Effects of procurement processes on project execution in a project management company in Cape Town, South Africa

By

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DECLARATION

I, Masithembe Kafile, proclaim that the substance of this dissertation exemplifies my own particular unaided work, and that the dissertation has not formerly been submitted for academic examination towards any qualification. Additionally, it communicates my own ideas and not necessarily those of the Cape Peninsula University of Technology.

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ABSTRACT

The purpose of this study was to unearth the challenges that occur in procurement processes and the effects these challenges have on project execution. Project procurement management is the production of associations with outside merchants and providers for merchandise and enterprises expected to finish a task. This process encompasses five stages: initiating and planning, selecting, contract writing, monitoring, and lastly, closing the deal.

To clearly illustrate the magnitude of challenges faced in procurement processes, a project management company in Cape Town, South Africa, has been chosen as the subject of study. This study identified that procurement challenges were rooted in the company's method of execution which comprises supplier-related issues, strategy selection issues, cost reduction and savings achievement factors, data accuracy issues and stakeholder management concerns. The aforementioned challenges resonate with various theoretical connotations by authorities who maintained that challenges in procurement could be narrowed to four areas: cost reduction, 'going digital', risk mitigation and supplier relationships.

This study adopted a mixed research methodology incorporating both qualitative and quantitative research techniques and relied on field research conducted both through a survey of administered questionnaires as well as structured interviews. The information gathered in field research has been used to augment and corroborate theoretical information existing in literature and to proffer solutions through pragmatic recommendations for improving procurement processes with the intent of enhancing project execution efficacy and effectiveness.

This study further aimed to add input to the existing body of knowledge concerning the effects of procurement processes on project execution in project management and also to contribute to the existing literature in procurement management.

Key Words: procurement, effects, execution, project and Cape Town.

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To the black community, for each of the many layers of our complex society, political, cultural, and economic challenging fabric, may we always remember education as a rock on which we can always stand, and as a practice of my own preach, to you I dedicate this dissertation.

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GLOSSARY

ABBREVIATIONS

BBBEE: Broad-Based Black Economic Empowerment
CPO: Chief Projects Officer
GDP: Gross Domestic Product
PFMA: Public Finance Management Act No 1 of 1999
PM: Project Management
PO: Purchase Order
PP: Project Procurement
PPPFA: Preferential Procurement Policy Framework Act
PRR: Policies Rules and Regulations
SCM: Supply Chain Management

CLARIFICATION OF BASIC TERMS AND CONCEPTS

Project: A project is an exclusive procedure consisting of a set of synchronised and controlled exercises with beginning and completion dates, attempted to achieve an objective confirming to quantified requirements involving limitations of time, cost and assets (ISO 10006, 2011:2).

Project execution: Project execution is the phase in which the plan is composed in the earliest phases of the project life cycle to put action into the planning. The resolution of the project execution is to deliver the project's anticipated outcomes, deliverables and other direct outputs (Emmett & Croker 2013:16).

Evaluation: Evaluation means to critic or calculate the quality, prominence or worth of something (Cambridge Dictionary, 2016).

Mechanisms: A mechanism is a logical assembling of components, features and the supplementary energy and information flow that enables a process or system to accomplish its intended results (Baily, 2015:118).

Procurement: Procurement is an action of finding, acquiring and purchasing goods, services or works from an external source, often via tendering or competitive bidding procedures. It also means applying supply chain sourcing and purchasing (Emmett & Croker, 2013:83).

Processes: Processes are a series of actions or specific steps undertaken to achieve a particular goal (12 Simple Steps to Achieving Your Goals, Haynes, 2013).

Collaborative: To be collaborative means to work co-operatively with others (Baily, 2015:7).

CHAPTER ONE

INTRODUCTION

1 Introduction

Although project management is one of the fastest growing industries since its establishment, it is not without challenges; the triple constraints under which projects are carried out remain the biggest challenge of every project and procurement manager as these constraints pose a notable risk for organisations to implement strategic initiatives, drive change and deliver innovation. This chapter examines the challenges underlying procurement and explains the research methodology used to carry out this study.

1.1 Problem statement

The problem that was researched within the confines of this dissertation addresses the following: A project management company located in Cape Town faces challenges in project execution. These challenges are largely rooted in the company's methods of execution in procurement processes and in the involvement of senior management in creatively and analytically applying themselves in problem-solving environments, demonstrating teamwork, innovation and excellence and in procuring adequate resources to achieve project objectives in planned timeframes.

Many projects fail due to stakeholder changing requirements, demands and team conflict attributes during the execution stage of a project life cycle (Sharma, 2011: 18). According to Lendey (2017:03) in order to tackle challenges of inadequate skills in project management, a project manager should select the members who are skilled enough to execute the tasks assigned to them according to the requirements and objectives of the project. If the project is not executed by the members with adequate skills, then the manager should recruit additional members in the team who are skilled enough to fill the skill gap needed for the project. Otherwise, in the absence of required skills, the project may be a complete failure.

According to Armstrong (2012:81) effective communication plays a key role in the project management, especially so during the execution stage of the project life cycle, and this means it is important for the project managers, team managers and executive sponsors to establish an effective communication plan for which the project will be run through.

1.2 Rationale and significance of the study

This study investigated the effects of procurement processes on project execution in a project management company in Cape Town, endeavouring to clarify further than the standard descriptions of this concept. It identified the common procurement problems faced by project management companies in Cape Town. Moreover, it explored common reasons for poor project procurement in finding solutions to overcome these besetting and pervasive challenges; and lastly, this study also examined the positive qualities of this concept and recommended ways to escalate their value and usefulness in practice. Therefore, this research will be valuable to those seeking improvements to strategic procurement.

Table 1.1: Aim and objectives of the study

Sub-question	Method	Objective
What are the primary causes of poor project procurement?	Literature, questionnaires and interviews	To identify the primary causes of poor project procurement
Does the project team understand their role in ensuring quality procurement in project execution?	Questionnaires and interviews	To ascertain whether or not the project team understand their role in ensuring quality procurement in project execution
What is the duty of senior management in ensuring quality procurement management in the company?	Questionnaires and interviews	To identify the duties of senior management in ensuring quality procurement management in the company

1.3 Research question

The research question explored for this research project is as follows: In what ways do project procurement processes impact project execution?

1.4 Literature review

According to Pinto (2016:303), while project management has been broadly examined and debated by professionals, researchers and scientists alike, one of the project management phases they have neglected to concentrate on is project procurement. Wiley (2013:88) highlights that while project procurement is a significant stage of project execution, a review of literature demonstrates an absence of focus on project procurement issues in the general

project management industry, especially in the trading of goods and services in the project procurement stage.

Procurement in and of itself has challenges that need to be addressed by procurement managers in search of solutions for achieving quality, effectiveness and efficiency that will affect project execution and ultimately assist companies in reaching their vision, goals and objectives (Wiley, 2013: 201).

1.4.1 Key principles of procurement

According to Adrienne Watt (2016:02), procurement has fundamental principles that are considered by all legislatures in the procurement process. These principles are found in project management companies, utilised in the procurement stages to ensure the following:

1. accountability;
2. straightforwardness;
3. value for money;
4. competition; and
5. ethics of obtaining products and services.

1.4.2

Table 1.2: A step-by-step approach to procurement processes

Process	Method
Specification	Communicating with the procurement/project manager to create and support a list of procurement items essential for project implementation. The department must define and specify the approved items to external vendors.
Selection	Discovering potential suppliers who can supply the fundamental items required for the project, per the particulars. For this reason, the department needs to set out vendor selection criteria, which may incorporate such measures as service quality, cost, delivery and performance.
Contracting	Communicating with suppliers about delivery dates and payment conditions. To ensure that deliveries are received on time and the budget is not exceeded, all conditions stated should be recorded in the procurement contract. Additionally, a detailed delivery calendar must be negotiated and approved by parties in the purchasing process.
Control	Organising normal gatherings with the suppliers, tracking delivery progress, assessing the requested items against the approved item details, and rolling out vital changes. Accomplishment of the procurement goals of the procurement management processes depends on how the buying department controls the delivery and payment conditions. The department should control the process to ensure successful accomplishment.

Measurement	Utilising a system of performance indicators and measures for evaluating the adequacy of the effectiveness and success of the whole process. Meetings and workshops can be managed to view key performance pointers, intermediate results of tract record of delivery, performance of the procurers, and adherence to product specifications and communication trails with suppliers. In the event that deviations or holes are uncovered, the department must notify the procurement/project manager and roll out fundamental changes to the procurement plan.

Source (Depaoli, 2013:21)

Depaoli (2013:23) further indicates procurement management as being one of the most critical areas in project management as it incorporates wide administrative elements of planning, organizing, leading, communicating, staffing and controlling. He also mentions the importance of building and maintaining healthy relationships between purchasing departments and external suppliers in order to work productively in ordering, receiving, reviewing and approving of all procurement items essential for project execution. The project management 'book of knowledge' not only agrees with the author above but also looks deep into the phases of procurement processes that identify the risks and challenges involved in procurement management.

1.4.3 Procurement management procedures

As indicated by PMBoK (2014), project procurement incorporates every one of the processes important for buying or gaining the products, services, or results required from outside the project team to execute the project. Below are the four stages found in the project procurement processes that identify risks and challenges. One is in the planning, another is in the executing, the third is the monitoring and controlling, and the last one is in the closing process group.

1.4.4

Table 1.3: Stages of the procurement process as stipulated in the project management 'book of knowledge'

Process group	Process name	Process description
Planning	Plan procurement management	Documents all the project procurement decisions, specifies the approach, and identifies potential sellers
Executing	Conduct procurements	Obtains supplier responses, selects supplier, and awards contract
Monitoring and controlling	Conduct procurements	Manages procurement relationships, monitors contract performance, and makes deviations and amendments as required
Closing	Conduct procurements	Concludes project procurements

Source (PMBoK, 2016: 219)

Procurement, like any other business practice, is governed by rules, regulations and policies. In this case, procurement issues which are not covered by the policies in place are generally a matter of subjective judgment by those whose view is critical in choosing whether something will profit the supplier and destroy the purchaser or will result in a win-win situation (Semple, 2015:41).

1.4.5 Laws and regulation acts in South Africa

According to Molver and Gwala (2015: 262), the law regulating procurement in South Africa has been in practice since South Africa's move into a constitutional democracy, though certain remainders of the previously existing custom-based law have remained. Procurement is managed particularly by Section 217 of the Constitution, which requires organs of state in the national, provincial and local circles of government, and any other establishment recognised in national legislation, to contract for goods or services in accordance with a framework which is fair, equitable, competitive, transparent and cost-efficient.

Molver and Gwala (2015:262) explain that the Preferential Procurement Policy Framework Act 7 (PPPFA) recommends the structure within which these particular procurement policies may be executed. According to PPPFA, an organ of state must decide its particular procurement policy and implement it within the framework built up by that Act; this system endorses that preference points might be apportioned for particular objectives, for example, contracting with people, or categories of people, generally hindered by unjustifiable segregation on the basis of racial terms, sexual orientation or incapacity.

1.4.5.1 A further key bit of legislation is the Broad-Based Black Economic

Emmett and Crocker (2013: 59) term the Empowerment Act 8 (the B-BBEE Act) as one of the important chapters of law in procurement because it enables the Minister of Trade and Industry to subject codes of good practice on Black Economic Empowerment that may incorporate capability criteria for particular purposes for procurement and other economic activities. The B-BBEE Act necessitates each organ of state and public entity to apply any imperative code of good conduct issued in terms of the B-BBEE Act in establishing and executing a special procurement policy. It is these codes that decide the B-BBEE status of any procurement entity and the preference points allocated toward any bidder regarding the particular procurement framework.

In conclusion, Promotion of Administrative Justice Act 10 (PAJA) accommodates the legal audit of 'regulatory activity', which incorporates all legislature procurement decisions and sets out the classified grounds of audit and establishes the remedies. Procurement decisions outside the ambit of the PAJA may be checked according to the constitutional principle of lawfulness, which constitutes a chapter of the rule of law in South Africa (Emmett & Crocker, 2013: 62).

1.5 Ethical consideration

An Ethical Clearance Certificate was received from the Faculty of Business and Management Sciences Ethical Clearance Committee at the Cape Peninsula University of Technology. Respondents were informed of the research objectives and their consent for involvement was requested. Moreover, respondents were made aware they were permitted to withdraw from the study at any point. Anonymity and confidentiality were assured.

1.6 Outline of the dissertation

This study is divided into six sections sketched as follows:

Chapter One: This chapter conveys the summarised introduction, a background to the research problem, research questions, objectives and aims of the research.

Chapter Two: This chapter presents the accumulated literature review on the effects of procurement processes on project execution in a project management.

Chapter Three: This chapter discusses the exploration outline, philosophies and methodologies utilised. Data collection strategies, examining procedures, examination techniques and moral thought of the study are additionally conveyed.

Chapter Four: This chapter examines outcomes from the questionnaires and respondent interviews, presenting findings on arrangements of policies used in project procurement within the company studied, as well as challenges faced in the procurement processes influencing project execution and information project managers require to effectively run their projects as far as procurement processes are concerned. This chapter also considers the means project managers can apply to enrich project execution development in Cape Town.

Chapter Five: This chapter concludes the findings and draws recommendations for further research.

CHAPTER TWO

LITERATURE REVIEW

2 Introduction

This chapter reviews project procurement processes on a global level, and then specifically in South Africa and Cape Town. It presents applicable literature on the effects of procurement processes on project execution in project management, the overall development of project management and understanding of sustainability and improvement of supplier relations, the significance of the connection between quality procurement processes and the success of project deliverables, keeping in mind the end goal of improving project management revenues. Discussion on the hindrances faced by procurement managers, advantages and factors enhancing quality project execution, as well as the benefits of law and policy compliance to fair and improved supplier relations are also all incorporated.

2.1 Background to the study

A company was identified – a diverse group of professional services within the project management industry in Cape Town with years of experience, a dynamic and well-qualified team and a track record in the provision of service delivery to the residential, retail, commercial, industrial, government and leisure fields – as facing major problems in the execution of its projects. For the past three years, this company has encountered numerous challenges such as supplier-related issues, strategy selection issues, cost reduction and savings achievement hindrances, inaccurate data and problematic stakeholder management during the project execution stage of project management. Due to these challenges, the company's project success and quality standards have drastically declined. Internal historical investigation of the matter was initiated to determine the core reasons and to establish solutions; however, the company is still not doing very well.

Procurement processes are not only the most challenging but also the most fundamental processes of procurement – they make or break project execution and essentially determine the success of the end product, the project. Not only does the company spend a substantial amount of money during this phase of project management but also invests its human resources' time and talent to ensure quality project delivery.

