure any necessary debriefing or counselling should follow immediately after their participation. The data that is collected for this research shall only be used in this study as stipulated by non-disclosure agreement policy of

- ✚ **Informed Consent:** Participants in this research are targeted in terms of the sample design chosen therefore they should be told the nature of the study to be conducted and given a choice of either to participate or not participate. If you agree to participate, you have a right to withdraw from the study at any time. Any participation in this study is strictly voluntary.
- ✚ **Right to Privacy:** This research study and researcher will respect your right to privacy. The report will not either oral or written, be presented in such way that others become aware of how a participant has responded or behaved.
- ✚ **Honesty with Professional Colleagues:** The researcher will report their findings in a complete and honest fashion, without misrepresenting what they have done or intentionally misleading others about the nature of their findings. The researcher will not fabricate data to support particular conclusion no matter how seemingly noble that conclusion may be.

Sharing of information

The information collected in this study will be compiled into a dissertation and perhaps research articles, for ease of access by any interested parties.

Who to contact:

If you have any further queries concerning the research you may contact me on the following numbers:

Office: 041 506 1455 or 0823042703

Email: cngxesha@mandelametro.gov.za

You may also contact my supervisor Mr Ozias Ncube at:

Office: 011 652 0331

Email: Ncubeo@unisa.ac.za

SECTION A**Biographical information**

Please provide the following information regarding your position in the organisation, by placing an X in the appropriate block.

What is the highest degree or level of school you have completed?

1. Matric	
2. In-house training	
3. Diploma	
4. Bachelor's degree	
5. Post Graduate degree	
6. Professional Affiliation	
7. Other (please specify)	

In which Directorate you are working?

1. Budget and Treasury	
2. Corporate Services	
3. Economic Development and Recreational Services	
4. Electricity and Energy	
5. Human Settlement	
6. Infrastructure and engineering	
7. Office of the Chief Operating Officer	
8. Public Health	
9. Safety and Security	
10. Other (please specify)	

How long have you been in the employment of NMBM?

1. Less than 5 years	
----------------------	--

2. 5 to 10 years	
3. 10 to 15 years	
4. More than 15 years	

How long have you been involved in the SCM function of NMBM?

1. Less than 5 years	
2. 5 to 10 years	
3. 10 to 15 years	
4. More than 15 years	

What is your role in the SCM function of NMBM?

1. SCM Practitioner	
2. Project Manager (NMBM employee with signing authority)	
3. Accountant	
4. Responsible for payments (Accounts Payable personnel)	

	Supply Chain Management Framework	SD	D	N	A	SA
1	NMBM adopted Supply Chain Management System	1	2	3	4	5
2	I am familiar with the NMBM SCM goals and mission	1	2	3	4	5
3	NMBM developed a clear SCM strategy	1	2	3	4	5
4	NMBM Supply Chain objectives were communicated to SCM role-players	1	2	3	4	5
5	SCM System make provision for the following SCM elements:					
5a	Demand Management	1	2	3	4	5
5b	Acquisition Management	1	2	3	4	5
5c	Logistics Management	1	2	3	4	5
5d	Disposal Management	1	2	3	4	5
5e	Supply Chain Performance management	1	2	3	4	5
5f	Supply Chain Risk Management	1	2	3	4	5
	Supply Chain Management Policy	SD	D	N	A	SA
1	NMBM has a supply Chain Management Policy. Policy was adopted by council.	1	2	3	4	5
2	NMBM SCM policy is reviewed at least annually.	1	2	3	4	5
3	NMBM SCM policy is consistent with National Treasury Municipal Regulations.	1	2	3	4	5

4	NMBM reports deviations from Municipal Supply Chain Management model policy	1	2	3	4	5
5	NMBM policy meets requirements of section 217 of the Constitution	1	2	3	4	5
SCM Support function to service delivery		SD	D	N	A	SA
1	SCM role-players prioritise needs of NMBM constituency	1	2	3	4	5
2	Reliable SCM processes ensure quality service delivery	1	2	3	4	5
3	Directorates' needs are budget and cash backed at all times	1	2	3	4	5
4	All NMBM procurement processes are approved by bid committees' prior initiating ordering process.	1	2	3	4	5
5	NMBM goods or services specifications are always drafted in an unbiased manner.	1	2	3	4	5
People		SD	D	N	A	SA
1	NMBM has a clear SCM organizational structure.	1	2	3	4	5
2	SCM Role-players roles and functions are clearly defined	1	2	3	4	5
3	NMBM recruits and retain qualified SCM practitioners.	1	2	3	4	5
4	NMBM has a program of improving SCM role-players capacity and skills	1	2	3	4	5
5	NMBM has a program of improving job motivation and job satisfaction	1	2	3	4	5
Process		SD	D	N	A	SA
1	SCM has an approved procedure manual	1	2	3	4	5
2	Procedure manual has been communicated and explained to all SCM role-players	1	2	3	4	5
3	SCM role-players including bid committee members are aware of the process to declare conflict of interest	1	2	3	4	5
4	NMBM has SCM process evaluation system	1	2	3	4	5

