DECLARATION

I, VUKILE DLOVA, hereby declare that this mini-dissertation submitted to the University of Fort Hare for the Degree of Masters in Public Administration has never been previously submitted by me for a degree at this or any other university, that this is my own work in design and execution and that all material contained herein has been duly acknowledged.

Signed.............................................

Date...............................................
ACKNOWLEDGEMENTS

I would like to express a sincere word of gratefulness and appreciation to all the people who jointly and in several ways contributed to the success of this project.

A special word of thank you goes to Dr. Ogochukwu Iruoma Nzewi for her supervision throughout the study. Her unselfish contribution, guidance and commitment to ensuring that this project yields the desired result. Her patience and interest in helping and guiding me throughout the project.

To the participants in this research, I cannot find words to express my gratitude for your outstanding contribution to this research project. Your prompt feedback is highly appreciated and may you treat all other aspiring academics in the same way. Special thanks go to Senior Managers in the infrastructure division of the department of Roads and Public Works who were able to set time aside in their busy schedules and made a valuable contribution towards this project. I am indebted to all of you equally.

To my colleagues at work equally and most importantly Mrs Ilse Smith and Ms Vuyokazi Ndlazi who have shown much interest in me complete this project.

A word of gratitude to the following:

- Mr Tom Shitlelana and Mrs Nontsikelelo Mshweshwe for the support and encouragement throughout this project.
- To my friend Mr Samkelo Mangisa for his support and inspiration throughout this project.
- To my family and friends for their support and care. Every day, my family not only encouraged me to work hard and to do well but they also reminded me of why I am here and where I am going.
- To my little angels Aphinda and Sibaphiwe for standing by my side through difficult times of this project. To Sibaphiwe who once said “Yho tata uyafunda?”
- To my late father and mother Sikhulu and Mabel who always taught and inspired me to forge ahead with courage.

Lastly, I would like to thank the Almighty God for the strength and energy to persevere and to complete this study despite all the challenges and hurdles.
DEDICATION

This work is dedicated to my late brother Siviwe. As he is resting now I know very well that, had it not been for the fact that he left us, like the rest of the family, he would have continued to be an inspiration to me. You had always been on my mind I was pursuing this venture. Your spirit inspired me to forge ahead.

Enkosi Zulu.
ABSTRACT

Supply Chain Management was introduced in 2003 to government departments, municipalities and public entities as means of transforming public sector procurement practices. In some public institutions compliance with the regulatory framework has been limited to mere establishment of Supply Chain Management Units. Some of these units are not compliant with the National Treasury guidelines and are not properly staffed with personnel with the required skills and qualifications. Staff employed in Supply Chain Management units are either not provided with the required training in order to fulfil their employment obligations or do not see self-development in Supply Chain Management as of great importance. Supply Chain Management Policies do not evolve from within the institutions but more copies of the guidelines provided by the National Treasury. Staff do not get involved in policy development processes. This is a non-conclusive case study of the Eastern Cape Department of Roads of Public Works which is aimed at establishing the extent the department has complied with prescribed guidelines pertaining to establishment of Supply Chain Management, training of personnel and the development of policies and procedures on Supply Chain Management.
# ABBREVIATIONS