Susanne and Laura (2009:6) describe challenging procurement by explaining how the project management industry is expanding and growing increasingly competitive. This accounts for the influx of challenges arising from demand, accidental orders, budget, inflexible suppliers and rushed purchases, for example. Investigation conducted by Hillary (2016) asserts that procurement suppliers, subsidiaries, logistics and manufacturing companies that impact on the exchange of goods and services also face procurement challenges.

2.1.1 What is project procurement management?

Guth (2009:108) defined *project procurement management* as a coordinated effort with outside suppliers to acquire goods and services for projects. These relationships are made regularly on a contract basis with the goal that the required items or services are received on time and meet the principles required by the procurement company.

2.1.2 Procurement and logistics trends in South Africa

According to the South African Department of Public Works SADPW (2013), procurement and logistics progressions are not as basic nowadays as they are used to be, getting goods from point A to point B. Even more, on a universal scale, this is much more complex than what it used to be in the previous decades of business. Matthee (2006:56) asserts that today's supply chain management is about understanding and deploying an easily overwhelming set of factors to accomplish a deceivingly straightforward outcome, delivered on-time and within budget. Matthee (2006:57) continues to point out that good knowledge of procurement processes is a prerequisite that supports all current trends in business. Matthee (2006:57) concludes by adding that the more grounded this information is with respect to the part of a supply chain service provider – whether it is an internal or an outsourced function within the end-user organisation – the better and more reliable the outcomes will be.

2.2 An overview of procurement processes in project management

According to Sollish and Semanik (2013:87), like any aspects in business, project procurement management has a process. This procedure ensures goods and services are ordered and received on time and within budget to ensure completion of a project. Regularly, this process entails of five steps:
- initiating and planning;
- selecting;

- contract writing and monitoring; and
- closing and completing;

2.2.1 Initiating and planning

The first step, initiating and planning, is choosing which supplies and stock must be obtained for projects. Once the task has been clarified, a rundown of provisions expected to complete the project is generated. When finalised, the organisation will then specify what criteria the supplies need to meet, for example, courses of events, timelines and specifications (Sollish & Semanik, 2013:87).

2.2.2 Selecting

Once the supply list has been finished and particulars have been chosen, the time has come to connect with potential suppliers and vendors who can offer the goods required. Selecting can be done via conferences as well as through correspondence with potential suppliers so they are aware of the needs of the organisation and can answer any inquiries. Bidders would then be able to present their proposals (Sollish & Semanik, 2013:87).

2.2.3 Contract writing

After all proposals have been considered, suppliers are selected. The process of contract writing produces a document that frameworks all of the conditions of the relationship between the company and the supplier (Sollish & Semanik, 2013:88).

2.2.4 Contract monitoring

Contract monitoring is a process of ensuring that a supplier sufficiently performs a contracted service. The level and type of monitoring conducted by the procurement company is predominantly at their discretion. Procurement companies may not address contract monitoring; it only offers guidelines for monitoring by imposing minimal contract monitoring requirements (Sollish & Semanik, 2013:88).

2.2.5 Contract completion and close out

Contract close out activities are generally direct, particularly for small value contracts and purchase orders. However, in complex and high value contracts involving progress payments, the procurement manager ensures that the contract file is properly closed out. The close out procedure guarantees that every legally binding commitment has been met, and that residual responsibilities, such as warranties, guarantees and after-sales service and support, are clearly defined in terms of responsibility, liability, procedures and timeframes. Contract close

out occurs once all parties involved in the project have fulfilled all contractual obligations (Sollish & Semanik, 2013:89).

2.2.6

Table 2.1: Activities required to complete and close out a contract

Step	Action
1	Review and confirm appropriate action taken according to contract close out checklists
2	Prepare final contract performance report (jointly by requisitioned and procurement manager), including lessons learned, depending on the company. This report may be purely internal or may be shared with the supplier for their knowledge and commitment
3	Prepare supplier assessment form and forward for appropriate action
4	Issue final acceptance on the basis of the requisition report
5	Make final financial settlements
6	Liquidate/return bonds and/or securities.
7	Record any residual obligations (warranties, etc.) and advise requisitioned of procedures
8	Close out contract file

Source: (PMBoK, 2015:101)

2.3 Procurement managers roles in project management

- A procurement manager must create and comprehend the contracts;
- A procurement manager must guarantee that extent of work and task administration necessities be incorporated into the agreement;
- A procurement manager must recognise the chances of and make fitting danger-reaction plans to prepare for chance alleviation;
- A project supervisor should tailor the agreement to that needed for the venture;
- An undertaking administrator must be required amid contract transactions to keep up the association with the vender;
- An undertaking chief must secure the respectability of the agreement;
- A procurement manager must guarantee that all work, for example, announcing, investigations and lawful expectations, are met. The arrival of liens and responsibilities is another basic movement of the venture administrator;
- A task manager works with the obtainment director to oversee changes to the agreement; and finally
- In decentralized contracts in a unified contracting condition, there is one acquisition division, and an obtainment administrator handles various acquirements for various tasks in a decentralized contracting condition; an acquisition administrator is doled

out to anticipate full-time and reports straightforwardly to the undertaking director (Matthee, 2006:81).

2.4 Closer collaboration between stakeholder

According to Ambe (2016:12), the larger integration seen in developing supply chains requires closer collaboration between all players in the supply network. Successful procurement and logistics begins with the supply network service provider's involvement and collaboration in the customer organisation's primary project planning and scheduling stages. Ambe (2016:16) adds that the supply chain partner supports in the consumer organisation for comprehending and incorporating its planning aspects (for example, accurate pricing, the legal and timing complexities of moving goods around the world, taxes and financial regulations).

Lee and Cha (2014:56) assert that procurement teams are an imperative commitment in terms of vendor negotiations, quantities, product specifications, pricing, discounts and lead times. The point is perceivable and cost-decrease regardless of other factors. Lee and Cha (2014, 58) add that the more closely each of these partners work together, the more productive, straightforward and practical the entire supply chain and all its related methodology will be, and the greater perceivability and organisational control the end-customer affiliation will appreciate.

2.5 South African laws and policies on procurement in project management

According to the government of the republic of South Africa (2017:2), the government not only applies a prescription of standards of behaviour but of ethics and accountability, which it then requires of its public and private services and thereby issues general procurement guidelines. Procurement guidelines are also issued as a statement of the government's commitment to a procurement system that enables the emergence of sustainable small, medium and micro businesses, enhancing the common wealth of our country and the achievement of enhanced economic and social well-being of all South Africans.

Adrienne Watt (2016:02) observed that appropriate and effective government procurement rests upon certain core standards of conduct of the four pillars of procurement. These are best described as 'pillars' in light of the fact that if any of them is separated, the entire procurement framework falls. The four pillars are as follows: value for money; open and effective competition ethic; fair dealings and accountability; and reporting equity. These guidelines

address these four pillars, endorsing a base arrangement of benchmarks that are to be observed and supplemented by Public Finance Management Act, 1999.

2.5.1 Value for money

A department must justify a procurement outcome against this fundamental test. Cost alone is frequently not a dependable marker and departments will not necessarily obtain the best value for money by accepting the lowest offer that meets mandatory requirements. Best value for money implies the best accessible result when every single applicable cost and all advantages over the procurement cycle are considered. The procurement function itself, to provide value for money, must be carried out in a cost-effective way. Procurement organisations, whether centrally located or devolved to individual departments, should adhere to the following:

- avoid any superfluous expenses and deferrals for themselves or providers;
- monitor supply chain plans and re-examine them in the event that they cease giving the normal advantages; and
- ensure non-stop positive change in the proficiency of inner procedures and frameworks (Watt, 2016:16).

2.5.2 An open and effective competition ethic requires the following:

- a structure of procurement laws, approaches, practices and techniques that is straightforward and open to all parties involved;
- receptiveness in the procurement procedure;
- encouragement of effective competition through techniques suited to address advertise conditions; and
- recognition of the arrangements of the Special Procurement Policy Framework Act (Watt, 2016:16).

2.5.3 For fair dealings and accountability, all parties in procurement must follow these moral principles:

- managing each other on the premise of common trust and regard;
- directing business in a reasonable and sensible way and with respectability;
- being accountable for their plans, actions and outcomes;
- having receptiveness and straightforwardness in an organisation;
- keeping department heads accountable to ministers for the overall management of procurement activities;
- keeping heads of procurement and senior procurement directors accountable to heads of departments for various high-level management and co-ordination activities;

- keeping individual procurement officers accountable to heads of procurement, and to their clients, for the services they provide;
- assuring all individuals practicing obtainment capacities do so with care and respect; and
- keeping guidelines and remaining accountable to management (Watt, 2016:20).

2.5.4 Reporting equity

The word *value* concerning these guidelines implies the application and recognition of government arrangements, intended to propel people or classes of people impeded by out-of-line separation. This fourth pillar is indispensable to public sector procurement in South Africa as it ensures that government is committed to economic growth by implementing measures to support industry generally, and especially to advance the development of small, medium and micro enterprises and historically disadvantaged individuals. Prominent cooperation in the economy and more differentiated representation of blacks and gender in ownership is essential (Watt, 2016:21).

2.6 All government staff associated with procurement, particularly those dealing directly with suppliers or potential suppliers, are required:

- to recognise and manage irreconcilable circumstances or the potential thereof;
- to manage suppliers impartially;
- to guarantee they do not bargain the remaining of the state through acknowledgment of endowments or hospitality;
- to be circumspect in their utilisation of public property; and
- to assist in the elimination of fraud and corruption (Watt, 2016:19).

2.6.1 Departments need to apply effort and research to get the best possible outcome from the market by ensuring the following:

- that potential suppliers have reasonable access to available procurement opportunities notified, in the least, in the Government Tender Bulletin;
- where advertised conditions constrain rivalry departments, recognise that reality and utilise procurement strategies considering if satisfactory and convenient data is given to enable them to bid;
- that the costs of bidding for opportunities do not deter competent suppliers;

- that inclination and preference are dispensed with; and
- that costs incurred in promoting competition are at least commensurate with the benefits received.

2.7 The government has implemented the Preferential Procurement Policy Framework Act as the foundation on which all procurement activities are to be based. Its goals are as follows:

- to propel the advancement of SMMEs;
- to advance women and physically impaired individuals;
- to create new employment opportunities;
- to promote local enterprises in particular provinces, regions, in a specific local authority; and
- to support the local product (Framework Act: no 5 of 2000).

2.8 Communication in project procurement management

Defining *communication* in the project management context: According to Baily (2015:61-63), project procurement management communication is the exchange of project specific information. Viable correspondence with all partners is completely fundamental to project execution success; subsequently, it must be inherent amid the project planning phase as well as throughout procurement execution. This process intends to give answers to the following questions:

- *Who* needs *what* information?
- *When* do they need the information?
- *Who* delivers the information?
- *How* should the information be delivered?

2.8.1 Campbell (2015:68) posits that for project or procurement managers to develop the communication plan with the help of the team managers and project team members, they should follow these below steps:

2.8.2 Identification of stakeholders

According to Campbell (2015:68), the term *stakeholder* defines the person or entity within or outside the project requiring regular information about the project, with a specific end goal to

distinguish the communication stakeholders or associations who are effectively engaged with the project from those whose interests might be emphatically or contrarily influenced because of project execution or successful project completion. After distinguishing the partners who may require data as the project moves along, a list should be recorded with names and contact details such as address, phone number, fax number and email address.

2.8.3

Table 2.2: Examples of project stakeholders

Project Owner	Implementing Agency	Contracting Authority
Funding Agency	Project Steering Committee	Project Manager
Project Team Managers	Project team	Planning Bureau
Procurement Manager	End users	Other beneficiaries

Source: (Campbell, 2015:68)

2.8.4 Determination of stakeholder communication needs

For each stakeholder identified above, procurement managers need to determine what their communication needs are by the following information:

- project organisation and stakeholder responsibility relationships;
- entities, disciplines, departments and specialties involved in the project;
- precise number of individuals involved in the project and at which locations; and
- external information needs (for example communication with the media) (Campbell, 2015:71).

2.8.5 Channels of project communication

After having clearly identified the stakeholders and their communication needs, it is necessary to determine the messages to communicate to them, the frequency at which they will be informed and the format in which the messages will be communicated.

2.8.6

Table 2.3: Communication methods and technologies to deliver project information

Meetings	Brief conversations	Workshops	Newsletters
Accessible database	Emails	Written documents	Letters
Websites	Teleconferences	Telephone calls	Site visits

Source: (Dominick & Lunney, 2012:303)

Dominick and Lunney (2012:303) explain that, it is critical to determine which method is most effective for each stakeholder. This can be done by assessing the advantages and disadvantages of each method, the percentage of stakeholders who can be reached through each method, and the ability to obtain feedback through each method.

According to Alarcon, Rivas and Serpell (2013:28), after the communication strategy is defined, the project manager must complete a communication plan that integrates the "who, what, when, and how" of the communication process. According to Alarcon *et al.* (2013:32), a *communication plan* includes the type of information being communicated, the objective of the communication, the frequency that information is distributed, and the method used to communicate the information.

Ambe (2016:28) asserts that *status reports*, set up by the project manager to introduce the status of the project to key stakeholders including the project controlling board, the project proprietor and the financing organisation, are typically arranged with the same or less recurrence than *advance reports* (that is quarterly, or twice per year). They require contribution from the project manager. More detailed information on performance reporting, and specifically on progress and status reports, is provided in the section reporting project performance. Ambe (2016:29) concludes that the project manager should take responsibility for designing a correspondence framework, the obligation of confirming communication is occurring, and ensuring that the communication is effective. The communication tactic represented by the communication plan should be adaptable, taking into consideration the determination of issues that emerge, and in addition, the changes in process or strategy and the changes in process or policy that often occur after a major project is completed.

Identification of stakeholders	→	Determination of stakeholder communication needs	→	Definition of communication strategy	→	Completion of communication plan
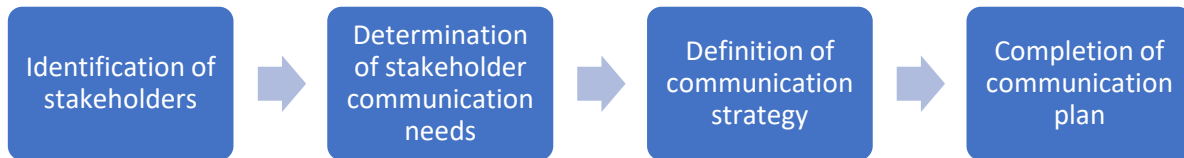
2.8.7

Figure 2.1: Steps in the development of a communication plan

Source: (Fontana, 2013:6)

2.9 Challenges facing procurement

According to Baily (2015:112), project execution is worth nothing without an unimpeachable set of procurement processes. Weingast, Shepsle and Johnsen (1981, cited in Jowah, 2014:1-2) explain that for effective management of projects, the project manager should have an understanding of the structure and culture of the organisation in which the project is embedded. Emmett and Croker (2013:16) agree, signifying procurement as an essential stage of project execution to ensure that project deliverables and objectives will result in the meeting of stakeholder expectations; this cannot be achieved without calculated procurement processes.

