

An Analysis of the Effect of Procurement Procedures on Customer Satisfaction: A Case Study of the United Refineries Limited in Bulawayo

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Abstract

The exploration sought to analyse the effects of procurement procedures on customer satisfaction through a case study of United Refineries Limited. As the industry in Zimbabwe had been enlarging in size and intricacy, so too did the challenges met across the procurement sector. Instances of such challenges comprised inter alia varying customer preferences, the requirement for ecological practices and the need to sustain relationships in the supply chain. The study was based on the network theory which highlighted that businesses in a network cannot create procurement procedures at liberty and independently without involving others in the network. The investigation assessed the effect of procurement procedures on customer satisfaction through the utilisation of the descriptive design. The research population comprised of 107 employees and 25 customers aggregated based on daily walk-ins. The sample was 84 respondents for employees and 20 for customers in terms of which judgmental sampling was utilised. The results showed that the majority of customers were not satisfied with procurement procedures given the incidence of malpractices such as bureaucracy and red-tape which fought against the effectiveness of procurement procedures which led to dissatisfaction as well as substantial discrepancies in procurement procedures. It was concluded that the strategic significance and the latent forthcoming influence of procurement procedures at United Refineries was impossible to ignore. There existed room for improvement in procurement procedures to bring about customer satisfaction. Recommendations included, training, supplier development and supplier streamlining.

Keywords: *Procurement Procedures, Customer Satisfaction, Performance*

INTRODUCTION

Purchasing as a practice has been present in one way or the other from the time when commerce as a discipline emerged, but grew in prominence from the early 1990s as it witnessed a de facto regeneration (Aputo, 2018; and Abdalla, 2014). The practice has evolved in past decades from being regarded as focusing on administrative aspects, to one that is strategic in orientation acting as a conduit to companies' sustained value generation (Phan, 2016). It has been highlighted that above seventy five per cent of a business' income or costs is consumed on the purchase of inputs, machinery and actual products or services (Ivambi, 2016), hence, if purchasing expenditures are decreased, this can considerably increase the efficiency of a company (Motuba, 2014). In this regard, companies frequently embark on a "purchasing revolution", which includes altering practices so as to move from transaction-focused purchasing practices to purchasing practices that are strategic (Kruger, 2016). Subsequently, the exploration pursued to analyse in situ the effects of procurement procedures on customer satisfaction through a case study of United Refineries Limited, Bulawayo. Regardless of its noteworthy contributions to the economy, Zimbabwe's food, home and personal care sector of which United Refineries Limited is a part, is mirrored by varied and strenuous demanding challenges, which impede its growth and expansion (Aputo, 2018; Chimberengwa, Masuka, Gombe, Tshimanga and Bangure, 2015). The food, home and personal care industry in Zimbabwe has transformed expansively and confronted by a large occurrence of irregular consumer customer behaviour dynamics in relation to preferences, which impacted on the returns made by companies in the industry. Erratic consumer preferences largely came from the obtainability of numerous substitutes for most food products, which obligated customers to change effortlessly between product groups (Cronin, 2015).

Additionally, the industry in Zimbabwe has trailed behind with regard to technology and machinery, technical understanding, research and development amongst other factors (Nguegan and Mafini, 2017). It is also worth mentioning that international business financiers have taken over a bigger fraction of the Zimbabwean market by utilising their state-of-the-art technologies and considerable capital assets. These difficulties generated a large amount of strain to industry players such as United Refineries Limited as the organisation was incapable of delivering adequate value added outputs in comparison to its superior foreign rivals (Ivambi, 2016). A supply chain can be professed as a system connecting numerous organisations participating either in providing inputs or distributing goods to final clients. This is supported by Gühring (2017) who notes that the supply chain connects each level of companies from the raw material phase to the distribution of goods. It is the system in which pertinent data, goods and services and money move frequently amongst businesses. As emphasised by Ngunyi (2014), sustainable management of the supply chain empowers companies to device numerous significant practices and attain greater business result.



Consequently, companies need to challenge, check and re-visit their purchasing practices and decide how SCM actions can be incorporated and applied to guarantee sustainable results (Omanji and Moronge, 2018).

The circumstance that purchasing practices do not always assure results led to a fundamental question for the exploration, “Is there a definitive difference between excellent and non-excellent purchasing practices”, and in essence “What could United Refineries Limited successfully do to alter its purchasing division?” There were numerous philosophies provided in past scholarly works, but there remained no actual agreement and incomplete investigation into an all-inclusive methodology to the assessment of the effects of purchasing practices on customer satisfaction (Aputo, 2018; Cronin, 2015). Purchasing practices offer an important part in enabling the general accomplishment of any business organization bearing in mind obtaining materials from outside suppliers in an efficient manner. Despite the fact the effect of purchasing practices on customer satisfaction had been considered lengthily through explorations by Linich (2014) inter alia, the effect of such practices on organisations in Zimbabwe and Bulawayo to be precise, had not generated adequate attention. In light of this exploration gap, this study endeavoured to assess the effect of purchasing practices on customer satisfaction at United Refineries Limited Bulawayo.

Statement of the Problem

The part played by the food, home and personal care industry in Zimbabwe is to enable the resourceful purchasing of essential materials, in addition to the conveyance of the final goods to customers (Unilever, 2018). As the food industry in Zimbabwe had been enlarging in size and intricacy, so too did the challenges met across the sector (Nguegan and Mafini, 2017). Instances of such challenges comprised inter alia varying customer preferences, the requirement for ecological practices and the need to sustain relationships in the supply chain (Aputo, 2018). The main undesirable impact of these challenges was unacceptable performance at United Refineries Limited which was shown through, decreasing effectiveness and low income (Unilever, 2018). The presence of these challenges gave the food, home and personal care industry in Zimbabwe the task to grow and recover so as to meet the requirements of clients and the hastily varying business world. Nevertheless, it was imperative that these difficulties be inspected through practical investigation so as to generate comprehension of the advances occurring in the industry (Cronin, 2015). This may be achieved by closely analysing the different factors, from internal and external sources, that impact on the practices taking place in the supply chain. Furthermore, the food, home and personal care industry is a significant economic sector, to Zimbabwe with regard to the generation of work (Unilever, 2018). Based on this imperativeness of the sector to Zimbabwe, a study that contributed to the present explorations done was mandated to produce modernised facts that could be utilised to deal with numerous difficulties experienced in this sector and to inform future decision making with regard to purchasing practices that could positively impact customer satisfaction, decisions necessary for its additional growth and triumph. Leveraging on these facts, the investigation endeavoured to assess the effect of procurement practices on customer satisfaction.