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>APP</td>
<td>Annual Performance Plan</td>
</tr>
<tr>
<td>BBBEE</td>
<td>Broad Based Black Economic Empowerment</td>
</tr>
<tr>
<td>CFO</td>
<td>Chief Financial Officer</td>
</tr>
<tr>
<td>DRPW</td>
<td>Department of Roads and Public Works</td>
</tr>
<tr>
<td>ECDRPW</td>
<td>Eastern Cape Department of Roads and Public Works</td>
</tr>
<tr>
<td>HOD</td>
<td>Head of Department</td>
</tr>
<tr>
<td>IPFA</td>
<td>Institute for Public Finance and Auditing</td>
</tr>
<tr>
<td>MEC</td>
<td>Member of the Executive Council</td>
</tr>
<tr>
<td>PALAMA</td>
<td>Public Administration Leadership and Management Academy</td>
</tr>
<tr>
<td>PFMA</td>
<td>Public Finances Management Act</td>
</tr>
<tr>
<td>PPPFA</td>
<td>Preferential Procurement Policy Framework Act</td>
</tr>
<tr>
<td>PSC</td>
<td>Public Service Commission</td>
</tr>
<tr>
<td>SAMDI</td>
<td>South African Management Development Institute</td>
</tr>
<tr>
<td>SCM</td>
<td>Supply Chain Management</td>
</tr>
<tr>
<td>SMME</td>
<td>Small, Medium and Micro Enterprises</td>
</tr>
</tbody>
</table>
# CONTENTS

DECLARATION ................................................................................................................................. i

ACKNOWLEDGEMENTS ................................................................................................................... ii

DEDICATION .................................................................................................................................... iii

ABSTRACT ....................................................................................................................................... iv

ABBREVIATIONS ............................................................................................................................. v

List of tables ..................................................................................................................................... x

List of figures .................................................................................................................................... x

CHAPTER 1  INTRODUCTION AND MOTIVATION FOR THE RESEARCH

1.1. Introduction .............................................................................................................................. 1

1.2. Statement of the problem ....................................................................................................... 2

1.3. Objectives of the study ........................................................................................................... 2

1.3. Significance of the Study ......................................................................................................... 2

1.4. Literature Review ................................................................................................................... 3

1.5. Research Methodology .......................................................................................................... 7

1.6. Ethical Considerations ........................................................................................................... 8

1.7. Scope and Delimitations of the study ..................................................................................... 9

1.8. Limitations of the study ......................................................................................................... 9

1.9. Conclusion .............................................................................................................................. 9

CHAPTER 2  LITERATURE REVIEW

2.1. Introduction ............................................................................................................................ 11

2.2. Theoretical Framework ......................................................................................................... 12

2.3. Conceptual Framework ......................................................................................................... 15

2.4. Institutional, Legislative and Regulatory Framework .......................................................... 20
CHAPTER 3  RESEARCH METHODOLOGY

3.1. Introduction .................................................................................................................. 29
3.2. Research Strategy ......................................................................................................... 29
3.3. Research Design ........................................................................................................... 30
3.4. Target Population and Sample .................................................................................... 30
3.5. Data Collection ............................................................................................................. 33
3.6. Data Analysis ................................................................................................................ 35
3.7. Ethical Considerations ................................................................................................. 35
3.8. Limitations Impacting on the Case Study ..................................................................... 35
3.9. Conclusion .................................................................................................................... 36

CHAPTER 4  DATA ANALYSIS

4.1. Introduction .................................................................................................................. 37
4.2. Sample responses ......................................................................................................... 37
4.3. Biographic Data Analysis ............................................................................................ 38
4.4. Organisational Data Analysis ...................................................................................... 43
4.5. Human Resource Development Data Analysis ............................................................ 45
4.6. Supply Chain Management Policies and Procedures .................................................. 56
4.7. SCM Performance Rating ............................................................................................. 58
4.8. SCM Major Constraint ................................................................................................ 60
4.9. SCM Structure and Service Delivery .......................................................................... 60
4.10. End-User Data Analysis .............................................................................................. 61
4.11. Research Findings ....................................................................................................... 67
4.11.1. Department of Roads and Public Work Supply Chain Management Unit .......... 67
4.11.2. Supply Chain Management structure ................................................................. 68
4.11.3. Supply Chain Management Capacity Building ...................................................... 69
4.11.4. Supply Chain Management Policies and Procedures ........................................... 70
4.11.5. Supply Chain Management Performance ............................................................ 71
4.11.6. Expediting the Turnaround time ........................................................................ 71
4.12. Conclusion ............................................................................................................... 71