5	Process evaluation outcomes are communicated to all SCM Role-players	1	2	3	4	5
6	SCM Unit ensures that goods or services are delivered on the specified date	1	2	3	4	5
7	SCM Unit ensures that goods or services are delivered within the specified period of time	1	2	3	4	5
8	SCM Unit ensures that accurate inventory levels are maintained in order to ensure uninterrupted supply of goods and services	1	2	3	4	5
9	SCM processes are straightforward and promote efficiency and value for money	1	2	3	4	5
	Technology	SD	D	N	A	SA
1	NMBM SCM systems are aligned to procurement processes	1	2	3	4	
2	NMBM SCM systems positively affect productivity and ensure cost effect service delivery.	1	2	3	4	5
3	NMBM SCM Systems are user friendly and easily accessible	1	2	3	4	5
4	NMBM SCM systems facilitates tendering process to be conducted in an open, transparent and accountable manner.	1	2	3	4	5
5	NMBM SCM systems facilitates and eases reporting processes	1	2	3	4	5
6	NMBM established a supplier database system	1	2	3	4	5
7	NMBM make use of rotation system when requesting quotations from accredited providers.	1	2	3	4	5

SECTION C Governance, Sustainability, Performance Management and Risk Management

Please answer the following questions on by encircling the appropriate number. Likert scale ranges from (1) Strongly disagree (SD) (2) Disagree (D) (3) Neutral (N) (4) Agree (A) (5) Strongly Agree (SA)

	Governance	SD	D	N	A	SA
1	NMBM delegation to SCM role-players is given in writing, fully explained and monitored	1	2	3	4	5
2	Sub-delegation of supply chain powers and duties is limited to NMBM employees	1	2	3	4	5
3	NMBM implemented a system of code of conduct for SCM role-players	1	2	3	4	5
4	NMBM awards tenders to bidders who can demonstrate that they possess the following to perform the contract:					
4a	Professional and technical qualifications	1	2	3	4	5
4b	Competences	1	2	3	4	5
4c	Financial resources	1	2	3	4	5
4d	Equipment and other physical facilities,	1	2	3	4	5
4e	Managerial capability	1	2	3	4	5
4f	Reliability	1	2	3	4	5
4g	Experience and reputation	1	2	3	4	5
4h	Human Resources	1	2	3	4	5
5	NMBM consistently apply Public Procurement Preferential Framework Act (PPPFA) when a decision to award a tender is made	1	2	3	4	5
	NMBM award tenders to the highest preferential points scorer	1	2	3	4	5

	NMBM award tender to the lowest (Price) tender	1	2	3	4	5
	Sustainability	SD	D	N	A	SA
1	NMBM have a written corporate social responsibility statement of commitment aligned to SCM processes	1	2	3	4	5
2	NMBM has an environmental policy	1	2	3	4	5
3	NMBM environmental policy was communicated to all SCM role-players.	1	2	3	4	5
4	NMBM goods or services specification consider environmental issues	1	2	3	4	5
5	NMBM have a system in place to address pollution prevention and management of hazardous and potentially hazardous substances	1	2	3	4	5
	Performance Management	SD	D	N	A	SA
1	NMBM has a monitoring process to ensure that regular processes have been followed	1	2	3	4	5
2	NMBM has accurate key performance indicators to evaluate performance of SCM role-players	1	2	3	4	5
3	NMBM has a system in place to measure product selection and forecasting.	1	2	3	4	5
4	NMBM has a strategy derived matrix to measure logistics, inventory and warehousing management.	1	2	3	4	5
5	NMBM has clear key performance indicators to measure supplier performance	1	2	3	4	5
6	Management communicates audit findings, control deficiencies and root causes in a simple language that is understood by all SCM role-players	1	2	3	4	5
7	Leadership is committed to implement processes and procedures to improve performance of supply chain management unit.	1	2	3	4	5
8	Leadership prioritise filling of critical supply chain vacancies	1	2	3	4	5
9	NMBM has a clear process of handling tender	1	2	3	4	5

	disputes.					
	Risk Management	SD	D	N	A	SA
1	NMBM has SCM risk management strategy	1	2	3	4	5
2	NMBM leadership is committed to implement strategies to curb and mitigate SCM related risk	1	2	3	4	5
3	NMBM conduct risk analysis prior to awarding tender	1	2	3	4	5
4	Tender evaluation document provide risk analysis findings	1	2	3	4	5
5	NMBM established effective SCM risk management office	1	2	3	4	5
6	NMBM SCM compliance and risk management staff are capacitated to perform their duties	1	2	3	4	5
7	NMBM audit findings assist in ensuring that SCM risk is reduced	1	2	3	4	5
8	My role in the process of risk management has been clearly defined to me	1	2	3	4	5

SECTION D Further Comments

Do you have further comments or additional information related to this study? *(Please use space provided below alternatively attach your comments)*

APPENDIX F: QUALITATIVE INTERVIEW SCHEDULE

Informed consent shared with the respondents of this research.