According to Verzuh (2015:5), although considerable developments in procurement have been made in previous decades, for instance, in the form of the centralised procurement systems, just-in-time (JIT) and total quality management (TQM) programmes, this has happened for the most part, in economically developed countries. In various economies of developing countries, procurement has not had such a critical effect in the project management industry (Mehra & Inman, 2004:710). Hunja (2003), citing Kaspar and Puddephatt (2012), underscores the above by pointing out that little effort is made to warrant that policies, rules and institutional frameworks governing the procurement system are maintained, especially in terms of ensuring that business or client funds are divvied out in the utmost efficient and economical way so that the system delivers the best value for money.

According to Watermeyer (2011:3), the evolution of procurement means that capacity prosperity is no longer just about sourcing services and reducing cost. These days, procurement teams face an escalating number of complex difficulties. Below are the main five issues:

1. Supplier-related issues

Finding and qualifying providers is a standout amongst the most incessant reactions in this category. Other basic topics include trouble keeping up a steady supply while meeting amazing guidelines and observing provider execution as time progresses. While provider issues are a test for experts in different supply chain positions, they are the most serious issue of the customers by a wide margin, with more than 40% of consumers overviewed referring to it as their 'driving test'. This makes sense as buyers are often on the forefront, from finding the right suppliers to motivating people to perform as expected (Watermeyer, 2011:3).

2. Strategy selection

Many of the responses in this category reflected the changing nature of procurement and the shift from an operational function to a top strategic player in the organisation. Experts are battling with settling on techniques to utilise that will best enable them to accomplish their objectives, as the words *change* and *progress* are frequently utilised as a part of their reactions. Adjusting procurement systems over different geological areas is also a difficult test (Watermeyer 2011:3).

3. Reducing costs and achieving savings

It is truly nothing unexpected that this issue positions in the best three. Bringing costs proceeds down is an essential procurement order. One of the principle battles procurement experts have in this field is keeping up cost investment funds over a prolonged period. Nevertheless, this worry seems to initiate with upper management as chief projects officers (CPOs) and procurement executives are twice as liable to name cost-lessening and investment funds as top challenges as compared to buyers (Watermeyer, 2011:5),

4. Accurate data

The need for expanded access to accurate information appears to relate to an ever-increasing dependence on programming and technology apparatus in the production network. Statistical surveying, benchmarking, and spend investigation seem, by all accounts, to be where information is missing, as indicated by overview respondents. Strangely, only 2% of CPOs and procurement executives referred to information as a best procurement challenge. Perhaps this shows that upper management depends on reports from those closer to the action, and their greater concern is the means by which to utilise whatever information they are given to drive technique selections (Watermeyer, 2011:6).

5. Managing stakeholders

Rounding out the top five procurement problems, managing stakeholders is undeniably at the centre of procurement challenges. Procurement is at the crossroads of many different business functions. Because of this, collaboration and communication are vital. Responses at this time extended from attempting to improve internal customer engagement levels to change management and achieving buy-in from executives and the board (Watermeyer, 2011:6).

2.10 Procurement practices in South Africa

According to Mnguni (2012:48), procurement has been concerned almost exclusively to pursue socio-economic objectives. Procurement practices are of particular significance in the South African public sector, utilised for advancing social, modern or natural points, which are, apparently, optional to the essential aim of procurement. These, however, are expected to be the biased and unreasonable practices of the past (Phoebe, 2011:10).

2.10.1
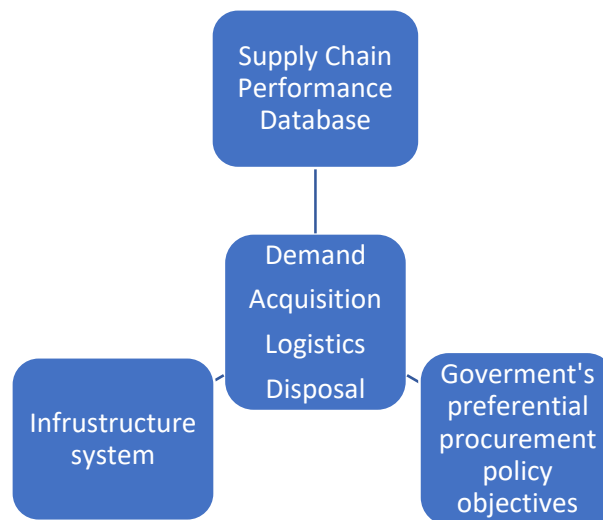
Figure 2.2: South African government supply chain management model

Source: (South African National Treasury, 2015)

2.10.2

As guidelines for the SCM policy are critical, these have been furnished by The South African National Treasury. The configuration of the SCM system is constituted by numerous types of management: demand management, acquisition, logistics, disposal, and finally, risk and performance management. A 'preference point system' guides this structure, a system

intended to achieve a fair re-distribution of wealth (by ensuring equal opportunities). As such, supply chain process components constitute the elements of the SCM systems.

Value-for-money, open and effective competition, ethics and fair practices, accountability and reporting, and last but not least, equity, are the essential principles upon which the supply chain process rests. Adhering to these values will lead to uniformity, the optimum goal of procurement processes, economic development and good governance (Mnguni, 2012). In terms of SCM implementation, the Public Finance Management Act (1999) indicates the move to a decentralized procurement system, one managed by Accounting Officers in national and provincial departments. Moreover, the timing and content of public budgets are governed by this PFMA as well. Subsequently, the 2003 Municipal Financial Management Act inaugurated the regulatory framework for municipalities, the supply chain management (SCM) process in particular.

Public procurement practices in South Africa are overseen as per the multifaceted SCM procedures and activities of government. Preceding 1994, cost was the superseding standard for the procurement of goods and services by the legislature. Bolton (2011:11) demonstrates that despite the fact that cost is still critical, it is longer conclusive. The 1996 Constitution makes express provisions for the utilisation of procurement as a strategy instrument. In February of 2000, impact was focused on the important area of the Constitution with the proclamation of the Procurement Act.

Section 217 of the Constitution of the Republic of South Africa, Act 108 of 1996, stipulates the primary and broad secondary procurement objectives. Section 217(3) of the Constitution requires that national legislation prescribes a framework within which the preferential procurement policy must be implemented. The PPPFA was promulgated in response to this constitutional imperative.

Procurement by organs of state (national and provincial departments, municipalities, constitutional entities and public entities), are likewise administered by various parts of legislation. As noted over, the public procurement procedures and activities of the South African government are multi-dimensional. Consequently, various factors and a vast group of data impact the SCM. Without a legislative framework, however, political representatives will not be able to make informed and intelligent decisions. Thus, in September 2003, the South African government adopted the "Policy to guide uniformity in procurement reform processes in Government". The policy strategy was to guide government's procurement reform strategies and fulfil the requirements of section 76(4) of the Public Finance Management Act of 1999.

The table below indicates the objectives of procurement in South Africa as contained in the Constitution.

2.10.3

Table 2.4: Public procurement aims in South Africa as established in the constitution

Objective		Reference
Primary	Procurement system to be fair, equitable, transparent, competitive and cost-effective	Section 217(1)
Secondary	Procurement policy may be provided for: Categories of preference in the allocation of contracts, and The protection or advancement of persons, or categories of persons, disadvantaged by unfair discrimination	Section 217(2)

Source: (Bolton, 2011:203)

2.10.4

Table 2.5: Primary Acts that govern public procurement in South Africa

Procurement role and purpose	Act
Makes corruption and related activities an offence, establishes a register in order to place certain restrictions on persons and enterprises convicted corrupt activities relating to tenders and contracts, and places a duty on certain persons holding a position of authority to report corrupt transactions	Prevention and combating of corruption activities Act 12 of 2004
Programmes and projects, as well as those pointed at procurement reform, standardization and uniformity in procurement documentation, practices and procedures within the outline of the procurement policy of government, through the establishment of: 1. A national register of contracts (and if required, consultations and suppliers) to manage public sector procurement risk and facilitate public procurement 2. A register of projects above a particular financial value with data relating to contracts awarded and completed, and a best practice project assessment scheme 3. Best practices which establish a code of conduct for the parties engaged in construction procurement	Development Board Act 38 of 2000
Establishes fair administrative dealings, licences those affected by unfair administrative action to request reasons for such administrative action and requires administrators to respond to such requests (administrative actions are presumed to have been taken without good cause where an administrator fails to respond with the pre-publicities period). Provides for procedures for the judicial review of administrative actions and remedies in proceedings for the judicial review, including the prohibition of an administrator from acting in a particular manner, setting aside the administrative action, correcting the defective action and ordering the administrator to pay compensation	Promotion of administrative justice Act of 3 of 2000
Establishes the manner in which preferential procurement policies are to be implemented	Preferential procurement policy framework Act of 5 of 2000
Establishes a regulatory framework for supply chain management which includes procurement in municipalities and municipal entities	Local government: Municipal finance

	Management Act 56 of 2003
Establishes a code of good practice to inform the development of qualification criteria for the issuing of licences or concessions, the sale of state-owned enterprises and for entering into partnership with the private sector and the development and implementation of a preferential procurement policy.	Broad-Based Black Economic Empowerment Act 53 of 2003
Establish regulatory framework for SCM, which includes in national and provisional departments and state-owned enterprises	Public finance management act of 1999
Prohibits the state of any person from discriminating unfairly against any person on the grounds of race, gender though the denial of access to contractual opportunities for rendering services or by failing to take steps to reasonably accommodate the needs of such persons	Promotion of equity and prevention of unfair discrimination Act of 4 of 2000
Establishes the means by which the Board can promote and implement policies	Construction Industry

Source: (Watermeyer, 2011:3)

According to Ambe (2016:88), these regulations further license the National Treasury to engage in practice proceedings for debating and discussing applicable supply chain management topics with an eye toward warranting consistent, minimally-varying standards and norms within government. To this end, in 2015, the National Treasury published a primary review of the supply chain management policy, which was the foremost assessment of this system of buying goods and services by the public sector since as early as 2004. The National Treasury, within this review, admitted the many challenges associated with the employment of the SCM policy. One major issue requiring attention, for example, was that the SCM was frequently misunderstood and unfortunately undervalued. Furthermore, not only was it under-capacitated but its strategic importance was hardly recognised. The establishment of the chief procurement officer at the National Treasury (National Treasury, 2015) was, then, one significant result of this assessment.

For agencies concerned with verification and Broad-Based Black Economic Empowerment (B-BBEE), the B-BBEE has become a critical evaluation method offering an assortment of weighted scores intertwined with the classification of bidders. The B-BBEE, sharply defined as a cohesive socio-economic procedure that directly impacts the South African economic revolution by substantially increasing the number of black people who manage, own and control the country's economy, has significantly reduced income inequalities (Balshaw & Goldberg, 2013:74). Underneath the B-BBEE Act, Broad-Based BEE is even more particularly defined as "the economic empowerment of all black people, as well as female workers, youth, people with disabilities and people living in rural areas, through diverse but integrated socio-economic strategies". This includes the following empowerments (Balshaw & Goldberg, 2013:75):

- enlarging the pool of black people owning, managing or otherwise controlling enterprises and productive assets;

- smoothing the way for management or ownership of businesses and productive assets by all kinds of individual or collective enterprises such as workers, communities and cooperatives.
- achieving improved human resource development, primarily through skills development;
- ensuring equal representation in all categories of occupation and levels of workforce; and
- attaining equal or even preferential procurement.

These empowerments mean greater investment in enterprises managed or directly owned by black people. Both of these definitions concern an integrated approach, inclusive of all economic factors necessary for a strong contribution towards meaningful, sustainable economic growth.

The BEE Codes of Good Practice were gazetted on 9 February 2007 under section 9(1) of the B-BBEE Act of 2003. According to the revised PPPF Act of 2011, BEE Status Level Certificates were to be implemented. Thus, moving forward, BEE was to cease being calculated in terms of the bidding process, whereas previously, bidders had to submit original and valid B-BBEE Status Level Verification Certificates or certified copies thereof, in combination with their bids, as a requirement for substantiating their B-BBEE rating claims (Balshaw & Goldberg, 2013:75).

Bidders who did not submit B-BBEE Status Level Verification Certificates were considered non-compliant contributors to B-BBEE, and thus would not qualify for preference points in terms of B-BBEE. However, such bidders were not disqualified from the bidding process. Table 2.6 presents the elements and weightings of the generic B-BBEE scorecard and code series references (Balshaw & Goldberg, 2013:76).

2.10.5

Table 2.6: Fundamentals and weightings of the generic B-BBEE score

B-BBEE PILLAR		Weighting	Regulatory Objectives
Direct Empowerment	Ownership	20%	Encourage the sharing of ownership which will result in voting rights for black people in general and black women in particular
	Management	10%	Encourage senior black decision-making at executive board and senor top management level

		Empowerment Equity	15%	Encourages companies to identify and recruit black people in professional, middle and lower management positions.
Empowerment Equity		Skills Development	15%	Encourages companies to develop black talent through spending on skills development and learnerships
Indirect Empowerment		Preferential procurement	20%	Encourage the development or expansion of black small and medium enterprises
		Enterprise Development	15%	Measures the extent to which enterprises procure from BEE-compliant companies, encourages spending on small and micro enterprises as well as on black-owned companies
Residual		Socio-Economic	5%	Encourages initiatives intended to directly provide black people with means of generating income for themselves

Source: (Balshaw & Goldberg, 2013:109)

The generic scorecard comprises seven elements which are measured for a total score out of 100. The scorecard explains how each indicator is measured. A distinction can be made between an exempted microenterprise (EME) with a total revenue of R5 million or less, a qualifying small enterprise (QSE) with total revenue of between R5 million and R35 million, and a start-up enterprise, which is measured as an EME for the first year of formation or incorporation. An EME is deemed to have a B-BBEE status of level 4 or level 5 in instances where more than 50% is owned by black people (Balshaw & Goldberg, 2013:110).

A QSE must select any four of the seven elements on the scorecard for measurement to determine its compliance (Kruger, 2011:210-211). Measurement of an enterprise as a 'contributor' in terms of the generic scorecard determines its B-BBEE status on the basis of the qualification in terms of points scored, including its B-BBEE recognition level as shown in Table 2.7. Table 2.7 presents the new BBBEE status, qualification and recognition level (Balshaw & Goldberg, 2013:112).