CHAPTER 5 RECOMMENDATIONS AND CONCLUSION

5.1. Introduction ............................................................................................................... 73
5.2. Department of Roads and Public Work Supply Chain Management Unit ............. 73
5.2.1. Staffing .................................................................................................................. 73
5.2.2. Improving SCM Personnel Qualifications. ............................................................ 73
5.3. Supply Chain Management structure ...................................................................... 74
5.4. Supply Chain Management Capacity Building ......................................................... 74
5.4.1. Supply Chain Management Training ...................................................................... 74
5.4.2. Public Sector Financial Management Training ....................................................... 75
5.4.3. Training Plans ........................................................................................................ 75
5.5. Supply Chain Management Policies and Procedures ................................................. 76
5.5.1. Access to Policies and Procedures ........................................................................ 76
5.5.2. Participative Policy review ................................................................................... 76
5.6. Supply Chain Management Performance .................................................................. 76
5.7. Expediting the Turnaround time .............................................................................. 77
5.8. Policies of the Department ........................................................................................ 77
5.9. Improving service delivery through Supply Chain Performance improvement ........ 77
5.10. Conclusion ............................................................................................................... 78
References ................................................................................................................................. 79

Appendix 1 – Regional SCM structure ........................................................................................ 83
ANNEXURE A: QUESTIONNAIRE 1- SCM OPERATIONAL STAFF .............................................. 84
ANNEXURE B: QUESTIONNAIRE 2- SCM MANAGERS................................................................. 90
ANNEXURE C INTERVIEW QUESTIONS – END USERS................................................................. 95
ANNEXURE D: RESEARCH CONFIDENTIALITY AND INFORMED CONSENT FORM ............... 96
List of tables

Table 1.1 Sample Summary Breakdown ........................................................................................................... 8
Table 3.1 Detailed Sample Breakdown .................................................................................................................. 32
Table 3.2 Sample Spread ........................................................................................................................................ 32
Table 4.1 SCM Performance Rating ..................................................................................................................... 59