Research Title: **Analysing strategies for successful Implementation of the Supply Chain Management Policy Framework (SCMPF): A case study of the Nelson Mandela Bay Municipality (NMBM) in South Africa.**

My name is Ntomboxolo Cynthia Ngxesha and I am pursuing a research for my Master of Business Leadership degree at the University of South Africa. I humbly request your participation in my study which is aimed at identifying the factors affecting success or failure of complex projects in the private and public sectors.

The study requires that I conduct interviews to collect data from NMBM employees. The targeted participants in this research are NMBM Senior Managers involved in the implementation of SCMPF.

Senior Managers will be interviewed to obtain insight on strategies used for successful implementation of SCMPF. This study will largely benefit all stakeholders in understanding how far is NMBM regarding SCMPF's implementation status.

Interview will take approximately 45 minutes of your time to complete. Please take note that participation is voluntary. All answers will be kept confidential and your name will remain anonymous. Findings will be shared with you should you be interested.

Thank you in advance for your time and participation, much appreciated.

Researchers undertaking and research survey guidelines:

🌈 **Protection from Harm:** The researcher will not expose research participant to unnecessary physical or psychological harm. If the study involves any discomfort, participants should know ahead of time, and ensure any necessary debriefing or counselling should follow immediately after their participation. The data that is collected for this research shall only be used in this study as stipulated by non-disclosure agreement policy of

🌈 **Informed Consent:** Participants in this research are targeted in terms of the sample design chosen therefore they should be told the nature of the study to be

conducted and given a choice of either to participate or not participate. If you agree to participate, you have a right to withdraw from the study at any time. Any participation in this study is strictly voluntary.

✚ **Right to Privacy:** This research study and researcher will respect your right to privacy. The report will not either oral or written, be presented in such way that others become aware of how a participant has responded or behaved.

✚ **Honesty with Professional Colleagues:** The researcher will report their findings in a complete and honest fashion, without misrepresenting what they have done or intentionally misleading others about the nature of their findings. The researcher will not fabricate data to support particular conclusion no matter how seemingly noble that conclusion may be.

Sharing of information

The information collected in this study will be compiled into a dissertation and perhaps research articles, for ease of access by any interested parties.

Who to contact:

If you have any further queries concerning the research you may contact me on the following numbers:

Office: 041 506 1455 or 0823042703

Email: cngxesha@mandelametro.gov.za

You may also contact my supervisor Mr Ozias Ncube at:

Office: 011 652 0331

Email: Ncubeo@unisa.ac.za

APPENDIX G: EMPLOYER PERMISSION LETTER

INTERVIEW SCHEDULE

Introduction

For the purpose of this interview please state your rank , department and your responsibility within the department?

Question 1:

What is your understanding of the supply chain management policy framework (SCMPF)?

Question 2

What is the supply chain management policy and how is it related to the SCMPF?

Question 3:

How does the supply chain function enable service delivery at the metro?

Question 4:

In your opinion what is the role “people” within the supply chain function that ensures successful implementation of SCMPF and improves service delivery?

Question 5:

In your opinion what is the role “processes” within the supply chain function that ensures successful implementation of SCMPF and improves service delivery?

Question 6

In your opinion what is the role “technology” within the supply chain function that ensures successful implementation of SCMPF and improves service delivery?

Question 7

In your opinion what is the role “governance” within the supply chain function that ensures successful implementation of SCMPF and improves service delivery?

Question 8

In your opinion what role do sustainability considerations play within the supply chain function that ensures successful implementation of SCMPF and improves service delivery?

Question 9

In your opinion what role do performance considerations play within the supply chain function that ensures successful implementation of SCMPF and improves service delivery?

Question 10

In your opinion are there any risk management considerations within the supply chain function that ensures successful implementation of SCMPF and improves service delivery?

Question 11

What other critical variables should be considered by the metro to ensure successful implementation of the SCMPF? How will these affect service delivery?