Main Research Objective

To analyse the effects of procurement procedures on customer satisfaction at United Refineries Limited.

SUB-RESEARCH OBJECTIVES

1. To assess current purchasing and supply chain management (PSCM) practices at United Refineries Limited.
2. To investigate the PSCM challenges faced by United Refineries Limited.
3. To analyse the impact of PSCM practices on customer satisfaction at United Refineries Limited.
4. To ascertain how purchasing and supply policies can be enhanced to facilitate the effectiveness of the supply chain United Refineries Limited.

Main Research Question

What are the effects of procurement procedures on customer satisfaction at United Refineries Limited?

SUB-RESEARCH QUESTIONS

1. What are the current PSCM practices at United Refineries Limited?
2. What are the PSCM challenges faced by United Refineries Limited?
3. What is the impact of PSCM practices on customer satisfaction United Refineries Limited?
4. How can purchasing and supply policies be enhanced to facilitate the effectiveness of the supply chain United Refineries Limited??

LITERATURE REVIEW

After the study was introduced through an all-encompassing review of the problem and aims of the investigation, the second part of the investigation was anchored on an aggregate of fixed aspects which inter alia included an assessment of the various definitions propounded on purchasing and supply chain management (PSCM) before the theory underpinning the exploration was expounded and its implications and relevance to this particular investigation delineated. The concepts underlying the exploration were additionally highlighted before an empirical anatomy was undertaken covering studies globally, in Africa and lastly in Zimbabwe.

Defining Purchasing and Supply Chain Management

In deconstructing the taxonomy of the PSCM discipline, the researchers aligned with Balasubramanian and Shukla (2017b) and Ali, Jainudin, Tawie and Jugah (2016) that the PSCM literature is mirrored by an unclear abundance of intersecting terminology and definitions. As a result, many tags can be seen that refer to PSCM and to procedures of PSCM, such as: assimilation of suppliers (Azevedo, Martins, Teixeira and Barroso, 2014), purchaser and supplier association and strategic alliances in the management of suppliers (Camgöz-Akdağ, & Beldek, 2017) amongst others.

Table 1 shows the definitions of purchasing and supply management. Accordingly, leveraging on the aggregate of these definitions, the exploration was able to conclude that the definition of PSCM is context sensitive and not a one size fits all, notwithstanding the fact that it is commonly regarded as a circumstance in which the organisation’s purchasing division has attained a strategic role within a company whereby it



drives the attainment of organisational goals through the purchasing practices that are not only efficient but taking into account stakeholder requirements, opinions and organisational needs (Dubey, 2016; Sanderson, 2015; du Toit and Vlok, 2014; Wellenbrock, 2013).

Table 1. Taxonomy of PSCM Definitions

Author	Definition
Devi and Palaniappan (2017)	Purchasing and supply chain management is a management philosophy that extends traditional intra-enterprise activities by bringing trading partners together with the common goal of optimization and efficiency.
Hafezalkotob (2017)	An integrative approach to dealing with the planning and control of materials flow from suppliers
Govinda Rajendran, Sarkis, and Murugesan (2015)	A network of interacting to deliver product or service to end customer, linking from raw material supply to final delivery.
Ojo, Mbohawa and Alkinlabi (2014)	PSCM focuses on how organizations utilize their suppliers' processes, technology and capability to enhance competitive advantage.
Ghobakhloo, Tang, Zulkifli, and Ariffin (2013)	Buyer-Supplier Relationship

Source: Researchers' own derivative (2019)

Theoretical Framework

The adequate administration of PSCM chain and the proper utilisation of strategic purchasing augur a fundamental part in modern businesses. A purchasing division that is strategic is imperative to safeguard and manage the inflow and outflow of inputs. This is supported by Welenbrock (2013) who postulates that no business can function in quarantine, but all organisations are clients when they purchase materials from suppliers to utilise in their production procedures. Consequently, businesses need to occupy themselves in the strategic purchasing practice and undertake numerous decisions so as to get satisfactory suppliers.

THE NETWORK THEORY OF PSCM

The network theory is one of the vital theories for PSCM which have been introduced during the last decades. Mainly the network theory is considered to describe the relationships in which companies, suppliers, customers or buyer are engaged (Jain, Agarwal, Dangayach and Barnejee, 2015). The theory was promulgated in the 1960s and gained prominence in the ensuing decades before it grew from majoring on two associations only (strategic alliances), to a theory that focused on numerous associations amongst diverse players in the supply chain.

ASSUMPTIONS AND IMPLICATIONS OF THE NETWORK THEORY FOR THE STUDY

Bargatti & Halgin (2011) define the network as a precise kind of association connecting a well-defined group of individuals, items or even companies. The authors postulate that the network of supply is complex, and its precise setting is contingent on the relations amongst the participants in the systems. The diagram below explains the impact of a network:

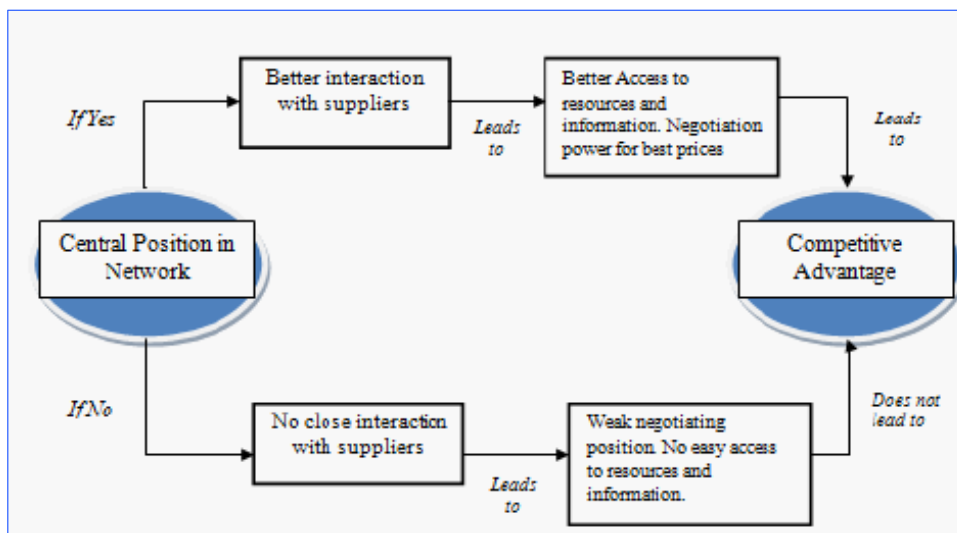


Fig 1. The Impact of Networks and A Centrality

Source: Adapted from Wellenbrock (2013)