2.10.6

Table 2.7: B-BBEE recognition level, status and qualification

BBBEE recognition level (percentage)	B-BBEE status	Qualification
0	Non-Compliant contributor	<30 points on the generic scoreboard
10	Level Eight contributor	≥30 but < 40 points on the generic scoreboard
50	Level Seven contributor	≥40 but <45 points on the generic scoreboard

60	Level Six contributor	≥45 but <55 points on the generic scoreboard
80	Level Five contributor	≥55 but <65 points on the generic scoreboard
100	Level Four contributor	≥65 but <75 points on the generic scoreboard
115	Level Three contributor	≥75 but < 85 points on the generic scoreboard
125	Level Two contributor	≥85 but <100 points on the generic scoreboard
135	Level One contributor	≥100 points on the generic scoreboard

Source: (Balshaw & Goldberg, 2013:113)

2.11 Summary

Procurement in the South African project management industry is a key component empowering government to actualize financial goals. This chapter explored trends and developments in procurement within South Africa and outside. This conceptual review indicates that while procurement transformation continues to evolve in South Africa under the Supply Chain Management (SCM) umbrella, throughout the years SCM has been underestimated and misjudged.

Procurement continues to confront new challenges, experiencing various changes over the past years: deviations in the regulatory framework for SCM, the constant help through treasury notes and district, and the new piece of functionality in the procurement procedure, for example. In addition, there has been the establishment of verification agencies, the work of electronic duty frameworks, the foundation of least edges for local content production, the use of a centralized procurement database, the integration of government procurement frameworks, and additionally contract centralization of certain taxpayer driven organisations. These progressions are presented by the National Treasury, which offers help benefits in all circles of government with the end goal of enhancing procurement and ensuring value for money.

CHAPTER THREE

RESEARCH METHODOLOGY

3 Introduction

Chapter Three discusses research methodologies and procedures employed in this study, including data collection, research population, questionnaires, an interview guide and the manner in which data was analysed and interpreted, trailed by the essential issues surrounding reliability and validity of measures that were taken to ensure ethical conduct of the research. A mixed approach was used to unearth the effects of procurement processes on project execution in a project management company in Cape Town. Interviews were conducted at the company and questionnaires were administered to targeted participants.

According to Goddard and Melville (2007: 71), additionally concluded that *research* is the investigation of issues using logical techniques and standards. It infers an exhaustive study, examination or trials following some consistent sequence. Goddard and Melville additionally included that research includes a critical analysis of existing conclusions with respect to newfound facts. *Research*, as indicated by Welman and Kruger (2005:89), explains the application of various methods and techniques with a specific end goal to create scientifically developed knowledge by using objective methods and procedures. Wiley (2013:23) characterises research as a systematic search for relevant data which prompts new information, often investigating relationships among different factors operating in a given situation.

3.1 Research design of the study

This study has adopted mixed methods, incorporating qualitative and quantitative methods, on a company case study. Qualitative research looked at the existing literature on project procurement in project organisation in Cape Town and determined challenges confronted within the industry and how procurement processes affect project execution by conducting interviews with relevant personnel. For the quantitative research, a self-administered questionnaire was disseminated to participants and upon completion, collected by the researcher. This kind of methodology intended to explore reasons for poor procurement in the project management discipline.

3.2 De-limitation of study

The population in this study was comprised of suppliers, project and procurement managers, project coordinators, company employees from the logistics department of the company under research and the company top management. This study is limited to only employees involved in the procurement processes of the identified company and does not consider employees who are not in any way involved in the procurement of the projects in the company under study. It bars companies that are not in the project management industry and those in the project management industry but not operating in Cape Town. The span of the sample frame is twenty-six participants.

3.3 Research methodologies

3.3.1 Sample technique and sample size

This research employed a probability sampling technique by means of marginal or zero systematic bias which is the dissimilarity between the outcomes from the sample and the outcomes from the population. With this sampling technique, the researcher guaranteed that every individual from the procurement team of the company under study had an equal opportunity for selection. According to Hsia (2014), the advantage of using a random sample is the absence of both systematic and sampling bias. Tests are collected in a process that gives every one of the people in the populace level odds of being chosen; therefore, the sample will be representative of the entire population. Sekaran (2013:111) supports this view by expressing that the benefits of the probability sampling method include that it is less entangled and less tedious and freer from factual unpredictability.

A project management company in Cape Town was reviewed according to the above-mentioned methodology, with the breakdown of respondents divided as follows: five project or procurement managers, five project coordinators, three company suppliers, five top management individuals, three clients, and lastly, five employees from the logistics department. All the participants involved in this study equal twenty-six participants randomly selected from the box of all names of the procurement team to represent the entire population of the procurement department. Participants chosen were each surveyed with one questionnaire specially formulated to extract the relevant information from each one accordingly.

The probability sampling method that was used in this study was chosen to enable the researcher to elicit the relevant information from all parties regarding the challenges the procurement department of the company under study faces and how these challenges impact on the execution processes of projects within the company. The researcher has chosen this kind of sampling method for reasonable management of the survey, for an accurate interpretation and transcript of data, and moreover, to save time given the tight schedule of the employees to be surveyed. Finally, the researcher considered budget limitation as a reason for choosing this particular method.

3.4 Data collection instruments

A mixed approach method was used in this research; the motivation behind this type of research is that both subjective and quantitative research methods, mixed, result in a superior comprehension of the research problem than either research approach alone. This mixed method also ensures highly accurate and factual information, enhancing the information validity and truthfulness of this academic report. This method incorporated a quantitative-based method using a self-administered questionnaire distributed to the relevant participants. The questionnaire was presented in English, the official language of communication in Cape Town. Information was gathered immediately upon completion of questionnaires and interviews. The qualitative method was comprised of interviews that were also conducted in English: the same participants receiving the questionnaire were interviewed by the researcher at their particular convenient place and time subsequent to the questionnaire feedback being obtained by the researcher. An interview guide was generated by the researcher to guide the interview, which was then recorded, and for which respondent responses were typed on a computer.

Textbooks, articles, journals and dissertation documents were gathered during the literature review of this study to collect essential primary information regarding the subject of the study. Henning, Rensburg and Smit (2004:100) contend that if records and different methods of data collection are omitted from an investigation there could potentially be potholes left unfilled. Henning, Rensburg and Smit additionally contend that it is helpful to practice data collection in whatever number modes as could be allowed, and after that select a particular technique in a particular design that may capture data optimally and purposefully.

3.4.1 Data collection/fieldwork

This study was focused on contextual analysis from within a procurement department of a project management organisation in Cape Town, South Africa.

Questionnaires were distributed to relevant participants for self-administration, allowing time for participants to complete the questionnaire at their convenience, saving money and time for both the participants and the researcher. Interviews were one of the techniques for acquiring data about practices or encounters, suppositions or convictions, emotions, learning and statistical data from the participants. The meetings were scheduled and structured in a manner to elicit a point-by-point examination of participant viewpoints on the given research topic.

3.4.2 Data coding and analysis

The information accumulated through the above techniques was presented and discussed in conjunction with the available literature. Every piece of information assembled was analysed utilising the software for social science (SPSS version 25), which assisted in analysing information, assembling appropriate tables and diagrams, observing relationships among variables and performing tests of statistical significance in light of pertinent research questions.

According to April (2014:23), there are different kinds of research. Research, for example, can be graphic, correlative or exploratory. While selecting the appropriate kind of research to apply when attempting to solve a problem, researchers should to be guided by the attributes of the issue, the underlying level of knowledge, the properties of the factors and the purpose of the investigation. April concludes by stating that research designs are a blueprint of precisely how a researcher intends to conduct the research. A mixed design approach (quantitative and qualitative) was applied in this research study to give richer data and more strength to the results of the study.

The data analysis approach adopted in this case study was both descriptive and interpretational. Descriptive statistics were used in the analysis of the responses to the questionnaire. Translating the responses to each of the questions in the questionnaire into the number of times a certain answer appeared aided in the understanding of the effects of procurement processes on project execution in the company under study.

As indicated by Temple and Young (2004:74), analysing qualitative data literally means taking words, sentences and paragraphs apart, a critical act of separation in the research project to

make sense of, translate and theorise, the information. William (2006:66) exhorts that in arranging, decreasing and describing the information, analysis should be thorough, precise, restrained, deliberately archived, and above all, efficient.

As practised in this study, the qualitative analysis approach included scientific operations which evaluated the outcomes of the study in numerical esteems. Quantitative information extricated from closed-ended questions was encoded utilising the Statistical Package for the Social Science (SPSS) with results carefully analysed statistically with both descriptive and inferential measurements.

3.4.3 Quantitative approach

A quantitative approach was chosen as a part of this research methodology in light of the fact that the motivation behind the research concerns explanation and estimation of time. Moreover, the quantitative approach was selected as appropriate with the understanding that the population of the study is educated and therefore familiar with quantitative studies, as these studied include numerical data. Regarding the accessibility of literature for the study, its accessibility dates from only two decades ago as project management in and of itself is a fairly new business concept. According to Yeasmin and Rahman (2012:03), the ideal opportunity for the study's field work is generally short. Yeasmin and Rahman (2012:06) explain that when the time accessible for the investigation is short, the quantitative approach is suitable. Data was analysed statistically, and findings communicated in numbers. Based on these considerations, the quantitative approach is considered appropriate as a method for conducting the research.

3.4.4 Qualitative approach

The researcher incorporated the qualitative method as a second means of collecting data with a view to evoking reliable responses from the chosen population sample, for getting clearer responses from the respondents by means of expressions and the array of non-verbal communication. Collis and Hussey (2014:167) express that meetings are a technique for gathering information in which chosen participants are posed questions to discover what they do, think or feel. They know that meetings are related with both positivist and phenomenological strategies. Schwandt (2007: 163) classifies meetings as either organised (closed, constrained decision responses) or unstructured (open-ended responses). According to Creswell (2007:20-24), the purpose of qualitative research is to intentionally select informants (or archives or visual material) that will best answer the research question, so no effort is made to choose informants randomly. For this purpose, the researcher employed the

qualitative approach as a part of this examination to represent the reason, graphic and illustrative methods of the study. These parts of the findings were communicated objectively.

3.4.5 Triangulation

Triangulation was utilised in this research study by employing both methods for data collection: an administered questionnaire was distributed to the research population and interviews conducted. Yeasmin and Rahman (2012:16) describe *triangulation* as a method for utilising both qualitative and quantitative data together. Furthermore, they claim that such a mix can be effective to gain insights and results. Yeasmin and Rahman (2012:21) propose that triangulation could be persuasive in upholding multi-level research within project management research to embrace both ontological and epistemological perspectives.

3.5 Target population

The population of this study was a single selected project management company staff from the procurement department where procurement processes are conducted. The population contained leaders in the company, suppliers, project and procurement managers, project coordinators and logistics individuals of the company and company clients. The population size of interest from which the sample was drawn contains an aggregate of sixty-nine (69) employees from which the study population of twenty-six (26) was drawn.

3.6 Data validity and reliability

Golafshani (2003:6) mentions that *reliability* is the degree to which results are consistent over time: an accurate representation of the total population under study is referred to as reliability, and if the results of a study can be reproduced under a similar methodology, then the research instrument is considered reliable as well. Golafshani (2003:8) additionally expresses that *validity* determines whether the research genuinely measures that which it was intended to measure or how truthful the research results are. In other words, does the study instrument enable a researcher to accomplish the most ideal results possible of the research objective? Researchers generally determine validity by soliciting a series of questions and will regularly search for answers in the research of others. In this study, the researcher structured the questions of both the questionnaire and interview guide in logical sections to solicit the flow of information, probing the right questions to get the right answers.

According to Cooper and Schindler (2014:318-320), three substantial types of validity can be distinguished:

1. *Content validity* – which was mostly used in this research by means of structuring the study into chapters and sections to permit flow and connection of information and structured questions for both the questionnaire and the interview guide to obtain the right information from the respondents;

2. *Postdictive criterion-related validity* – where both the questionnaire and the interview guide were given to the ethical committee of the university to validate, and then to the director of the company to test prior to distribution to the respondents.

3. *Construct validity* – to this purpose, the university issued an Ethical Certificate to the researcher. The directors of the company under study gave the researcher an approval to investigate the issues which the company was facing, as covered in the questionnaire and interview guide.

3.7 Ethical considerations

In the context of research, according to Saunders, Lewis and Thornhill (2009:130) *ethics* refers to the rightness of conduct in connection to the rights of the individuals who become the subject of the work or influenced by it. Consequently, the following ethics were observed in this research study:

- *Informed consent:* Participants were allowed to decide to participate or not and were informed ahead of time about the concept of the investigation.

- *Right to privacy:* The nature and quality of respondents' responses were kept entirely confidential.

- *Transparency with participants:* Findings were accounted for in a clear, thorough and legitimate way, without distorting what has been said or deliberately deceiving others with regards to any ideas.

- *Confidentiality/Anonymity:* It is upstanding research practice to offer confidentiality and anonymity, as this will prompt respondents to give transparent responses (Saunders *et al.*, 2001).

In conjunction with the above, a consent letter was sought from the company prior to undertaking the investigation. Respondents were informed of the targets of the study and their approval to willingly participate in this investigation was sought. In this way, anonymity and confidentiality were ensured to all respondents.

3.8 Summary

The investigation techniques represented in this chapter – for example, the strategy for data collection, sample selection, sampling technique, and data validation – were utilised to gain input into the questionnaire and the interview guide to specify what the outcomes of the next chapter would be measured against.

CHAPTER FOUR

PRESENTATION OF RESULTS

4 Introduction

This chapter presents the analysis of the information collected from the questionnaire survey and interviews, conducted, recorded and transcribed. This chapter also presents the interpretation and discussions of the outcomes relating to the effects of procurement processes on project execution in the project management company under study. Finally, this chapter shows the response rate of the questionnaire survey, interviews and the challenges facing procurement.

4.1 Response rate of questionnaire survey

The information was assembled by means of questionnaire from a total of twenty-six participants. Out of the twenty-six distributed questionnaires, twenty-one were properly finished and returned via email, while the remaining five respondents faxed the questionnaires to the researcher.

The following measures were taken to improve the response rate:

- the covering letter showed cooperative interest to the respondents; and
- the length of the questionnaire remained minimal for a study of this magnitude.

4.2 Profile of respondents

Figure 4.1 depicts the current positions of the respondents. The survey sample was comprised of the procurement team of the company under study, from which top managers, procurement managers, project coordinators, individuals from the company suppliers and individuals from the logistics department took part. The following is the rate of respondents in percentages and current positions of the respondents: top managers: 19.2%; procurement managers: 19.2%; project coordinators: 19.2%; individuals from company suppliers: 11.5%; logistics personnel: 19.2%; and lastly, clients of the company: 11.5%.