List of figures

Figure 2.1 DRPW Programmes .......................................................................................................................... 27
Figure 3.1 Finance Branch Hierarchy .................................................................................................................... 31
Figure 4.1 All Participants ..................................................................................................................................... 37
Figure 4.2 End Users ............................................................................................................................................ 37
Figure 4.3 Employment Status SCM Staff ............................................................................................................ 38
Figure 4.4 Period in SCM: Operational Staff ......................................................................................................... 38
Figure 4.5 Period in SCM: Managers ..................................................................................................................... 38
Figure 4.6 Period in DRPW SCM ......................................................................................................................... 39
Figure 4.7 Post Levels: Operational Staff ............................................................................................................ 40
Figure 4.8 Post Levels: SCM Managers ................................................................................................................ 40
Figure 4.9 Period in Post Level: SCM Personnel ................................................................................................. 40
Figure 4.10 SCM Personnel Qualifications ......................................................................................................... 41
Figure 4.11 SCM Qualifications .......................................................................................................................... 41
Figure 4.12 SCM Qualification categories .......................................................................................................... 42
Figure 4.13 SCM Elements ................................................................................................................................... 43
Figure 4.14 Disposal Management ....................................................................................................................... 44
Figure 4.15 Performance Management ............................................................................................................... 44
Figure 4.16 Risk Management ............................................................................................................................. 44
Figure 4.17 Last attended Training ...................................................................................................................... 45
Figure 4.18 Last trained: Regions vs. Head Office ............................................................................................... 45
Figure 4.19 Value Add Training .......................................................................................................................... 46
Figure 4.20 Demand Management Training ..................................................................................................... 46
Figure 4.21 Acquisition Management Training .................................................................................................. 47
Figure 4.22 Logistics Management Training ................................................................................................... 47
Figure 4.23 Disposal Management Training ................................................................. 48
Figure 4.24 Performance Management Training .......................................................... 48
Figure 4.25 Risk Management Training ....................................................................... 49
Figure 4.26 Public Sector Financial Management Training ............................................ 50
Figure 4.27 PFMA Training .......................................................................................... 50
Figure 4.28 Treasury Regulations Training ................................................................... 51
Figure 4.29 PPPFA Training ......................................................................................... 51
Figure 4.30 General Management Training .................................................................. 52
Figure 4.31 Finance for Non-Finance Personnel Training .............................................. 52
Figure 4.32 Specialist SCM Training ........................................................................... 53
Figure 4.33 Other Relevant SCM Training ................................................................... 53
Figure 4.34 SCM Private Studies .................................................................................. 54
Figure 4.35 Training Plan ............................................................................................. 55
Figure 4.36 Training Plan Implementation ..................................................................... 55
Figure 3.37 Policies and Procedures Availability ............................................................ 56
Figure 4.38 SCM Policies and Procedures Awareness ..................................................... 56
Figure 4.39 Level of understanding SCM Policies and Procedures ............................... 57
Figure 4.40 Policies and Procedures Review Participation .............................................. 57
Figure 4.41 Policies and Procedures Review Awareness ................................................. 58
Figure 4.42 SCM Performance Rating in own office ...................................................... 58
Figure 4.43 SCM Performance Rating in the Department ............................................. 59
Figure 4.44 SCM Major Constraint .............................................................................. 60
Figure 4.45 SCM Unit and Service Delivery .................................................................. 61
Figure 4.46 SCM performance expectations .................................................................. 62
Figure 4.47 Process Turnaround Time ........................................................................ 62
Figure 4.48 SCM Understaffing .................................................................................... 63
Figure 5.49 SCM Training and Skills ........................................................................... 64
Figure 4.50 SCM Red Tape Perceptions ...................................................................... 64
Figure 4.51 Understanding of SCM Policies ................................................................. 65
Figure 4.52 Support rating ............................................................................................. 66
Figure 4.53 Understanding of DRPW Mandate by SCM ............................................... 66
Figure 4.54 SCM Review .............................................................................................. 67
CHAPTER 1
INTRODUCTION AND MOTIVATION FOR THE RESEARCH

1.1. Introduction

The Eastern Cape Province is estimated to be the third biggest province in terms of population density. According to Statistics South Africa (2011:3), by mid-year 2011 there were about 50 586 757 people living in South Africa. About 13, 5% of these live in the Eastern Cape. This province is mostly rural with a large percentage of its inhabitants living in rural settlements especially of the former homelands of Transkei and Ciskei. Service delivery is of critical importance to the province in order to improve the lives of the people. The province lacks basic infrastructure in general and the roads network in the province is particularly very poor. Access to government services requires travelling to towns which are sometimes difficult to reach due to poor road infrastructure.

The Department of Roads and Public Works was formed in 2009 when the Premier of the Province Ms Noxolo Kiviet split the then Department of Roads and Transport and merged the Roads component to the then Department of Public Works, forming a new Department of Roads and Public Works. This new department was charged with the task of providing infrastructure to the province. This consists of improving the roads network of the province and provision of office accommodation for provincial departments. Lack of service delivery by this department is therefore felt by the entire population of the province. Access to services in towns and access to schools and health care facilities in rural areas depend on the roads network.

The South African Government introduced Supply Chain Management (SCM) as a government procurement system. The aim was to reform government procurement such that it responds to the needs of the citizens. Supply Chain Management is a Financial Management function which is the cornerstone of service delivery. It is through supply chain that the infrastructure roll-out is procured and implemented. This requires Public Administration functions of planning, organizing, directing, coordinating and controlling of government operations. In this case study, the researcher singled out implementation of SCM in the Department of Roads and Public Works. The aim is to identify whether the department has succeeded in implementing SCM in order to assess whether lack or success thereof has an impact on service delivery.
1.2. **Statement of the problem**

Supply Chain Management is a Public Financial Management system which requires skilled human resources to implement. Since its implementation in 2003 government institutions appear to have experiencing challenges in implementing the system successfully. Firstly, the vacancy rate in Supply Chain Management units of institutions points to recruitment and retention problems. Secondly, officials in the SCM units of public institutions do not seem to have received or been exposed to training relevant to supply chain management. Lastly, public institutions are expected to institutionalize the generic policies and procedures issued by National Treasury and in some public institutions this seems not to have been done. Where these have been institutionalized, it appears that most SCM practitioners, especially at operational level, are not exposed to them.