Figure 1 shows the presumption that networks lead to the sharing of information amongst the players in the network. Generally, information, such as the costs of materials or places to get good resources, are in most settings not shared amongst businesses in these networks, subsequently they might fear that their rivals may utilise this information to their own advantage (Jain, Agarwal, Dangayach and Barnejee, 2015; van Eck and Waltman, 2014). Moreover, businesses fear that the sharing of information concerning their practices and products in addition to the resources required, could attract imitation by network players, and by means of this they may forfeit market leadership. Additionally, Nguegan and Mafini (2017) supported by Chigudu (2014) highlights that networks are presumed to be open for the sharing of information among businesses and consequently give learning chances. Given that fundamental aim of the research was to ascertain the effect of procurement procedures on customer satisfaction, the network theory highlights specific procedures or practices that can be undertaken pursuant to achieving customer satisfaction.

Conceptual Framework

Leveraging on the finite group of objectives, the investigation focused on an aggregate of four procurement procedures that were assumed to have an effect on customer satisfaction as follows:

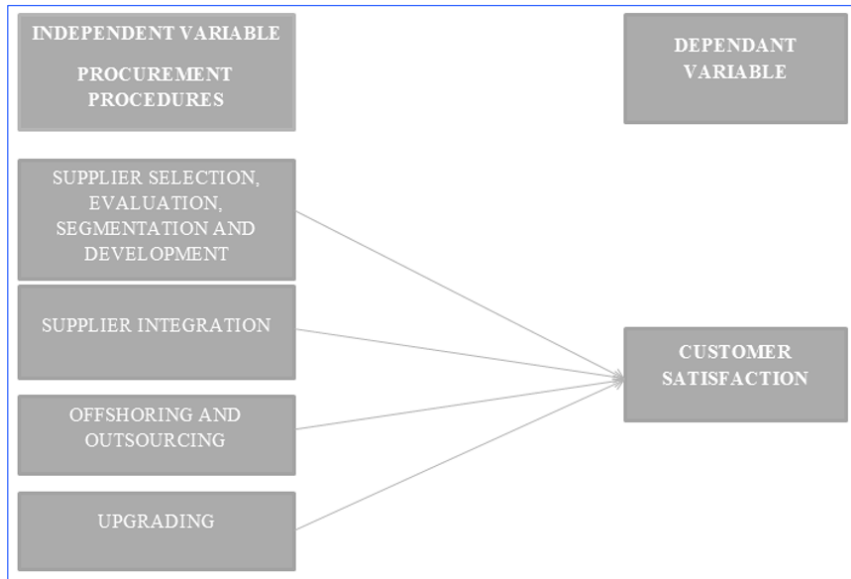


Fig 2. Conceptual Framework.

Source: Researchers' Own Derivative (2019)

The practices are explained in detail the ensuing sub-section:

PURCHASING AND SUPPLY CHAIN MANAGEMENT PRACTICES

An aggregate of four practices namely, Supplier selection, evaluation, segmentation and development; Supplier Integration; Offshoring and outsourcing and lastly Upgrading. The process of choosing suppliers is a procedure in which businesses ascertain, consider and resolve on the suppliers to deliver required materials. While this entire process necessitates a huge quantity of resources in terms of time and money, it is advisable given that it offers a number benefits when suppliers with pronounced quality are chosen. Dangayach and Barnejee, (2015) lend weight to the discussion by highlighting that selecting the proper organisations to supply necessitates much more than considering different prices. This is supported by Wibowo, Handayani and Mustikasari (2018) who noted that a business' inclination to a supplier will be contingent on a variety of considerations such as finances, quality and dependability inter alia. The manner in which a business assesses the significance of these numerous aspects will be contingent on the business' objectives and strategy. A premeditated strategy to choosing suppliers can be beneficial to a business in the comprehension of how its customers choose products (Ojo, Mbohwa and Akinlabi, 2014). As competition and rivalry intensifies among firms, appropriate selection of suppliers has increasingly become a basis of competitive advantage. Commonly, an aggregate of two methods can be utilised in the supplier choice procedure: market-oriented choosing and relationship-oriented method of choosing contingent primarily on present associations amongst partners.

RESEARCH METHODOLOGY

It is in the second part of this exploration on procurement procedures and their effect on the satisfaction of customers that past works were assessed inter alia. Scientific methodologies were used to come up with accurate and replicable results of the study.

Research Design

The investigation assessed the effect of procurement procedures at United Refineries Limited on customer satisfaction through the utilisation of the descriptive design. The main resolve of descriptive exploration was the portrayal of the situation as it happened at the time the research was undertaken. The exploration leveraged on the ex.-post.-facto investigation for descriptive explorations. The chief distinguishing feature of this technique was that the researchers had no power or influence over the factors under study and only acted as de facto watchman, through reporting the happenings at United Refineries Limited. The majority of ex.-post.-facto researches are utilised for descriptive explorations in which the scholar pursues to measure the frequency of certain variables in this procurement procedures and customer satisfaction. Undoubtedly, this research design was appropriate for the exploration as the scholars pursued to examine assessed the effect of procurement procedures at United Refineries Limited on customer satisfaction.

Research Strategy

A case study as strategy in this exploration was utilised pursuant to ascertaining the procurement procedures' effect on satisfaction of customers. According to Yin (2012), case studies are representative of a research technique for a profound, manifold appreciation of multifaceted challenges within a particular environment. There is no shadow of uncertainty regarding the fact that case studies are a valued and significant procedure of exploration (Saunders, Lewis and Thornhill, 2009). Nevertheless, alongside their merits, they also contain some drawbacks. Case studies are an effective mechanism to arouse innovative research. A case study can be finalised, and given that the results are



appreciated, they can generate new thoughts in the field. More often than not, there may exist theories that are subjective and can be tested utilising case studies. Through this exploration, the veracity of the network theory of supply identified earlier was tested.