Respondants' Positions
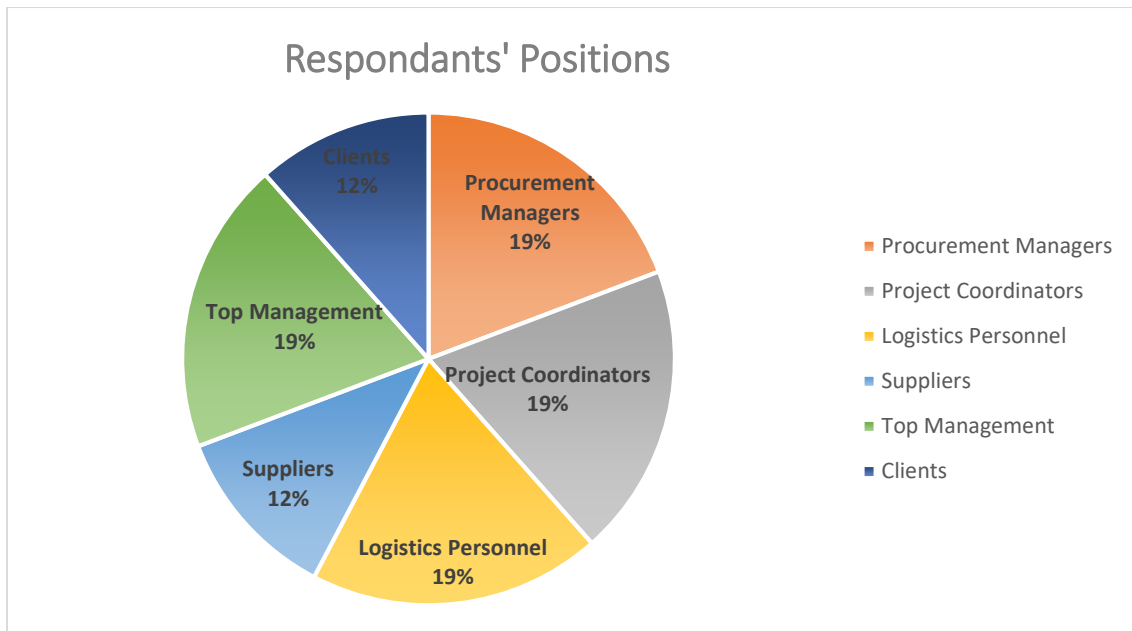
4.2.1

Figure 4.1: Percentages and current positions of the respondents

4.3 Main questionnaire analysis

4.3.1 *Question One:* Policies used to govern procurement processes within the company.

Respondents were requested to indicate types of policies which are commonly used within the procurement department on a scale of 1 to 10, where 1=least practiced and 10=the most practiced. This question was designed to gauge compliance to the policies in place within the company to ensure governance of conduct during procurement.

4.3.1.1

Table 4.1: Purchasing methods

		Frequency	Valid Percent	Cumulative Percent
Valid	Least Practiced	5	19.2	19.2
	Most Practiced	21	80.8	100.0
	Total	26	100.0	

- The table above shows that only five people (19.2%) said the policy was least practiced whereas 21 participants, the majority (80.8%), indicated the policy as the most practiced in the company.

4.3.1.2

Table 4.2: Tendering principles

		Frequency	Valid Percent	Cumulative Percent
Valid	Least Practiced	10	38.5	38.5
	Most Practiced	14	53.8	92.3
	Missing	2	7.7	100.0
Total		26	100.0	

- The table above indicates that 10 participants (38.5%) said the policy was least used, while 14 participants (53.8%) said it was the most used.

4.3.1.3

Table 4.3: Establishment of contracts

		Frequency	Valid Percent	Cumulative Percent
Valid	Least Practiced	4	15.4	15.4
	Most Practiced	22	84.6	100.0
	Total	26	100.0	

- Establishment of contracts came out with four participants (15.4%) indicating the policy as least practiced, while the other 22 participants (84.6%) indicated the policy as the most practiced in the company.

4.3.1.4

Table 4.4: Emergency purchases

		Frequency	Valid Percent	Cumulative Percent
Valid	Least Practiced	5	19.2	19.2
	Most Practiced	21	80.8	100.0
Total		26	100.0	

- Emergency purchase statistics show that a majority of people indicated the policy as the most practised policy, suggesting a high number of emergency purchases taking

place in the company, perhaps resulting from mistakes and incorrect orders. Only five respondents (19.2%) rated the policy as not mostly used.

4.3.1.5

Table 4.5: Conflicts of interest

		Frequency	Valid Percent	Cumulative Percent
Valid	Least Practiced	10	38.5	38.5
	Most Practiced	16	61.5	100.0
	Total	26	100.0	

- Conflicts of interest calculates with the frequency of 10 participants (38.5%) indicating the policy as the least practised and 16 (61.5%) remaining others indicating it as the most practised. This demonstrates that policies to govern conflict of interest in procurement are important, with substantial impact on procurement quality and essentially, entire project execution.
- Considering other aspects not cited in the questionnaire, one of the respondents added that policy compliance was one of the key areas that any project management firm wishing to be successful must take into consideration, at *all* times, throughout *all* levels of employment within the organisation or a firm.

4.4 *Question Two:* Influences of poor project procurement

Respondents were asked to indicate their agreement concerning the influences of poor project procurement which could result in negative effects on project execution using a 5-point Likert Scale where 1=strongly disagree, 2=disagree, 3=neutral, 4=agree and 5=strongly agree.

4.4.1

Table 4.6: Unclearly defined objectives result in poor procurement processes

		Frequency	Valid Percent	Cumulative Percent
Valid	Agree	20	76.5	76.5
	Strongly Agree	6	23.5	100.0
	Total	26	100.0	

- The majority of the participants (76.9%) agreed that unclearly defined objectives result in poor procurement processes, whereas 23.5% strongly agreed.

4.4.2

Table 4.7: Unclearly defined team roles resulting in mistakes in procurement

		Frequency	Valid Percent	Cumulative Percent
Valid	Neutral	5	19.2	19.2
	Agree	15	57.6	76.9
	Strongly Agree	6	23.1	100.0
	Total	26	100.0	

- The majority of the participants (80.7%) agreed or strongly agreed to the statement above.
- Only 19.2% were neutral.

4.4.3

Table 4: Late deliveries from suppliers contributing to poor procurement

		Frequency	Valid Percent	Cumulative Percent
Valid	Agree	16	61.5	61.5
	Strongly Agree	10	38.5	100.0
	Total	26	100.0	

- A smaller margin (61.5% of the respondents) agree with the above statement.
- However, 38.5% strongly agree to the statement.

4.4.4

Table 4.9: Technical skills exhibited by project team also cause poor procurement

		Frequency	Valid Percent	Cumulative Percent
Valid	Neutral	4	15.4	19.2
	Agree	19	73.0	88.5
	Strongly Agree	3	11.5	100.0
	Total	26	100.0	

- A small number of respondents were neutral (15.4%) but the majority of the participants (73%) agreed with the statement above. The other minimum (11.5% of the respondents) strongly agree that poor technical skills exhibited by the project team also result in poor procurement.

4.4.5

Table 4.10: Decision making problems when assessing potential suppliers and choosing the correct one also relate to poor procurement

		Frequency	Valid Percent	Cumulative Percent
Valid	Agree	22	84.5	84.5
	Strongly Agree	4	15.4	100.0
	Total	26	100.0	

- The entire population of the participants –100%! – agreed or strongly agreed to the statement above.

4.5 *Question Three:* Are problems in procurement processes directly linked to faults made by project team members who are uncertain about their roles?

Respondents were requested to tick a *yes* or *no* to the following question to indicate their opinion about whether or not the problems in procurement are caused by lack of role understanding by the project team members to narrow down the causes of poor project procurement during project execution.

4.5.1

Table 4.11: Are problems in procurement processes directly linked to faults made by project team members who are uncertain about their roles?

		Frequency	Valid Percent	Cumulative Percent
Valid	Yes	22	88.0	88.0
	No	3	12.0	100.0
	Total	25	100.0	
	Missing	1		
Total		26		

- According to the table, statistic shows that a total of 22 respondents answered *yes* to the question, while only three responded *no.* One respondent declined to provide a reply to the question.

4.6 *Question Four:* Internal factors that are contributing to poor quality project procurement processes.

The tables below indicate the internal factors that are contributing to poor quality in project procurement processes and ultimately leading to poor project execution. This category of the sample expresses some of the challenges facing procurement from all levels within the department. This, therefore, is important information with regard to the objectives that the study seeks to determine.

4.6.1

Table 4.12: Theft as an internal factor contributing to poor quality in project management processes

		Frequency	Valid Percent	Cumulative Percent
Valid	Theft	12	100.0	100.0
	Missing	14		
Total		26		

- Out of the 26 total study respondents, 12 respondents indicated theft as one of the internal factors contributing to poor quality in project management processes within their department. The remaining 14, however, did not indicate theft as a factor contributing to poor quality in project management processes within their department.

4.6.2

Table 4.13: Fraud as an internal factor contributing to poor quality in project management processes

		Frequency	Valid Percent	Cumulative Percent
Valid	Fraud	13	100.0	100.0
	Missing	13		
Total		26		

- Half the respondents appointed fraud as a further factor contributing to poor quality in project management processes within their department, while the other half did not agree with the statement of fraud being one of the factors contributing to poor procurement processes in their department.

4.6.3

Table 4.14: Bribery as an internal factor contributing to poor quality in project management processes

		Frequency	Valid Percent	Cumulative Percent
Valid	Bribery	7	100.0	100.0
	Missing	19		
Total		26		

- A number of the populace (26.9%) indicated bribery as a contributing factor to poor quality in project management processes within their department, while a larger percentage (73.1%) indicated *no* to the question above.

4.6.4

Table 4.15: Extortion as an internal factor contributing to poor quality in project management process

		Frequency	Valid Percent	Cumulative Percent
Valid	Extortion	5	100.0	100.0
	Missing	21		
Total		26		

- Out of the 26 study respondents, a total of 19.2% respondents designated extortion as being one of the internal factors contributing to poor quality in project management processes within their department. The other 80.8%, however, did not indicate extortion as a factor that contributes to poor quality in project management processes within their department.

4.6.5

Table 4.16: Favouritism as an internal factor that is contributing to poor quality in project management processes within the department

		Frequency	Valid Percent	Cumulative Percent
Valid	Favouritism	11	100.0	100.0
	Missing	15		
Total		26		

- ▪ Eleven respondents from the sample stipulated that favouritism acts as one of the causes of poor quality in project management processes within their department, whereas a larger portion (15 respondents) does not think this is the case. The figure below summaries and simplifies the information in a graph and in percentages.
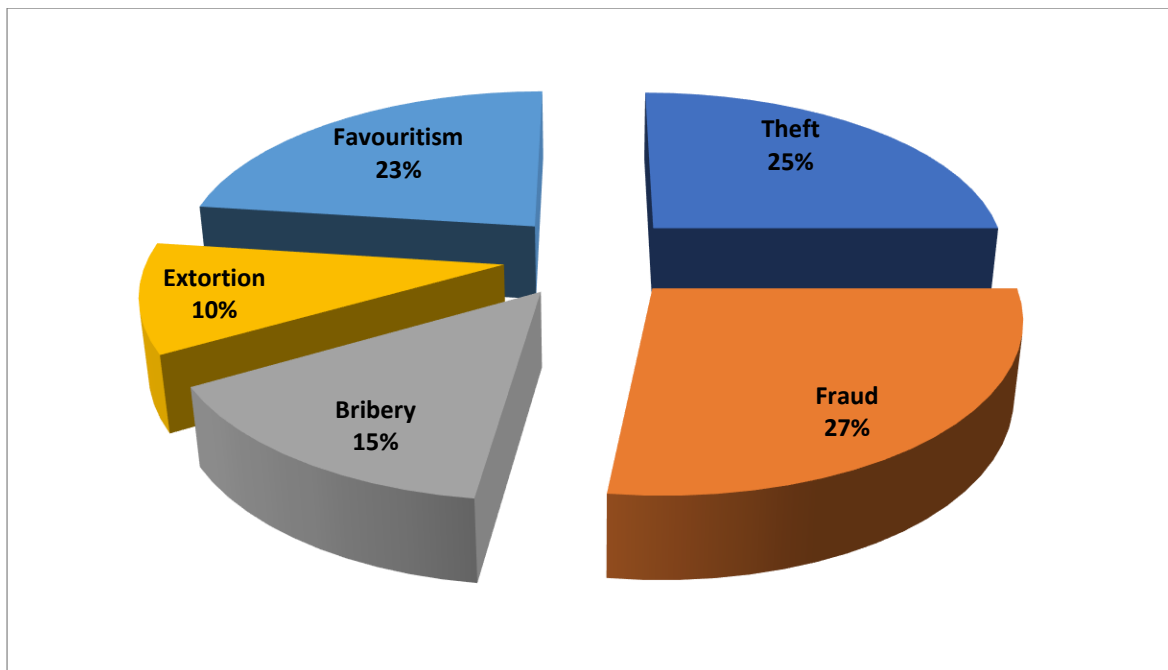
4.6.6

Figure 4.2: Internal factors contributing to poor procurement

4.7 *Question Five:* In recent years, have there been instances of flouting of procurement processes?

Table 4.7.1 presents the responses of the participants to the question above. The researcher asked the question to measure the level of procurement processes being flouted or skipped within the department to gauge their effect on procurement process of project execution of the department. The *yes* or *no* options were provided, where *yes* was to indicate agreement to the question and *no* to disagree. Ten of the 26 respondents confidently indicated that in the recent years there have been instances of flouting of procurement processes, while the other 16 indicated no. This therefore leaves us with the conclusion that the flouting of the procurement processes in the company to a certain level does have an effect on poor procurement processes in the project management company under study.

4.7.1

Table 4.17: In the recent years have there been instances of flouting of procurement processes?