1.3. **Objectives of the study**

This case study attempted to provide answers to the following questions:

4.3.1. Has the Eastern Cape Department of Roads and Public Works (ECDRPW) established an SCM in line with National Treasury guidelines in respect of human resources?

4.3.2. Has the staff in the SCM unit been trained on Supply Chain Management?

4.3.3. Has the department developed and/or institutionalized SCM policies and procedure?

1.3. **Significance of the Study**

Supply Chain Management was introduced as a Public Financial Management system for government institutions around 2003. Little research has been done on the subject. Up to now, research has focused on Supply Chain Management as a practice in Local Government. As it will be seen in literature review, some research has been done in the North West, Western Cape and Free State Provinces. However, that research has focused on local municipalities and largely on generic good governance principles. This research has assisted in providing new insights and understanding of challenges that some provincial departments and other government institutions, experience in implementing National SCM guidelines that pertain to staffing, training and policies and procedures.
1.4. Literature Review

1.4.1. Theoretical Framework

Literature review provides evidence that a researcher has done some preliminary reading on the topic under review in order to develop the initial ideas which ultimately results in the formation of the research problem statement (Mouton, 2001:48).

Little research on Supply Chain Management has been done in South Africa. This may largely be due to the fact that SCM in the public sector is a relatively new system introduced around 2003. Research, so far, has focused on public procurement as a system or process and little attention has been given to Public Procurement support systems like human resources, skills development and procedures and policies. Another example is that of a study by P. Bolton which mainly focused on Preferential Procurement as a government policy (Bolton, 2006).

However, research relevant to the focus of this study was conducted by Migiro and Ambe (2008). The purpose of the research was to evaluate the implementation of public sector supply chain management. The focus of this research was at local government. Though the issue of training is addressed but the research was not focused on human resources, training and procedures.

Supply Chain Management in the Public Service is a Public Financial Management activity. Public Administration focuses on planning, organizing, directing, coordinating and controlling of government operations. According to Woodrow Wilson (1886) “it is the object of administrative study to discover, first, what government can properly and successfully do, and, secondly, how it can do these things with the utmost possible efficiency and at the least possible cost of money or of energy”.

Kanyane (see Kuye et al, 2002:12) lists the various role players in financial administration and management as:

- **The Accounting Officer**: The accounting officer is responsible for the administration of state funds under the control of the department. In the Eastern Cape Department of Roads and Public Works, the accounting officer is the Head of Department (HOD).
- **Programme Manager**: An official with delegated authority and responsibility from the accounting officer to produce a set of outputs for the various divisions of the department (Pauw et al, 2002:50).
- **Chief Financial Officer (CFO):** The Chief Financial Officer is appointed by the accounting officer to advise the accounting officer as well as programme managers on the implications of current and new projects. The CFO also advises the management about the budget implications and other financial issues, using the mission statement and strategic plan of the department as a basis for his or her advice.

- **Responsibility Manager:** This is the smallest organizational entity for which a budget can be compiled within a spending agency, that is, the government department. Examples of responsibilities within a department are: a directorate, a specific project, a regional office et cetera (Fourie, in Kuye et al, 2002).