Research Population

Population denotes the totality of participants considered for an exploration (Bryman and Bell, 2011). The target population was the totality of United Refineries Limited managers and employees who were all accessible hence Table 3 was also representative if the accessible population.

Table 2. United Refineries Limited Population

Category	Management	Employees	Total
Finance Department	2	8	10
Supply Chain Department	3	12	15
Human Resources Department	1	5	6
Marketing Department	2	15	17
Production and Distribution Department	2	57	59
Total	10	97	107

Source: Primary Data Analysis (2019)

Table 2 shows the criteria for inclusion in the exploration comprising knowledgeable persons agreeable to the procedures of the study. The research also had an average population of 25 corporate customers that walked into United Refineries Limited premises per day to engage in business (Unilever, 2018). These were additionally targeted for feedback form distribution to garner their views on the effect of procurement procedures on their satisfaction.

Sampling

Non-probability selection by means of judgemental selection was utilised. Kirk (2008)'s technique for shaping the ideal sample size was utilised

Where N= Sample size

$Z_{\alpha/2}$ =the two-sided standard normal distribution value consistent to a 95% confidence coefficient

P= is the predicted value of the population

M = the student's tolerable margin of error in approximating the population

Presupposing a confidence interval of 95%, an acceptable error of +0.05%, the sample size was 84 respondents for employees and 20 for customers.

JUDGEMENTAL SAMPLING

Judgemental sampling is a technique that involves the primary choice of participants predicated on the researcher's discretion based on the capability of participants to proffer necessary opinions valid for the goals of the exploration. The method is ideally operative in circumstances where there exists a limited quantity of persons in a populace (in this case United Refineries Limited) who possess merits that an investigator anticipates from the target populace (Saunders, Lewis and Thornhill, 2007). Investigators desire to apply the technique when they believe that other methods will devour more periods of time. The technique offered a finite amount of benefits within the context of United Refineries Limited.

Table 3. An Abridgement of The Data Assessment Techniques Utilised and Subsequent Goal

Analysis	Methods	Objective
Descriptive Analysis	Frequencies	To see the pattern of respondents' demographic data and responses ranging across the totality of objectives
Reliability Test	Cronbach's Alpha	To confirm the internal consistency of all measured items in the questionnaire

Table 3 shows an abridgement of the data assessment techniques utilised in the study. It shows the objectives that were set out to be achieved.

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

The data gathered in the study is discussed below:

Response Rate

Table 4. Highlights the Rate of Response for the Study.

Research instrument	Target respondents	Responded	No response	Response rate
United Refineries Limited Employees	84	72	12	85.7%
United Refineries customers	25	20	5	80%
Total	109	92	17	84.4%

Table 4 shows that an aggregate of 84 questionnaires were circulated for response at United Refineries Limited Bulawayo and 72 were sufficiently filled in and handed in which signified an 85.7% rate of feedback for employees. With regard to United Refineries Limited customers, an aggregate of 25 were circulated with 20 being returned which gave an 80% feedback rate. The evidence and facts that that were garnered from the response prevalence of 84.4% and 80% in sum for circulated response enquiry forms was adequate given that Bryman and Bell (2011) underlined that that a rate of 60% and above was reasonable and ample.



Table 5. Nature of Relationship with United Refineries

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Long-term	13	65.0	65.0	65.0
	Medium-term	4	20.0	20.0	85.0
	Short term	3	15.0	15.0	100.0
	Total	20	100.0	100.0	

Source: Primary Data Analysis (2019)

Table 5. shows that given that 65% of the customers based on Table 7 noted that their relationship with United Refineries Bulawayo was long term with 20% highlighting medium term and 15% short-term, it was evidence of the sustainability in the United Refineries Value Chain which mirrors focus on both short-term and long-term matters. The findings were supported by Balasubramanian and Shukla (2017a), who highlighted the importance of sustainable relationships in the administration of the network of supply. Accordingly, the interpretation was that this represented effective operating practice at United Refineries Bulawayo. With regard to how long the customers had dealt with United Refineries Bulawayo, Table 7. Depicted the Outcome.

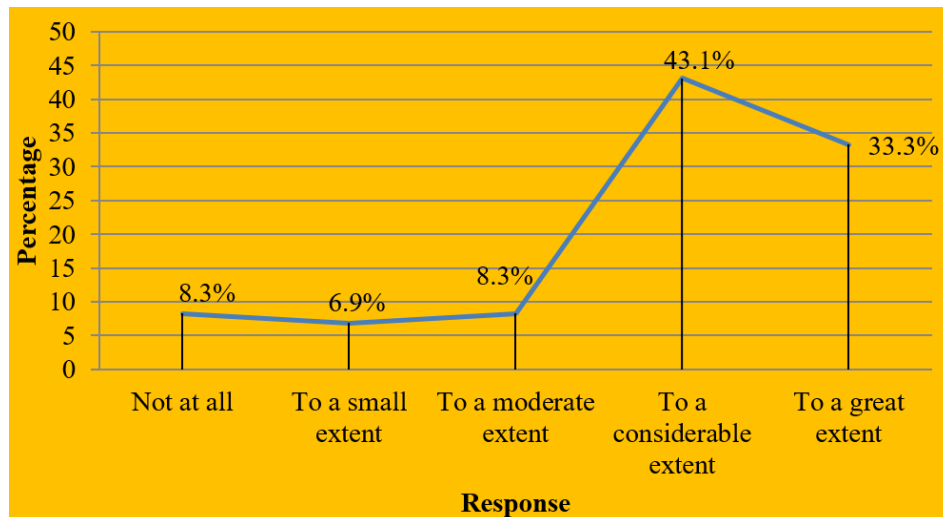
**Fig 3.** The Presence of Evaluation of Suppliers as a Procedure at United Refineries

Figure 3 shows that an overall 43.1% highlighted that United Refineries Limited Bulawayo evaluates suppliers to a considerable extent whilst 33.3% noted to a great extent with 8.3% noting to a moderate extent and 6.9% to a small extent. Only 8.3% believed the organisation does not evaluate suppliers at all. The outcomes were supported by Dangayach and Barnejee, (2015) who noted that evaluating supplier' capabilities before choosing to purchase from them is necessary. In addition Balasubramanian and Shukla (2017a) highlighted that a purchaser ought to appraise the competence of and dangers related with present suppliers on a consistent basis to ensure quality is maintained and chances for improvement are highlighted.