		Frequency	Valid Percent	Cumulative Percent
Valid	Yes	10	38.5	38.5
	No	16	61.5	100.0
	Total	26	100.0	

Instances of flouting procurement processes

38.5%

61.5%

Yes
No
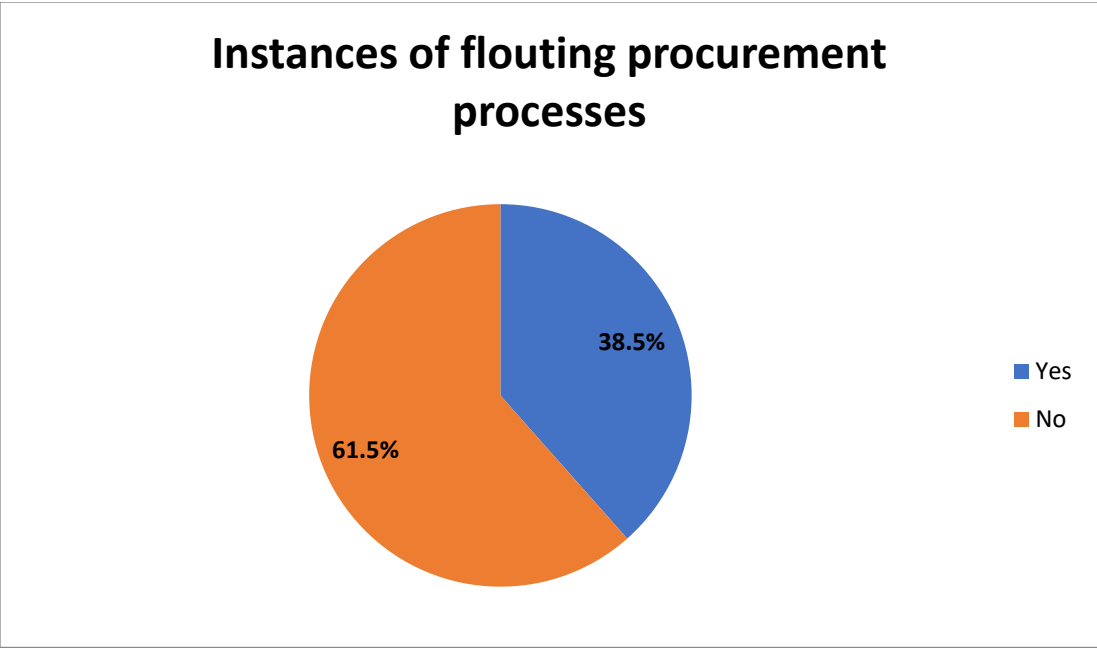
4.7.2

Figure 4.3: Instances of flouting of procurement processes in the past recent years

- The pie chart above substantiates the information illustrated in Table 4.17 that instances of flouting have impacted the procurement processes.

4.8 *Question Six:* Are you aware of the relevance and importance of National Procurement documents in the procurement process?

The researcher asked this question to determine if the knowledge stipulated in the National Procurement documents, intended to govern the procurement team, contributes positively to project execution or if its absence in implementation negatively effects project execution.

4.8.1

Table 4.18: Are you aware of the relevance and importance of National Procurement documents in the procurement process?

		Frequency	Valid Percent	Cumulative Percent
Valid	Yes	9	34.6	34.6
	No	17	65.4	100.0
	Total	26	100.0	

- A large 65.4% of the company employees indicated that they are not aware of the relevance and importance of the National Procurement documents during procurement processes, while a slightly smaller percentage (34.6%) indicated awareness of the importance of these documents.

4.9 *Question Seven:* Is the company's complaint resolution application described in the National Procurement document?

4.9.1

Table 4.19: Is the company's complaint resolution application described in the National Procurement document?

		Frequency	Valid Percent	Cumulative Percent
Valid	Yes	14	58.3	58.3
	No	10	41.7	100.0
	Total	24	100.0	
Missing	Missing	2		
Total		26		

- A total of 58.3% of the participants agreed with the statement that the company's complaint resolution application is described in the national procurement document
- A total of 41.7% of the participants disagreed with the statement above.
- Two of the respondents chose not to answer the question.

4.10 *Question Eight:* In the past twelve months, how many projects have failed because of poor project execution?

Respondents were asked to estimate the number of failed projects in recent years (listed below in Table 4.20) by periods: 0-5 times, 6-10 times, and 11 and above. The researcher asked this question to measure the level of project execution failure during project procurement processes.

4.10.1

Table 4.20: In the past 12 months how, many projects have failed because of poor project execution?

		Frequency	Valid Percent	Cumulative Percent
Valid	0-5 Times	1	3.8	3.8
	6-10 Times	1	3.8	7.7
	11 and Above	24	92.3	100.0
	Total	26	100.0	
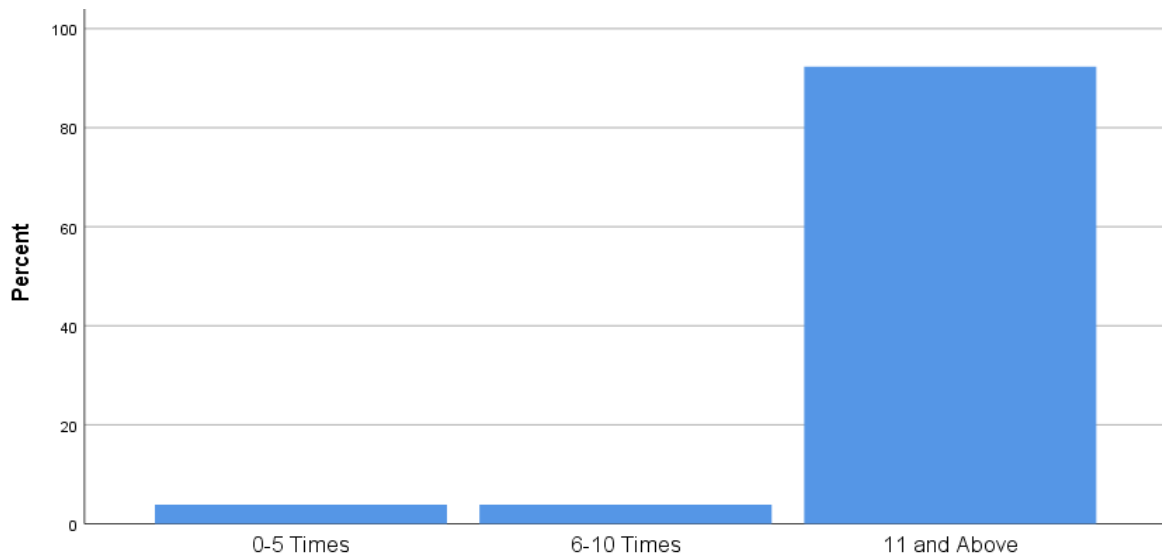
4.10.2

Figure 4.4: Failed projects because of poor project execution in the past 12 months

- According to the data above, a majority of respondents (24 of 26) attest that there have been more than 11 failed projects due to poor project execution.
- Out of the 26 respondents, only one participant replied that the company has experienced fewer than five project failures during the project execution period, indicating more than five but fewer than ten projects have failed during project execution phase.

4.11 *Question Nine:* In the past 12 months how, many client complaints have been lodged in the company due to project defaults?

Respondents were asked to indicate an estimate of client complaints that have been lodged in the company due to project defaults. Table 4.21 shows the results of the respondent replies

on periods (0-5 times, 6-10 times and 11 and above). The researcher asked this question to measure the lack of client satisfaction of project deliverables.

4.11.1

Table 4.21: In the past 12 months, how many client complaints have been lodged in the company due to project defaults?

		Frequency	Valid Percent	Cumulative Percent
Valid	0-5 Times	1	3.8	3.8
	6-10 Times	3	11.5	15.4
	11 and Above	22	84.6	100.0
	Total	26	100.0	

- As per the information above, a majority of respondents (84.6%) indicated that there have been more than 11 client complaints lodged recently in the company due to project defaults.
- Out of the 26 respondents, only 11.5% of the participants replied that there have been about 6-10 client complaints lodged in the company due to project defaults.
- The last 3.8% of the sample selected the option of only about 0-5 times to the above question.

4.12 *Question Ten:* In the past 12 months, how many procurement training programmes have been run in the company?

4.12.1

Table 4.22: In the past 12 months how, many procurement training programmes have been run in the company?

		Frequency	Valid Percent	Cumulative Percent
Valid	0-5 Times	21	80.8	80.8
	6-10 Times	5	19.2	100.0
	Total	26	100.0	

- As shown on the graph above, 21 out of 26 respondents indicated that only between 0-5 procurement training programmes have been run in the company in the past 12 months; however, five of the respondents indicated that only 6-10 training programmes took place in the department in the last 12 months. These answers provide clear indication of why there are negative handlings of procurement processes in project execution of the company under study.

4.13 *Question Twelve:* Company policy compliance

Respondents were requested to indicate their views regarding policy compliancy of procurement managers and the entire procurement team, using a 5-point Likert Scale where is 1=strongly disagree, 2=disagree, 3=neutral, 4=agree and 5=strongly agree. Table 4.23 below shows the results from all the respondents participating in the questionnaire survey.

4.13.1

Table 4.23: My company has the adequate facilities to undertake expected procurement tasks

		Frequency	Valid Percent	Cumulative Percent
Valid	Disagree	1	3.8	3.8
	Neutral	6	23.1	26.9
	Agree	14	53.8	80.8
	Strongly agree	5	19.2	100.0
	Total	26	100.0	

- As per the data above, 53.8% of the study sample concurs with the statement that their company has the adequate facilities to undertake expected procurement tasks proposed.
- Fewer of the respondents (23.1%) indicated neutrality to the above statement.
- Even fewer (3.8%) disagreed with the statement.
- The remaining 19.2% of the populace strongly disagrees.

4.13.2

Table 4.24: The procurement staff of my company has the necessary skills and experience to undertake the work on proposed projects

		Frequency	Valid Percent	Cumulative Percent
Valid	Disagree	14	53.9	53.9
	Agree	12	46.1	100.0
	Total	26	100.0	

- Overall, 14 participants disagreed that the procurement staff of their company has the necessary skills and experience to undertake the work on proposed projects.
- The remaining 12 of the respondents agreed with the above statement.

4.13.3

Table 4.25: There are quality standards in place to govern company procurement managers

		Frequency	Valid Percent	Cumulative Percent
Valid	Disagree	13	50.0	50.0
	Neutral	7	26.9	76.9
	Agree	6	23.1	100.0
	Total	26	100.0	

- Half of the population disapproved that there are quality standards in place to govern company procurement managers; meanwhile, 26.9% were neutral and only 23.1% agreed.

4.13.4

Table 4.26: My company's policies are effectively implemented to govern procurement managers

		Frequency	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	15	57.6	57.6
	Neutral	5	19.2	23.1
	Agree	6	23.1	100.0
	Total	26	100.0	

- The table above shows that 15 of the 26 study respondents strongly disagree that their company's policies are effectively implemented to govern procurement managers, while six of the respondents concur with the statement, showing agreement. These results bring us closer to the answers of our questions of this study.
- Five of the participants neither agreed nor disagreed to the statement above.

4.14 *Question Thirteen:* Concerning facilities to govern procurement processes of the company.

Respondents who participated in the distributed survey were asked to indicate their views regarding the facilities used within the company to govern procurement processes using a 6-point Likert Scale, where 1=strongly disagree, 2=disagree, 3=neutral, 4=agree and 5=strongly agree. Table 4.27 shows the results from participating respondents.

4.14.1

Table 4.27: My company has a written auditable track of procurement decisions attributable to persons and committees

		Frequency	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	2	7.7	7.7
	Disagree	1	3.8	11.5
	Neutral	6	23.1	34.6
	Agree	13	50.0	84.6
	Strongly agree	4	15.4	100.0
	Total	26	100.0	

Procurement decisions

Strongly disagree 2% · Disagree 1% · Neautral 6% · Agree 13% · Strongly agree 4%
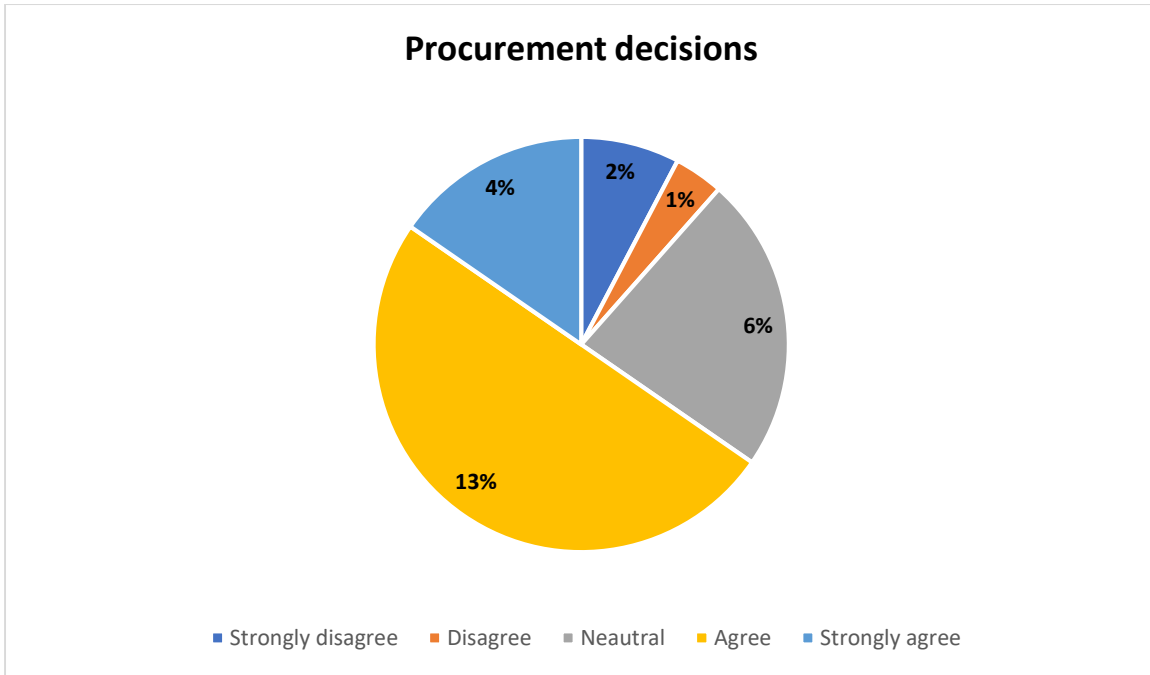
4.14.2

Figure 4.5: My company has an inscribed auditable track of procurement decisions attributable to persons and committees

- The results shown above provide clear evidence that most of the respondents, about 13 of the 26 them in fact, agree that their company has a written auditable trail of procurement decisions attributable to individuals and committees.

- Six are neutral to the statement; two strongly disagree; while one respondent agreed; and the remaining four agreed strongly.

4.14.3

Table 4.28: My company has an added systematically monitored contractual performance process

		Frequency	Valid Percent	Cumulative Percent
Valid	Disagree	3	11.5	11.5
	Neutral	10	38.5	50.0
	Agree	7	26.9	76.9
	Strongly agree	6	23.1	100.0
	Total	26	100.0	

- According to the information above, 38.5% of the total respondents felt neutral about the statement that their company has an added systematically monitored contractual performance process.
- But 26.9% of them agreed, while 23.1% strongly agreed, and only 11.5% disagreed with the above statement.

4.14.4

Table 4.29: My company has a selection process for awarding contracts to suppliers

		Frequency	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	1	3.8	3.8
	Disagree	3	11.5	15.4
	Neutral	7	26.9	42.3
	Agree	11	42.3	84.6
	Strongly agree	4	15.4	100.0
	Total	26	100.0	

- Referring to the above information, 11 of the 26 participants agreed with the statement that their company has a selection process for awarding contracts to suppliers.
- Seven of them were neutral, while four strongly agreed, three disagreed and only one respondent strongly disagreed.