### 1.4.2. Conceptual Framework

Supply Chain Management is a financial management function and therefore requires the accounting officer to observe general financial management practices. Findings of the Auditor General that point to unauthorised expenditure can be traced back to SCM procedures that have not been followed. This may be as a result of challenges departments and accounting authorities face in their SCM Units. The conceptual framework is broad overview of the key concepts that the study has focused on. Definition may vary from context to context hence the overview here focused on these concepts as they relate to financial administration. These concepts are the following:

- Supply Chain Management
- Training
- Policies and Procedures

**(a) Supply Chain Management**

The Policy to Guide Uniformity in Procurement Reform Process in Government (2003:19), defines Supply Chain Management as an integral part of Financial Management that seeks to introduce internationally accepted best practice. It bridges the gap between traditional methods of procuring goods and services and the balance of the supply chain while addressing procurement related matters that are of strategic importance.

It can be concluded that the principles of accountability and value for money is the ultimate intention with the introduction of SCM in the public sector. Financial mismanagement can lead to wastage of public funds. (Pauw et al, 2002:42) describes unauthorized expenditure as, among
others, expenditure exceeding a budget amount for a purpose or item. The author continues by explaining it as misdirected spending or overspending or both. To Pauw et al (2002:42), unauthorized expenditure combined with fruitless, wasteful and irregular expenditure, are the ‘gruesome threesome’, that accounting officer must avoid at all costs. This reference explains the ‘three’ as negative forces working against the economy, effectiveness and efficiency.

(b) Training
Training can be viewed as enhancing the skills capacities and knowledge of the employees who are performing a particular job in the organization. The enhancement of skills is human resource development which happens through training and learning.

When SCM was introduced in the Public Sector in South Africa, the National Treasury Practice Note No 5 of 2004 was issued to institutions in which the issue of training was dealt with. This Practice Note will be dealt with in some detail later in the study only to mention that, in order for the Eastern Cape Department of Roads and Public Works to succeed in its mandate, the staff in Supply Chain Management needs to be properly capacitated and must understand the policies and procedures applicable to their area of responsibility.

Training in the public service is a critical success factor if the government is to respond effectively and efficiently to the needs of the citizens. According to Muhammad (2009:79), “the capacity building for the anticipated future function of public sector is highly important. It facilitates the organizational change. The public sector organizations are working in a highly dynamic environment where changes are taking place on regular basis. In order to cope with these changes, the public sector organizations must be more alert and must chalk out programmes to train and develop human resources to make them more adoptable.” This attests to the need for a capacitated public service core. Dr. Ralph Mgijima (2009: ii) wrote, “in order for the government to provide efficient and effective service delivery to the population, the Public Service requires employees with requisite competency. However, to accomplish this result, employees in the Public Service need to possess the essential skills and expertise to competently execute their functions and duties.”

(c) SCM Policies and Procedures
Page (2002:2) defines a policy as a “predetermined course of action established as a guide towards accepted business strategies and objectives” and procedures as a “method by which a
policy can be accomplished”. From this definition it can be summarised that a policy is a generic guide and procedures can be said to be interpretation of the policy.

1.4.3. Government Prescripts

The basis of the research is the legislation passed by the South African Government as well as regulations emanating from such legislation. The main pieces of legislation are the South African Constitution Act, Act 108 of 1996 as well as the Public Finance Management Act (PFMA), Act 1 of 1999 as amended by act 29 of 1999.

The South African Constitution is to be examined in order to determine what provisions are contained that pertain to government procurement, particularly section 217 of the Act. The Public Finance Management Act (PFMA), like the Constitution, will be examined to determined provisions that pertain to government procurement and the extent to which the Eastern Cape Department of Roads and Public Works has adhered to the provisions of the act. The significance of the PFMA is that it is the tool used to monitor the usage of funds for service delivery. Kuye describes the budget as the operational plan that is prepared to show how the financial resources will be used to deliver services (Kuye et al., 2002).

Petersen (n.d.), provides two key reasons for implementing Supply Chain Management and Preferential Procurement in Government Departments and these are:

- Good governance and
- The elevation of previously marginalised communities

The implementation of Preferential Procurement and Supply Chain Management and even new developments such as Broad Based Black Economic Empowerment, requires that these fundamentals are always considered during the conceptualization, planning, implementation and monitoring of all procurement activities within government.