The Segmentation of Suppliers

Concerning whether United Refineries Bulawayo segments suppliers, Table 12 illustrates the outcomes:

Table 6. The Presence of Segmentation of Suppliers as a Procedure at United Refineries Limited

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not at all	7	9.7	9.7	9.7
	To a small extent	31	43.1	43.1	52.8
	To a moderate extent	17	23.6	23.6	76.4
	To a considerable extent	13	18.1	18.1	94.4
	To a great extent	4	5.6	5.6	100.0
Total		72	100.0	100.0	

Source: Primary Data Analysis (2019)

Table 6 shows that a majority of 43.1% noted that United Refineries Limited segments suppliers to a small extent whilst 23.6% noted to a moderate extent which mirrored indifference and neutrality in this regard. An aggregate of 18.11% noted that to a considerable extent, United Refineries Limited does segment suppliers with 5.6% noting to a great extent. An overall of 9.7% however noted not at all. The findings were in contrast to Kiarie (2017) and Cronin (2015) who noted that supplier segmentation is an imperative to ensure sustainability in the network of supply. Awaysheh and Klassen (2010) further noted a benefit to this practice that United Refineries Limited Bulawayo is missing is that this procedure of stratification allows the creation of cooperative associations through the segmentation of suppliers into minor manageable groups.

Development of Suppliers

Concerning whether United Refineries Limited Bulawayo developed suppliers, Table 7 illustrates the outcomes:

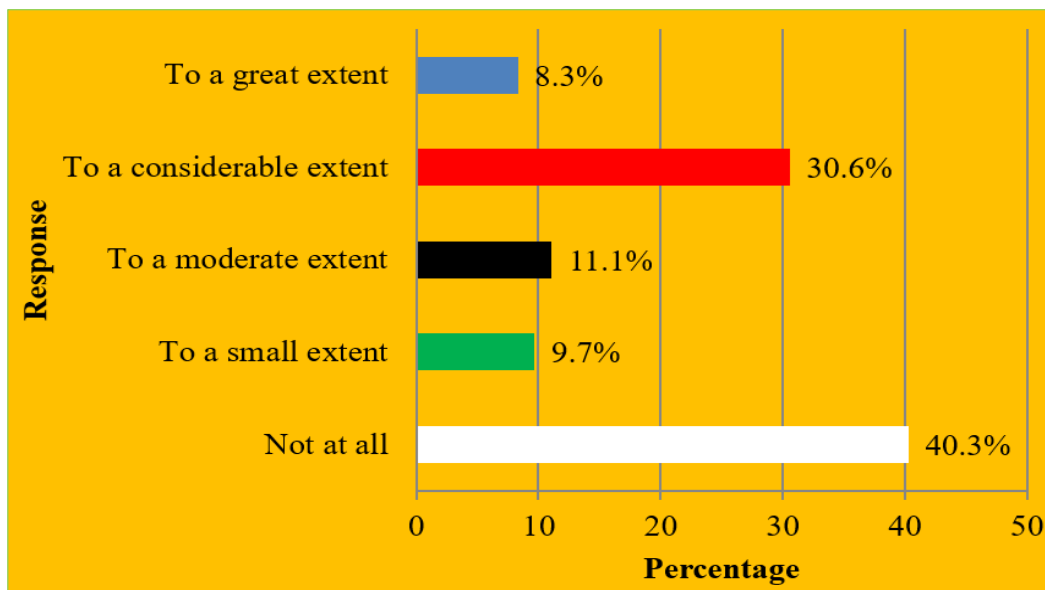


Table 7: The Presence of Segmentation of Suppliers as a Procedure at United Refineries Limited

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not at all	43	59.7	59.7	59.7
	To a small extent	16	22.2	22.2	81.9
	To a moderate extent	6	8.3	8.3	90.3
	To a considerable extent	4	5.6	5.6	95.8
	To a great extent	3	4.2	4.2	100.0
Total		72	100.0	100.0	

Source: Primary Data Analysis (2019)

Table 7 shows that an overall 59.7% highlighted that United Refineries Bulawayo does not at all develop suppliers whilst 22.2% noted to a small extent while 8.3% highlighted to a moderate extent with 5.6% noting to a considerable extent. An aggregate of 4.2% noted to a great extent. The outcome was against the findings of Balasubramanian and Shukla (2017a and 2017b) who noted that with regard to supplier development successful businesses have comprehensively engaged themselves in developing suppliers. Numerous strategies have been proffered so as to improve suppliers and the function of the entire network. These consist of creating minimum performance standards, purchasing through a global strategy, including suppliers in the development of goods and supplier compensation inter alia.

**Figure 4. The Presence of Integration of Suppliers as a Procedure at United Refineries Limited Bulawayo**

Source: Primary Data Analysis (2019)

Concerning whether United Refineries Limited Bulawayo integrates suppliers, Figure 6. Illustrates the outcomes:

Figure 4 shows that an aggregate of 40.3% of the employees at highlighted that the integration of suppliers was not undertaken whilst 9.7% highlighted to a small extent with 11.1% noting to a moderate extent. An overall of 30.6% noted to a considerable whilst 8.3% noted to a great extent. The outcomes were against Awaysheh and Klassen (2010) who noted that the procedure of integrating with suppliers has been regarded as necessary practice to aid the adequate functioning of the network of supply. This is supported by Kiarie (2017) who highlight that practices for enabling this integration consist of the involvement of suppliers in purchasing, and manufacture, in addition to utilising computer mechanisms to interchange information. Similarly Awaysheh and Klassen (2010) additionally highlight that the creation of a strategic method to partnership is ideal and necessary to the actualisation of the integration of suppliers.