4.14.5

Table 4.30: Procurement managers strictly comply with ethical standards in my company

		Frequency	Valid Percent	Cumulative Percent
Valid	Strongly disagree	10	40.0	40.0
	Neutral	8	30.0	70.0
	Agree	8	30.0	100.0
	Total	26	100.0	

- From the data above, we can conclude that while 30% of the respondents were not clear regarding their views with the above statement, 30% agreed that procurement managers strictly comply with ethical standards in their company, while 40% strongly disagreed to the statement above.

4.14.6

Table 31: My company has a standard statement of ethics in place

		Frequency	Valid Percent	Cumulative Percent
Valid	Neutral	5	19.2	19.2
	Agree	12	46.2	65.4
	Strongly agree	9	34.6	100.0
	Total	26	100.0	

- According to the above table, five of the respondents were impersonal with the statement that their company has a standard statement of ethics in place, while the majority of the remaining sample respondents agreed that there is indeed a standard statement of ethics in place within their company.

4.14.7

Table 4.32: My company has a standard period for preparation of bids

		Frequency	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	1	3.8	3.8
	Disagree	2	7.7	11.5
	Neutral	5	19.2	30.8
	Agree	15	57.7	88.5
	Strongly agree	3	11.5	100.0
	Total	26	100.0	

- The data reflected above indicates that 57.7% of the participants agreed that their company has a standard period for preparation of bids, while 19.2% maintained a neutral view, and 11.5% were strong in their position that their company indeed has a standard period for preparation of bids. Only 7.7% did not agree, and the remaining 3.8% strongly disagreed with the statement.

4.14.8

Table 4.33: My company has a procurement training program in place

		Frequency	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	12	46.1	46.1
	Disagree	8	30.7	76.8
	Agree	6	23.1	100.0
	Total	26	100.0	

- Permitting the table to convey results, 20 of the 26 respondents strongly disagreed or disagreed to the statement that their company has a procurement training programme in place, while the remaining six agreed with the statement.

4.15 *Question Fourteen:* What is the one procurement challenge you think is the biggest and most commonly faced amongst project management companies in Cape Town?

Respondents were asked to identify the one procurement challenge they deem as the biggest and most commonly faced amongst project management companies in Cape Town.

Following are the responses from the respondents; please bear in mind that only non-corresponding responses are listed below from the respondents for discussion purposes and those omitted are essentially a repetition of what is already listed below:

- selecting the correct supplier;
- corruption;
- supplier issues;
- the battle to meet procurement targets;
- wrong orders and defective products;
- reducing costs and achieving savings;
- exceeding budget; and
- accidental orders.

According to the above responses from respondents, it is clear that 'supplier issues' are the predominate problem encountered by procurement management. These problems undeniably cause buyers the biggest headaches by far, with over 40% of surveyed buyers citing this as their number one challenge (Ohlmann 12: 2016). This makes complete sense as consumers

are often on the front line, regardless of whether this concerns finding the correct suppliers, buying from a supplier, or getting these suppliers to perform as expected.

According to Reaume (1:2010), there are numerous parts of stock administration that are straightforwardly affected by choices in the acquirement division. Huge numbers of the factors are attached to the unwavering quality of the organisation's coordination are straightforwardly identified with the areas of the providers and to conveyance execution. What's more, legally binding assertions that determine high or least request amounts or long lead times, or both, can keep the materials association from making essential changes in accordance with crude material sources when a request does not justify high volumes.

4.16 *Question Fifteen:* If you could do *one thing* to help improve procurement processes in the company, what would it be?

Respondents were asked to write down any one thing they could do to improve procurement processes.

Following are the responses from the respondents; please bear in mind that only non-corresponding responses are listed below for discussion purposes as those omitted are essentially repetition of what is already listed below:

- prepare supplier vetting;
- introduce systems that combat corruption in the procurement department;
- establish strict supplier terms and conditions;
- give or promise rewards to project team members who meet targets;
- increase flexibility of supply chain management (i.e. lead times, discount negotiations and minimisation of product defects);
- establish system devices to assist the labour for minimising errors;
- increase employee capability through training and development;
- improve the strategic sourcing processes; and
- estimate realistic budgets from all stakeholders involved in the project.

4.17 Main interview analysis

The information collected by means of interviews with a total of 16 contactable participants is discussed below. Interviews were conducted on the company premises with employees from the procurement department. Respondents included the following: one top manager; one client of the company; three procurement managers; five project coordinators; three individuals from company suppliers; and three individuals from the logistics department. Seven group interviews were conducted during respondent lunch hours at their working premises, and information was collected by means of transcribing the interview questions and responses from the interview recordings.

Respondents were requested to indicate their views regarding the questions below. The questions were designed to gauge compliance to the policies in place within the company to ensure governance of conduct during procurement.

4.17.1 What problems is your company facing in procurement processes during project execution?

The following are the responses from the respondents. Please bear in mind that only non-corresponding responses are listed below for discussion purposes; the omitted responses were essentially reputation of that which is already listed below:

- low quality of goods being delivered;
- price fixing by suppliers;
- non-adherence to deadlines by suppliers;
- lead time variability;
- long list of approvers and people to sign prior to work proceeding;
- system breakdown on an online data capturing software to track supplies;
- poor time management;
- lack of coordination;
- late delivery of goods by suppliers;
- ballooning budgets; and
- excessive expenditure.

4.17.2 Are there any identifiable factors contributing to the above-mentioned problems? Responses include the following:

- poor time management by project/procurement managers and suppliers;
- corruption and fraud;
- yes, cut down unnecessary procedures that make the system strenuous;
- lack of expertise of junior staff;
- poor planning of activities causing unnecessary delays and eventual time lags;
- lack of coordination amongst departments; and
- lack of systems to manage expenses.

4.17.3 What measures are currently being implemented at departmental level to address the problems you have mentioned in Question One?

- Effective policies are being established to mitigate corruption and fraud.
- Quality management is being introduced.
- Roles and responsibilities are clearly defined in order to facilitate coordination.
- Team leaders are more involved in department activities, including working closely with departmental managers.
- Supplier Tracking Software has been upgraded.
- Cash budgeting has been introduced to avoid overspending.
- An online system has been introduced to improve coordination and thereby reduce time lag between order and delivery time.

4.17.4 Are there any noticeable indicators within the procurement department that signal the extent of success of the above-mentioned measures?

- The quality of services rendered by our suppliers is gradually improving.
- Corruption that hinders procurement during the project execution phase is being mitigated.
- There are no measures at the moment.
- None that I am aware of or could pinpoint.
- Time management seems to have improved, so time lags are no longer rampant.

4.17.5 What skills or technical knowhow are required from the project procurement team in order to facilitate effective project procurement?

- procurement management skills;
- financial management skills;
- communication skills;

- time management skills;
- ability to use the supplier tracking software;
- effective coordination;
- planning, monitoring and evaluation;
- knowledge of the company product;
- time management;
- coordination skills; and
- monitoring and evaluation of procurement processes.

4.17.6 Are there established procedures within the procurement department to ascertain whether project team skills are commensurate with expected quality standards?

- No, but there are skill training schemes to ensure that project team members develop and improve on the above-mentioned skills;
- Yes, previous work experiences in the same industry.
- Academic qualification.

4.17.7 Are there any established criteria within the department used to test the project team's performance?

- Customer analysis provides the opportunity for customers to evaluate the team performance.
- Peer-to-peer analysis is used by the project team to evaluate fellow team members and it is very effective.
- Performance appraisals are done annually by company HR policy.
- Training must continue pertaining to industry development.
- There is a performance-related pay system in place.
- We have monthly performance evaluation meetings.

4.17.8 What is the nature of the operational framework between the procurement manager and the team leader for ensuring that the project team members understand their roles?

- Normally we use the matrix organisation structure to provide the balance of power between procurement managers and project managers. The project manager defines the tasks to be undertaken and the procurement manager releases the workforce to implement the tasks.

- The team leader reports and is accountable to the project manager, who oversees the activities that are conducted in the procurement department. Before making a decision concerning programmes in the procurement department, the team leader seeks approval from the project manager.
- The procurement manager is the departmental manager who sets standards to guidelines regarding job specification and goal targets.
- The project team reports directly to the procurement manager.
- The manager has the overall say concerning the operation of the procurement department and the team leader usually acts on instruction from the manager unless in the absence of the manager where he can manage the department in line with the organisation's standards and procedures.

4.17.9 Through formulation of organisational goals and objectives, is the senior management doing enough to enhance the efficacy of quality procurement processes?

- There is an effort of continuous improvement on achieving the intended results regarding the quality of procurement processes as the senior management have drafted a special budget to be used for quality management training schemes amongst team members.
- Yes, they are, because whatever challenges we are facing within our department, those issues are raised by our immediate managers in monthly performance review meetings, so I have a feeling that the goals and objectives being formulated speak to the challenges our organisation is facing.
- To a certain extent, yes, but I feel that the process of formulating objectives should be more inclusive in terms of consulting small people like project team members within the organisation.
- Yes, with targets and TQM tools employed continuously.

4.17.10 Are there any results so far that attest to the fact that senior management's contribution has been instrumental in ensuring quality project procurement?

- Improvement on the quality of deliverables from suppliers.
- Results at the moment are difficult to spot because change is a process that takes time to realize the desired outcomes; in my opinion, however, I can say that time management has improved considerably.
- I haven't observed any so far.

4.17.11 What measures have senior management put in place to ensure the effectiveness of quality procurement policies and regulations?

- To ensure quality of deliverables during project procurement, the senior management drew up a set of quality standards (expectations) to be met for each task and activity.
- Performance remuneration system was put in place.
- Score cards ensure that weekly targets are met.

4.17.12 What is the nature of the relationship between senior management and low-level managers in the procurement department in ensuring alignment between organisational goals and procurement policies and procedures?

- Senior management set up strategic goals and low-level managers break them down into manageable tasks to ensure alignment of goals and policies, and to ensure effectiveness of communication between top management and low-level managers.
- Each week they conduct an information exchange meeting whereby the low-level or departmental managers inform them of the progress within their respective departments and air grievances from their subordinates including errors that need senior management's attention.
- Weekly meetings are conducted whereby departmental managers and senior managers discuss issues affecting various departments in a bid to design specific solutions that address identified problems.

CHAPTER FIVE

DISCUSSION OF FINDINGS AND RECOMMENDATIONS

5 Introduction

This chapter summarises the study, highlights the challenges experienced in the course of the study and offers insightful suggestions in view of the findings. The conclusions involve the findings from the analysis of the questionnaire survey. The recommendation section assesses the outcomes and implications of the study. The findings revealed that the effects of procurement processes have immense impact on project execution as the respondents gave their views with regard to effects of procurement processes on project execution. This chapter further focuses procurement policies, challenges and ways of dealing with these challenges, and ways to eradicate or at least reduce the number and severity of these challenges of poor procurement processes on project execution in the project management industry in Cape Town, in the Western Cape of South Africa.

5.1 Aim and objectives of the study

The aim of this study was to determine the impact of the effects of procurement processes on project execution in a project management company in Cape Town. Specific objectives included the following:

- to identify the primary causes of poor project procurement;
- to ascertain whether or not the project team understands their role in ensuring quality procurement in project execution; and
- to identify the duties of senior management in ensuring quality procurement management in the company.

5.2 Discussion of findings: field work

Despite the fact that the study was sent to 26 participants, all of whom are procurement representatives at the company under study from various levels and fields of employment, and with persistent multiple reminders from the researcher to the participants, all 26 respondents submitted their questionnaire feedback but only 16 interviews were successful. While the

majority of the questionnaires and interview questions were thoroughly answered, a few were not.

5.3 Causes of the procurement challenges

Literature revealed that the core causes of poor procurement processes on project execution can be characterised into different categories: internal factors; low quality of goods delivered by suppliers; lead time variability; system breakdown of online data capturing software to track supplies and poor time management (refer to Tables 4.8,4.12,4.13,4.14,4.15 and question 4.3.14); Therefore, the causes of poor procurement processes on project execution were surveyed based on the above-mentioned statements.

The findings further revealed that lack of expertise of junior staff, poor planning of activities that then caused unnecessary delays and eventual time lags, and poor time management were the three major factors contributing to poor procurement processes on project execution. Concerning the reasons for the issues in procurement, it was discovered that the absence of policy compliancy, numerous supplier issues and lack of time management were the central point's adding to the deficiencies of aptitude. On account of lack of skills, refer to Table 4.9 and 4.24; for effective communication refer to Table 2.2. Lack of training and procurement budget were distinguished as two of the critical points adding to the issues in procurement management: in simple terms, procurement managers need to differentiate between what is important to buy or acquire during procurement management and what is not, in order to minimise costs and save time.

Therefore, according to the results presented in Chapter Four, it is clear that procurement team members who are unclear about the objectives of a proposed project and mired in fuzzily defined roles are more likely to cause mistakes and not work to the best of their ability. This detracts from the goal of providing excellent procurement processes during project execution.

5.4 Link between project team role understanding and quality procurement during project execution

It was apparent that lack of clearly defined project objectives (Table 4.6) and lack of a road map for achieving these objectives resulted in the need to revise (Table 4.7). Additionally, it was accounted for by respondents that job descriptions influence employee performance in a variety of ways as detailed, thoroughly composed descriptions guide both the managers and their subordinates in their everyday work. In other words, job descriptions can advance collaborative communications and improve the organisation's productivity (Edmunds, 2017:05).

Table 4.11 suggests that there is not much attention paid to the importance of role description, or about informing project team members of the objectives of *all* the tasks undertaken during project execution. On the other hand, according to the findings presented in Table 4.6, it is evident that the level of fraud (Table 4.13) does contribute to poor procurement processes during project execution in project management.

The impact of procurement fraud is wide-ranging, with the true financial cost of any type of fraud being quite difficult to quantify However, there are other consequences resulting from procurement fraud than just financial loss to an organisation, including these: the risk of reputational damage; lower staff morale; increased workload in detecting procurement fraud; resources needed for investigations once potential fraud has been detected; the financial burden of any subsequent legal action; and operational impact from the loss of supply of goods and services Equifax whitepaper (2017:04).

5.5 The impact of senior management in quality procurement management

With the increasing lack of attention directed at quality problems and procurement errors in project organisations, the ability of senior management to promote and sustain effective quality improvement efforts is paramount to any organisational success. The role of senior management in promoting and sustaining quality improvement efforts has been recognised from the earliest efforts to embed continuous quality improvement in project execution. As identified in sections 4.25-4.29, the support of management is one of the most important principles underlying successful procurement quality improvement efforts.

5.6 Limitations of study

The researcher hopes that this study will contribute to the body of knowledge concerning effects of procurement processes on project execution in project management, although it is not without limitations.

The first limitation concerns the sampling method that was employed: a probability sampling method in the form of selecting who exactly represented what part of the department in the company. This means what one's view could be far different from how someone else could look at it, which essentially mean the results from the responses of procurement team from of the company under study may be slightly or far different from the operations of another company.