APPENDIX H: EMPLOYER PERMISSION LETTER

GRADUATE SCHOOL OF BUSINESS LEADERSHIP (SBL)
University of South Africa PO Box 392 Unisa 0033 South Africa
Cnr Smuts and First Avenue Midrand 1685 Tel: +27 11 652 009 Fax: +27 11 652 0299
Email: sbl@unisa.ac.za Website: www.sblunisa.ac.za



Request for permission to conduct research at Nelson Mandela Bay Municipality

13 July 2015

The Chief Financial Officer: Mr Trevor Harper
NMBM
1st Floor Eric Tindale Building
Port Elizabeth
Tel: 041 506 1201
Email: tharper@mandelametro.gov.za

Dear Mr Harper

I, Ntomboxolo Cynthia Ngxesha am doing research under the supervision of Mr Ozias Ncube, a Senior Lecturer of Supply Chain Management as part of the requirement for obtaining a Masters degree in Business Leadership at the University of South Africa. I hereby request to use NMBM as a case study in my research titled: **Analysing strategies for successful Implementation of the Supply Chain Management Policy Framework (SCMPF): A case study of the Nelson Mandela Bay Municipality (NMBM) in South Africa.**

The aim of the study is to analyse the strategy followed by NMBM in the implementation of the SCMPF, and to evaluate impact of the implementation on service delivery. The study seeks to investigate and identify factors that may negatively affect the implementation of the SCMPF in the Nelson Mandela Bay Municipality.

NMBM has been selected because Mrs NC Ngxesha as an employee at your organisation wants to conduct research that adds value to the employer. The outcome of the study will reveal how far NMBM is regarding SCMPF's implementation status. Observations and recommendations will be forwarded to you at the conclusion of the study.

The results of the study will be used for academic purposes only and may be published in an academic journal.

Yours sincerely


Mrs NC Ngxesha

 I. T. Harper, hereby give permission for the study to be conducted at Nelson Mandela Bay Municipality.

Signature 

Date 20. 7. 15

SBL REC MARCH 2015

Your ref:2015_SBL_126_FA

Our ref:

Date: 24 August 2015

Who deals with this: Mrs C Ngxesha

Tel: +27 (0) 41 5081455
Fax: +27 (0) 41 508 1969
PO Box 834, Port Elizabeth, 6000
Republic of South Africae-Mail: cnxesha@mandelametro.gov.zaUniversity of South Africa
PO Box 392
City of TSWANE
0003

To whom it may concern

Re: Permission to conduct research at Nelson Mandela Bay Municipality -
The research titled **Analysing strategies for successful implementation of the Supply Chain Management Policy Framework (SCMPF): A case study of the Nelson Mandela Bay Municipality (NMBM) in South Africa** refers.

I hereby confirm that permission is granted to Mrs NC Ngxesha to conduct the abovementioned research at Nelson Mandela Bay Municipality.



JT HARPER CA (SA)
CHIEF FINANCIAL OFFICER

APPENDIX I: CONFIRMATION OF REGISTRATION LETTER



Ref: Ms MJB Holzhausen

Tel: + 27 11 6520361

e-mail: holzhmjb@unisa.ac.za

16 July 2015

TO WHOM IT MAY CONCERN

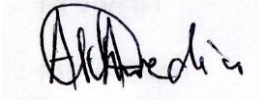
This letter serves to confirm that Miss Ntomboxolo Cynthia Ngxesha, student number 77901169, is a registered final year student at the Graduate School of Business Leadership for 2015. The student will be doing a Research Report (**MBLREP-P**) as part of the requirements to obtain the MBL postgraduate degree.

The MBL provides highly professional management development at postgraduate level - with particular emphasis on the theory as well as the practice of management in the education process. It also strives to offer a practical learning experience and an opportunity for the development of leadership qualities.

The Business School will observe any confidentiality requirements regarding information availed to the student in assisting with this study. The content of research reports may not be used by the author, the SBL, or any other person without the permission of the Research Report Provider, further the disclosure of the Company Names being researched, will be kept anonymous (upon request), in order to protect the confidentiality clause of your organisation.

On behalf of the Business School and Dr Chauke we thank you for your cooperation.

Yours sincerely

A handwritten signature in black ink, appearing to read 'AA Okharedia', enclosed within a rectangular border.

PROF AA OKHAREDIA

ACADEMIC DIRECTOR

+27 11 6520375 (W) AAOkharedia@sbleds.ac.za; okharaa@unisa.ac.za;
www.sblunisa.ac.za

APPENDIX J: DECLARATION

Declaration

I, Ntomboxolo Cynthia Ngxesha (Student number: 77901169), hereby declare that this research report **"Analysing strategies for successful Implementation of the Supply Chain Management policy framework: A case study of the Nelson Mandela Bay Municipality (NMBM) in South Africa"** is my own work and that all the sources that I have used or quoted have been indicated and acknowledged by means of complete references.

This report is submitted in partial fulfilment of the requirements for the degree of Master of Business Leadership at the Graduate School of Business, University of South Africa. It has not been submitted before, in whole or part for any degree or examination at any University



NTOMBOXOLO CYNTHIA NGXESHA

Signed on 10 day of December 2015