Offshoring/Outsourcing

Concerning whether United Refineries Limited Bulawayo had offshoring/outsourcing as a procedure, Table 10 depicts the outcomes:

Table 8: The Presence of Offshoring/Outsourcing as a Procedure at United Refineries Limited Bulawayo

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not at all	3	4.2	4.2	4.2
	To a small extent	5	6.9	6.9	11.1
	To a moderate extent	5	6.9	6.9	18.1
	To a considerable extent	33	45.8	45.8	63.9
	To a great extent	26	36.1	36.1	100.0
Total		72	100.0	100.0	

Source: Primary Data Analysis (2019)

Table 8 shows that an overall 45.8% and 36.1% noted that United Refineries Bulawayo offshores/outsources non-core activities to a considerable degree and to a great degree respectively whilst 6.9% was elicited for both to a moderate extent and to a small extent with 4.2% highlighting not at all. This was regarded as sustainable practice given that it was supported by Cronin (2015) supported by Kiarie (2017) who note that businesses ought to focus on key activities and offshore/outsource peripheral practices.



Transparency in Procurement

Regarding whether procurement decisions were undertaken through an open and transparent process, Table 14 highlights the outcome:

Table 9: Views Regarding Whether Procurement Decisions Were Undertaken Through an Open and Transparent Process

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	49	68.1	68.1	68.1
	Agree	10	13.9	13.9	81.9
	Undecided	3	4.2	4.2	86.1
	Disagree	4	5.6	5.6	91.7
	Strongly Disagree	6	8.3	8.3	100.0
Total		72	100.0	100.0	

Source: Primary Data Analysis (2019)

Table 9 shows that an overall of 68.1% were agreeable strongly with 13.9% agreeing whilst 4.2% were neutral and 8.3% disagreeable strongly and 5.6% disagreeable. This was supported by Kiarie (2017) who accentuated that senior leadership ought to ensure transparency in the procurement process to prevent rent-seeking-behaviour, one of the challenges delineated in the next section that ensues.

THE PSCM CHALLENGES FACING UNITED REFINERIES LIMITED BULAWAYO

A number of problems were found that faced the organisation in its management of procurement procedures:

RENT-SEEKING-BEHAVIOUR

Concerning rent-seeking-behaviour as a problem at United Refineries, Figure. 4.6 depicts the outcomes:

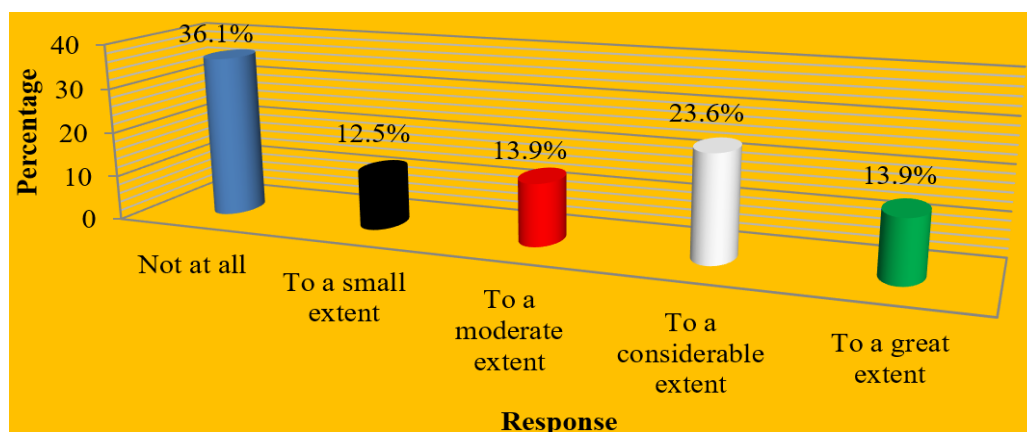


Fig 5. Views Concerning Rent-Seeking-Behaviour as a Problem at United Refineries Limited Bulawayo

Source: Primary Data Analysis (2019)

Figure 5 shows an impressive 36.1% and 12.5% noted that rent-seeking-behaviour was not at all a problem at United Refineries Limited whilst 13.9% noted to a moderate extent. An overall 23.6% highlighted to a considerable extent and 13.9% to a great extent. Given the majority were non-affirmative to this viewpoint, the findings were against the outcomes of Bayle and Audennaet (2013) supported by Kiarie (2017) highlighted the challenge of rent seeking practices where in situations where customers pay in advance for goods, organisations may divert the funds for other uses. This shows that United Refineries Limited Bulawayo has to some degree managed to curb rent-seeking-behaviour.

FRONTING

With regard to fronting, which is representative of practices designed to by-pass minimum supplier criterion requirements, Table 12. depicts the findings.

Table 10. The Incidence of Fronting as a Procurement Problem

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not at all	14	19.4	19.4	19.4
	To a small extent	29	40.3	40.3	59.7
	To a moderate extent	14	19.4	19.4	79.2
	To a considerable extent	8	11.1	11.1	90.3
	To a great extent	7	9.7	9.7	100.0
Total		72	100.0	100.0	

Source: Primary Data Analysis (2019)

Table 10 shows that an overall 40.3% highlighted to a small extent with regarding to the incidence of fronting whilst 19.4% noted not at all with 19.4% again of the perception to a moderate extent. Whilst on the other hand 11.1% noted to a considerable extent and 9.7% to a great extent. The outcomes were against Jain, Agarwal, Dangayach and Barnejee (2015) who highlighted an additional challenge resident in the choice of business suppliers through illicit persuasions such as fronting. Nevertheless, supplier associations have been mirrored by diverse problems emanating from below par purchasing procedures.



SATISFACTION

The aggregate of questions in this part were addressed to United Refineries Limited Bulawayo customers mostly retailers and specifically buyers and senior management were available.

Figure 6 shows that an overall 30% and 15% (disagree strongly and disagree) were not satisfied with procurement procedures whilst 20% were neutral. It was noted that practices such as bureaucracy and red-tape militated on the effectiveness of procurement procedures which led to dissatisfaction. A sum of 20% however strongly agreed and 15% agreed. At the point where PSCM is properly applied by means of diverse strategies, it has the capacity to guarantee that a business gets customers satisfied (Kiarie (2017)). This is supported by Bayle and Audennaet (2013) who highlighted that companies ought to be superior to rivals in the administration of suppliers to ensure customer satisfaction

RATING OF SERVICE DELIVERY

When required to rate service delivery at United Refineries Limited Bulawayo on a scale of 1 - 20,