Another limitation relates to the sample size of the study's population group. While it is sufficient for the small size of the company under study, to apply the results to other larger companies would not be recommended. Thus, the generalisation of these findings to the larger populace is restricted. In addition to this shortcoming, which debilitates external validity of the study, the ecological validity of the study is relatively low since the study was conducted in one department *only* and was based on specific employee levels. Consequently, the research findings cannot be generalised to other departments, or to similar project management organisations, or to companies beyond the boundaries of the Western Cape.

5.7 Conclusion

5.7.1 The research and population surveyed

Future research should not neglect the way that procurement processes are handled, not only by procurement or project managers but also by the entire team, as many lack the necessary skills and training to enhance their knowledge and to perform to high standards. The frequency and intensity of training offered to the procurement team within the company, and specifically the department, is not sufficient to enhance their competency. Furthermore, the policy compliance within the department from top to bottom has a major impact on the subject of the matter.

The findings from this study will be utilised to diminish the gap in the procurement literature as essentially this may encourage or support further research within the project management industry. Furthermore, the results of this dissertation will be applied to improve procurement process handling at the company under study, which is the core intention of this study.

5.7.2 Effects of procurement processes on project execution in a project management company in Cape Town

The findings of the study revealed that procurement processes do indeed have a significant effect on project execution. This is predominantly the result of an unfortunate dearth of skills from within the project team compounded by a lack of training of project team members as well as the level of policy compliance: all if this has a knock-on effect on how processes are handled during procurement. It was important, therefore, to examine the policies in place that govern procurement, the training conducted for the procurement members of the department, and the ethical code of conduct of all personnel in the procurement department at the company under study.

It was reported by respondents that low-skilled labour employed by subcontractors resulted in poor project execution at the company under study. Indirectly, the human resource support structures – such as education, training and motivation provided by the various employee organisations – geared towards enabling people to perform jobs more effectively and productively, is lacking. Besides that, the lack of an appropriately skilled procurement team is one of the crucial problems facing the South African project management industry as a whole (SA-Tenders, 2015).

The results presented in Chapter Four and the discussion from the respondents further revealed evidence that poor supply contractor performance leads to poor quality of work. One of the respondents admitted that good supply chain quality is the product of good performance in project execution and beyond; therefore, if the supply contractor gives poor performance that leads to poor procurement handling at some stage, this compromises the quality of project execution and essentially project management as whole.

Therefore, the converse is also true: good supply chain management will produce good quality of work, and quality procurement processes will be the result. However, poor quality work executed by the supply chain management will indeed reflect poor performance on behalf of

the supply contractor and essentially in the procurement handling. This is supported by the blueprint of project management approach of (2015) journal that reported that the South African project management industry is under pressure due to a combination of factors, one of which is skill shortages.

5.8 Recommendations

The researcher recommends the following:

1. There is a reasonable gap regarding the supply chain management in the procurement processes. Suppliers, together with project management companies, need to collaborate to find strategic tactics for overcoming this recognizable gap. In the results of this study, 47% of the respondents demonstrated supplier issues as one of the major causes of poor procurement processes. A follow-up examination and with an intent to solve the problem at the company under study would be required; however, to guarantee positive results of the attention to the subject at hand, the company will need to engage *all* parties involved in order to see positive change. For usage, the company under study and similar project management companies in Cape Town can utilise the information in Table 1.2 for good quality procurement steps.

2. The findings of the study revealed that the lack of formal training for procurement teams, especially at entry level, was another of the major factors contributing to poor procurement processes. It is evident that little training or no training at all for the project team leads to poor quality of work because respondents who participated in the survey agreed that not being trained to do their jobs has a severe negative impact on the quality of work performed. Furthermore, there has been limited research seeking to determine the direct impact of procurement processes on project execution in project management.

3. The above proposed further research that could assist the project management industry in bettering the return from their human resources for success of any project depends on the good human resource skills that the organisation has for undertaking any project at their disposal. Therefore, it is of utmost importance to keep employees well-trained and knowledgeable of their roles to improve job performance for whatever they are required to do. Adequately skilled procurement employees add value to project management and will continue to be the yardstick by which the industry will be judged. Their path of continual improvement will bode well for a healthy industry.

4. As ethical conduct within the leadership framework and beyond needs to be considered in any project management organisation, the outcomes of this study also uncovered that half of the procurement delegates who were studied were either not certain or did not recognise the distinguished difference between ethical conduct and policy compliance. This leaves loop holes for behaviours and choices in various situations not specifically covered in government policy books. This is quite disturbing and must be attended to by project management organisations.

5. The study shows that as there are high levels of fraud and corruption in the project management industry, policy compliance should be given immediate serious attention. To reduce or even eliminate this, project management team members from top to bottom need to strictly comply with the policies established to combat fraud and corruption. This would also bolster the basic leadership grid. Participant responses demonstrated that 65% of the participants who were reviewed believed that policy compliance issues influence the way procurement processes are handled within the company under study. Government officials, however, are not known to put business first, but rather their political motivation, which frequently compels supervisors to settle on choices which are adjusted to political requests. One respondent communicated that the obstruction of senior councillors in organisation is an immense issue, a trade off of administration conveyance in future. The partition of basic leadership powers is a non-debatable prerequisite.

6. It is envisaged, for example, that project management will see more transformation and socioeconomic development in the industry with this research going forward. Furthermore, sound supplier relationship management systems should be established between project entities and their strategic suppliers. It is vital that procurement professionals and academic institutions become the dominant focal point in the development of procurement practices in this country. This would mean developing the current academic curricula to build capacity for the public sector, leveraging private sector procurement practices comparative to government, growing a moral culture in terms of the application of procurement practices, and in addition, increasing the value of procurement as a financial device in this nation.

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19 June 2017

To whom it may concern:

Please note that Masithembe Kafile is an MTech Project Management student at CPUT. The MTech Project Management program consist of a coursework and mini-thesis component. Kindly assist her by giving permission to undertake research within your organization.

Her research is entitled, "*The effects of procurement processes on project execution in a project management company in Cape Town".*

Your assistance will be greatly appreciated.

S. Fore

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UTHANDO

South Africa

02 August 2017

Name: _James_

Surname: _Fernie_

Title: _MR._

To whom it may concern

On behalf of.._Uthando South Africa_...I am writing to formally indicate our awareness of the research project proposed by.._Masithembe Kafile_.........a master's student with a research topic *"The effects of procurement processes on project execution in a project management company in Capet Town"* at Cape Peninsula University of Technology in the faculty of management and business management sciences. We are aware that she intends to conduct her research by interviewing and administering a written questionnaire to our employees, I have been explained to and understand the terms and conditions of the research process.

under my capacity as a.._Director_..........I am responsible for employee relations and therefore hereby grant.._Masithembe_.......permission to conduct her research at our organization.

If you have any questions or concerns, please feel free to contact my office at.._021 6038523_.

Signature: _____

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Dissertation questionnaire on effects of procurement processes on project execution in project management

Statement of informed consent

You are being invited to participate as a volunteer in a research study lead by **Masithembe Kafile**, a master of technology student at Cape Peninsula University of Technology (CPUT). This study is intended to gather information about the effects of procurement processes on project execution in a project management company in Cape Town. This research is being conducted under the supervision of Mr. Fore.

- Your participation in this study is voluntarily, you will not be compensated for your participation. If you decline to participate or choose not to complete the questionnaire the researcher will not penalize you for any of your decisions and no foreseeable negative consequences will result thereof.

- Completing this questionnaire will take approximately 30 minutes of your time. If, however, during this practice you feel uncomfortable in any way, you may decline to answer any question or withdraw from completing the questionnaire.

- The researcher will not by any means identify you by name in any report using the information obtained from your questionnaire, your confidentiality as a participant in this study is regarded highly important and therefore will remain secure. Subsequent use of data generated by this questionnaire will protect the anonymity of all individuals.

- This research effort and questionnaire has been reviewed and approved by the research proposal review committee of the Cape Peninsula University of Technology, which functions as the Institution review board for ethical research at the University.

For further information including a copy of this study please contact Masithembe Kafile at masithembekafile@gmail.com , cell phone number: 064 952 2047.

NOTE: By completing and submitting this questionnaire, you acknowledge that you understand the statements above and consent to partaking in this study. Do not put your name on the questionnaire and your signature on this document is also not required.

Questions

1. The table below illustrates the different types of policies which are commonly used within project management organizations on a scale of 1 to 10, 1 being the least practiced and 10 being the most practiced, kindly identify any ones practiced in your company (by marking "X") on the table below.

Policies	1	2	3	4	5	6	7	8	9	10
Purchasing Methods										
Tendering Principles										
Establishment of Contracts										
Emergency Purchases										
Conflicts of Interest										

2. For each of the below questions, kindly circle the response that best characterizes your confidence about the statement. Where is 1= strongly disagree, 2= disagree, 3= neutral, 4= agree and 5= strongly agree.

	strongly disagree	disagree	neutral	agree	strongly agree
1. Most of the problems in procurement processes are a result of unclearly defined objectives	1	2	3	4	5
2. Lack of clearly defined team roles are a result of recurrent mistakes in procurement processes	1	2	3	4	5
3. Late deliveries from suppliers are contributing to poor project procurement	1	2	3	4	5
4. The lack of technological skills being exhibited by project team members are another cause of poor project procurement	1	2	3	4	5
5. Decision making problems when evaluating potential suppliers and selecting the right one is related to challenges experienced in procurement	1	2	3	4	5

3. Are problems in procurement processes directly linked to faults made by project team members who are uncertain about their roles?

Yes ☐

No ☐

4. From your own knowledge what is/are the internal factor(s) that are contributing to poor quality in project procurement processes within your department?

- Theft ☐
- Fraud ☐
- Bribery ☐
- Extortion ☐
- Favouritism ☐
- Other……………………………….

5. In recent years have there been instances of flouting of procurement processes
- Yes ☐
- No ☐

6. Are you aware of the relevance and importance of National Procurement documents in the procurement process?
- yes ☐
- No ☐

7. Is the company's complaint resolution application described in the national procurement documents?
- Yes ☐
- No ☐

8. Kindly tick one box to indicate your answer to the below questions.

8.1 In the past 12 months how many projects have failed because of poor project execution?
- 0-5 Times ☐   6-10 Times ☐   11 and above ☐

8.2 In the past 12 months how many client complaints have been lodged in the company due to project defaults?
- 0-5 Times ☐   6-10 Times ☐   11 and above ☐

8.3 In the past 12 months how many procurement training programs have been done in the company?
- 0-5 Times ☐   6-10 Times ☐   11 and above ☐

9. For each of the below questions, kindly circle response(s) that indicate your answer(s). Where is 1= strongly disagree, 2= disagree, 3= neutral, 4= agree and 5= strongly agree.

		Strongly disagree	Disagree	Neutral	Agree	Strongly agree
9.1	My company has the adequate facilities to undertake expected procurement tasks.	1	2	3	4	5
9.2	The procurement staff of my company has the necessary skills and experience to undertake the work on proposed projects.	1	2	3	4	5
9.3	There are quality standards in place for procurement managers in my company.	1	2	3	4	5
9.4	My company's policies are effectively implemented to govern procurement managers.	1	2	3	4	5

10. For each of the below questions, kindly circle response(s) that indicate your answer(s). Where is 1= strongly disagree, 2= disagree, 3= neutral, 4= agree and 5= strongly agree.

		strongly disagree	disagree	neutral	agree	strongly agree
10.1	My company has a written auditable trail of procurement decisions attributable to individuals and committees.	1	2	3	4	5
10.2	My company has an added systematically monitored contractual performance process.	1	2	3	4	5
10.3	My company has a selection process for awarding contractors to suppliers.	1	2	3	4	5
10.4	Procurement managers strictly comply with ethical standards in my company.	1	2	3	4	5
10.5	My company has a standard statement of ethics in place.	1	2	3	4	5
10.6	My company has a standard period for preparation of bids.	1	2	3	4	5
10.7	My company has a procurement training program in place.	1	2	3	4	5

11. What is the one procurement challenge you think is the biggest and most commonly faced amongst a lot of project management companies in Cape Town?

_____

12. If you could do one thing to help improve procurement processes in the company what would it be?

_____

Thank you for your time

Interview guide

Background Information on the interviewee

Date:

Name:

Job Title:

Contact Numbers:

Firstly, I would like to take this moment to thank you for allowing me to meet you today.

My name is **Masithembe Kafile,** and I would like to talk to you about your role and experiences partaking in procurement processes on project execution within your company. In particular, this interview is a part of a master's dissertation focusing on the effects of procurement processes on project execution in a project management company in Cape Town in fulfilment of the requirements for the degree of master of technology. The interview should take approximately 40 minutes of your time.

I will use my laptop to type out your answers while we are discussing to minimize time and keep records of our discussions. Though I will be typing everything I can put down, I may still not be able to type everything therefore I have a tape recorder to help me get all your comments documented. All your responses will be kept confidential, and this implies that all your comments in this interview will only be shared with the research team and I will make sure that any information included in the report does not give your identity as the respondent. Be advised that you do not have to talk about anything you are not comfortable disclosing and you may end the interview at any time should you wish to do so. I am open to answer any questions you may have regarding what I have explained to you.

Questions

Section A

1. What problems is your company facing in procurement processes during project execution?
2. Are there any identifiable factors that are contributing to the above-mentioned problems?
3. What measures are currently being implemented at departmental level to address the problems that you have mentioned in question 1?
4. Are there any noticeable indicators within the procurement department that signal the extent of success of the above-mentioned measures?

Section B

5. What are the skills or technical knowhow that are required from project procurement team in order to facilitate effective project procurement?
6. Are there established procedures within the procurement department to ascertain whether project team skills are commensurate to expected quality standards?
7. Are there any established criteria within the department used to test project team's performance?
8. What is the nature of the operational framework between the procurement manager and the team leader to ensure that project team understand their roles?

Section C

9. Through formulation of organisational goals and objectives is the senior management doing enough to enhance the efficacy of quality procurement processes?

10. Are there any results so far that attest to the fact that senior management's contribution has been instrumental in ensuring quality project procurement?

11. What measures have the senior management put in place to ensure the effectiveness of quality procurement policies and regulations?

12. What is the nature of the relationship between senior management and low-level managers in the procurement department in ensuring that there is a nexus between organisational goals and procurement policies and procedures?

Is there anything more you would like to add?

I will analyse and submit the information that you have given me together with the responses of many others who have taken part in this paper, for the completion of my dissertation.

Thank you for your time

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To Whom It May Concern,

This is to certify that "**Effects of procurement processes on project execution in a project management company in Cape Town**" by MASITHEMBE KAFILE, for the **Cape Peninsula University of Technology, Faculty of Business and Management Sciences** has been professionally edited by Dr Laura Kleinhans of ChickPea Proofreading and Editing Services for Students and Professionals.

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