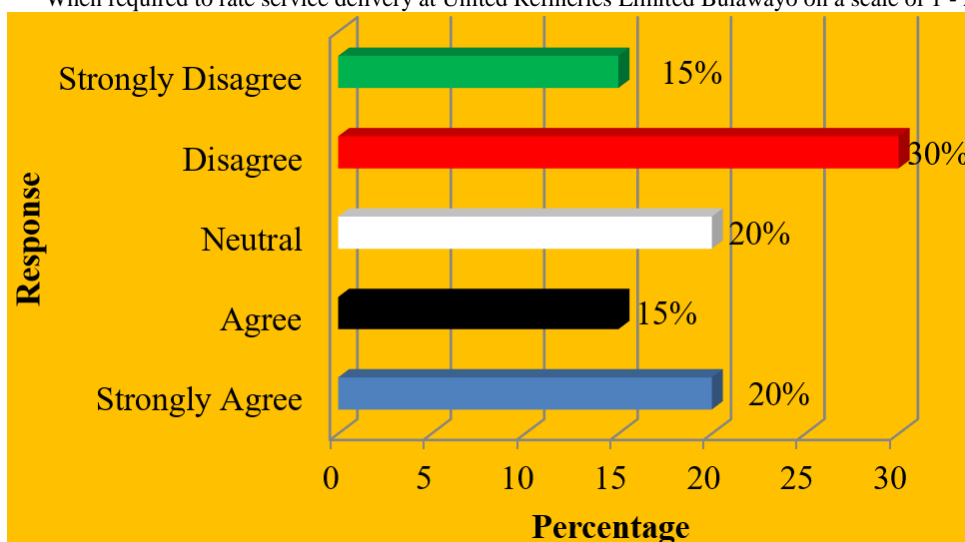


Fig 6. Views Concerning Rent-Seeking-Behaviour as a Problem At United Refineries Limited Bulawayo
Source: Primary Data Analysis (2019)

Table 11. Rating of Service Delivery at United Refneries Limited on a Scale From 1–20

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0 - 5	2	10.0	10.0	10.0
	5 - 10	3	15.0	15.0	25.0
	10 - 15	7	35.0	35.0	60.0
	15 - 20	8	40.0	40.0	100.0
	Total	20	100.0	100.0	

Source: Primary Data Analysis (2019)

Table 11 shows that the majority gave a good score of between 15 – 20 (40%) whilst 35% gave a score of 10-15 with 15% noting for 5 – 10 and 10% between 0 – 5. The findings were in sync with the supposition that a firm that is a going concern and in its operating ought to be able to offer benefits and value to clients so as to generate value for itself (Bayle and Audennaet (2013)). However Cronin (2015) argued that benefit or value in companies is not generated in remoteness but by means of the nurturing of fundamental proficiencies in PSCM.

How Purchasing And Supply Policies Can Be Enhanced To Facilitate The Effectiveness Of The Supply Chain

A number of strategies were proffered on how to enhance the effectiveness of the supply chain.

PROCUREMENT DISCREPANCIES

On the presence of discrepancies in procurement procedures, Table. 4.21. depicts the findings:

Table 12. The Presence of Discrepancies in Procurement Procedures

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	6	30.0	30.0	30.0
	Agree	7	35.0	35.0	65.0
	Neutral	2	10.0	10.0	75.0
	Disagree	3	15.0	15.0	90.0
	Strongly Disagree	2	10.0	10.0	100.0
	Total	20	100.0	100.0	

Source: Primary Data Analysis (2019)

Table 12 shows that a sum of 35% agreed to the supposition that there existed substantial discrepancies in procedures of procurement with 30% agreeing strongly as well. The neutral class were 10% in total whereas 15% disagreed and 10% disagreed strongly. Practices of procurement were noted to be mirrored by rent-seeking-behaviour as highlighted by the employees also. Lack of merit anchored selection



mechanisms was noted. The findings were against the provisions of Balasubramanian and Shukla (2017a) who noted that in a network where partners are dependable, this creates sustainable associations and effective procurement procedures that yield satisfaction for clients). This is buttressed by Bayle and Audennaet (2013) who highlighted that in circumstances where there exists a deficit of correspondence amongst what network players speak and do, then this will lead to unbeneficial associations that will not lead to satisfied customers. To that end, strategies recommended included;

PLANNING

It was noted that success in procurement leading to satisfaction of customers necessitated adequate planning as supported by Kiarie (2017). According to Cronin (2015) planning encompasses the documentation of the key determination, opportunity description, necessities of clients, and documentation of actions of purchasing, time approximation for transportation of customer requirements inter alia. The component of planning can be utilised to answer this question at United Refineries Limited Bulawayo: Which is the business outcome that is anticipated through specific procedures?

MONITORING AND CONTROLLING

It was noted that controlling in addition to monitoring was a necessity. This was in sync with Bayle and Audennaet (2013) labelled monitoring and controlling also the procedure of network checking pursuant to ascertaining alignment to business goals. Likewise, Cronin (2015) proclaimed that control and monitoring are rudiments that effect implementation of plans and have a bearing on performance in terms of the satisfaction of customers.

INVENTORY MANAGEMENT

It was noted that the archives purchase administration officials require guidance to enable any efficiency in the management of inventory. This was supported by Bayle and Audennaet (2013) who noted that it might be imperative that warehouse records be properly kept in a methodical way. It was noted that it may be particularly vital to have end-to-end synchronisation of activities within the office of individuals accountable for the management purchasing accounts and archives.

Summary of the Findings

Four objectives were adequately fulfilled through the realisation of a number of outcomes as highlighted:

THE CURRENT PSCM PRACTICES AT UNITED REFINERIES BULAWAYO

The majority of the respondents highlighted that United Refineries Limited Bulawayo evaluates suppliers. This was interpreted as proper operating practice as buyers ought to appraise the competence of and dangers related with present suppliers on a consistent basis to ensure quality is maintained and chances for improvement are highlighted. United Refineries Limited Bulawayo segments suppliers marginally. It is presumed that this mandates the organisation to segment its suppliers so as to be able to ascertain their characteristics pursuant to choosing the best as and when specific orders come. Supplier segmentation is a vital to guarantee sustainability in the network of supply. United Refineries tended not to develop suppliers and this was an unfortunate outcome given that successful businesses comprehensively engaged themselves in developing suppliers. However, it was encouraging to note that United Refineries Bulawayo offshored/outsourced no-core tasks as a procurement procedure.

A collective of two approaches of upgrading were seen at United Refineries Limited, that is: upgrading of process undertaken to improve the capturing of value by means of efficiency in production and upgrading of functions to upsurge value through firm departments. However, more upgrading was called for given that United Refineries moderately implemented ICT in its procedures.

THE PSCM CHALLENGES FACING UNITED REFINERIES BULAWAYO

The problem of rent seeking behaviour was witnessed in situations where customers paid in advance for goods, United Refineries stakeholders divert the funds for other uses. Conflict of interest was seen as another problem were some stakeholders pursued self-gain to the detriment of United Refineries. The respondents refused to blame the economy and believed that the organisation could still engage in proper practices regardless of external effects. Additionally, fronting was witnessed by means of illegitimate encouragements to entice United Refineries to give contracts to undeserving clients. However, it was good to notice that United Refineries adhered and was privy to principal standards such as the requirement for suppliers to be registered with the Procurement and regulatory Authority of Zimbabwe.

THE IMPACT OF PSCM PRACTICES ON CUSTOMER SATISFACTION

The majority were not satisfied with procurement procedures given the incidence of malpractices such as bureaucracy and red-tape which fought against the effectiveness of procurement procedures which led to dissatisfaction. This meant that United Refineries was mandated to create flexible structures to free up workers to be able to deliver value to customers unhindered by rigid structures. The majority gave a good score of between 15–20. This meant the United Refineries was delivering value to customers albeit the numerous problems identified. This meant that United Refineries ought to implement proper procedures given that benefit or value in companies to customers is not generated in remoteness but by means of the nurturing of fundamental proficiencies in PSCM. The majority believed that United Refineries Bulawayo prioritised quality of products as opposed to larger profit margins. This was remarkable given that in spite of the utilisation of modern methods in purchasing, an organisation's disregard from clients may generate to catastrophe.

HOW PURCHASING AND SUPPLY POLICIES COULD BE ENHANCED TO FACILITATE THE EFFECTIVENESS OF THE SUPPLY CHAIN



The majority of participants at United Refineries agreed to the supposition that there existed substantial discrepancies in procurement procedures. Activities of procurement were noted to be paralleled by rent-seeking-behaviour as emphasised by the employees. Lack of merit anchored selection mechanisms. It was an unfortunate outcome given that in a network where partners are dependable, this creates sustainable associations and effective procurement procedures that yield satisfaction for clients). In situations where there exists a shortage of alignment amongst what network players express and actually perform, then this will lead to unprofitable relations that would not lead to satisfied clients. With regard to strategies, it was noted that success in procurement leading to satisfaction of customers necessitated adequate planning. Planning encompasses the documentation of the key determination, opportunity description, necessities of clients, and documentation of actions of purchasing, time approximation for transportation of customer requirements inter alia. It was noted that controlling in addition to monitoring was a necessity given that control and monitoring are rudiments that effect implementation of plans and have a bearing on performance in terms of the satisfaction of customers. Lastly, it was noted that the archives purchase administration officials required guidance to enable any efficiency in the management of inventory.

CONCLUSION

The examination visibly demonstrated inter alia the moderate impact of procurement procedures at United Refineries on the satisfaction of customers. The outcomes elicited an aggregate of practices such as supplier evaluation, integration, offshoring/outsourcing and upgrading, however these were militated by marginal technological advances and the lack of supplier development and segmentation and also fronting and conflict of interest. The strategic significance and the latent forthcoming influence of procurement procedures at United Refineries Limited are impossible to ignore. There exists a large room for improvement as was highlighted in the suggestions. To acquire the profits that can be derived from procurement, it is imperious that United Refineries adopts proper procedures. The investigation has contributed to existed works especially zeroing in on United Refineries Limited Bulawayo and how some of their procurement procedures are against best practices as recommended in the second chapter. It is imperative that United Refineries Limited focuses on red flags identified such as the absence of supplier segmentation and development not forgetting the presence of problems such as conflict of interest and fronting. An up surged degree of integration is thus called for to capacitate United Refineries to deliver more value and satisfaction to customers.

Recommendations

Premised on the findings discussed in the fourth part of the investigation, a non-exhaustive account of suggestions was offered that could deal with the problems encountered. The following recommendations were made:

Supplier-buyer seminars: It is necessary that United Refineries Limited Bulawayo meets with suppliers frequently to depict commitment and discourse on how mutually advantageous associations can be created inter alia as per the provisions pursuant to yielding satisfaction to customers. Sensitive matters regarding contracts ought to be highlighted by the United Refineries Limited to ensure that suppliers deliver proper materials requested by United Refineries and its customers. Continuous communiqué amongst United Refineries and its suppliers on quality and cost enhancements can ensure innovativeness.

Performance Appraisals for suppliers: The performance of suppliers is calculated based on their effectiveness and efficiency. The effectiveness of suppliers connotes the capability of the supplier to exceed or meet pre-determined criterions. It is suggested that a supplier appraisal system be enacted at United Refineries. Suppliers who produce superior performance, that exceed performance targets ought to be rewarded because they contribute to the satisfaction of customers. Suppliers who work above par ought to be compensated with improved contracts.

Supplier Development: It is suggested that United Refineries suppliers are sustained by enlarging their aptitude and creating new prospects for them to improve. Suppliers ought to possess adequate aptitudes to involve themselves in extended contracts and there ought to be transparency and shared obligation to partake of profits and deficits together.

Training: Employees augur an imperative part in purchasing procedures pursuant to yielding satisfaction to customers. By means of a strategic manoeuvre, United Refineries Limited ought to guarantee that employees are perpetually trained to keep them abreast with contemporary practices and procedures in procurement so as to extent their aptitude. This training will enable the employees to undertake their roles adequately through empowering them with skills, knowledge and abilities.

Suppliers ought to be streamlined: Properly documented aims are an imperative for all players in the network to comprehend requirements. Thus, United Refineries ought to have a streamlined number of suppliers pursuant to ensuring only the best services and competition for co-optation is present. The quantity of business with suppliers ought to be sufficient enough for them to be included in the development program as United Refineries cannot possibly include all suppliers in the development process. Thus, only the best must be chosen.

Areas for Future Research

The exploration focused on the food, home and personal care products sector. It would prove fascinating to extend the examination to more organisations in the sector, larger sample sizes and different sectors as well to underwrite increased knowledge on procurement procedures and their effect on the satisfaction of customers.

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