The Policy to Guide Uniformity in Procurement Reform Processes in Government clearly state that there should be capacity developed in departments. Capacity building would include the establishment of supply chain management units in the relevant CFO structures, the establishment of clear lines of authority and accountability and performance criteria for the
minimising of risk, quicker and more efficient sourcing and better asset and inventory management (National Treasury, 2003:6)

The policy further states that personnel in Supply Chain Management have to be adequately trained and the National Treasury will develop relevant training material working with SAMDI (now PALMA) and IPFA and other service providers.

The above form the core of this research. The intention is to establish whether in the Eastern Cape Department of Roads and Public Works the SCM unit has been established and whether officials have been trained in line with government policy.

1.5. Research Methodology

(a) Design: This is a case study of the Eastern Cape Department of Roads and Public Works. The findings of the study may not necessarily be used to generalize on the status of other provincial departments and/or government institutions. The study had mostly been exploratory in nature as it seeks to provide insights and understanding of the research problem and its findings may not necessarily be conclusive but tentative. This design was selected because of its flexibility and due to the nature of the sample to be selected which the researcher was familiar with as an employee of the institution.

(b) Target: The people who had been targeted to provide the information are the officials in the Financial Administration Branch of the department and specifically in the Supply Chain Management division department. The CFO was also approached to get a high level view of SCM in the department. The total number of SCM personnel is inclusive of staff working in fleet management, a unit which not an SCM element in terms of the national guidelines. The total number of personnel who constitute the total population is the total SCM staff excluding fleet management staff. Regions were asked to submit the total number of personnel and a list of vacant posts and the total population has been calculated based on those submissions.

Since the core business of the department is mainly the infrastructure area, the researcher also targeted the officials working in the infrastructure unit of the department, specifically, Senior Managers, with a view to get their perceptions on performance of SCM in the department. Questions had been mostly open-ended.

The sample summary breakdown was as follows:
<table>
<thead>
<tr>
<th></th>
<th>No of Employees</th>
<th>Sample Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>SCM Practitioners</td>
<td>73</td>
<td>23</td>
</tr>
<tr>
<td>End Users and Top Management</td>
<td>21</td>
<td>7</td>
</tr>
</tbody>
</table>

*Table 1.1 Sample Summary Breakdown*

(c) **Data Collection Method**: Data was classified into primary and secondary data sources. These entailed the following:

**Primary Data Sources**: Questionnaires and interviews were conducted with the target sample. For the general staff below managers mainly questionnaires were used. For officials in the management echelon interviews, where possible, were conducted as the approach entailed some open ended questions. Where it was difficult to set an interview a list of questions intended for the interview were sent to the official.

**Secondary Data Sources**: Document Survey- The various documents and reports of the Eastern Cape Department of Roads and Public Works had been surveyed. These ranged from policy speeches by the Member of the Executive Council (MEC), the Strategic Plans, Annual Performance Plans, Reports of the Auditor General as well as Annual Reports of the Department.

The legislative and regulatory framework had been looked into to establish adherence and compliance in as far as staffing, training and policies and procedures pertaining to SCM.

(d) **Data analysis**: A simple descriptive analysis has been used to analyse the data collected. The analysis used was based on the problem statement with a view to provide answers to the problem statement. Data was analysed to the extent that it met National Treasury Guidelines on SCM staffing, training and policies and procedures.

1.6. **Ethical Considerations**

The information on the study has been obtained mainly from the Eastern Cape Department of Roads and Public Works. It was not anticipated that the department would react with caution to the researcher as the area of study would also benefit the department in the short to long term. A letter introducing the researcher was prepared and given to the targeted officials in the department who were expected to first agree to participate in the research.
1.7. **Scope and Delimitations of the study**

The study was confined to the implementation of Supply Chain Management in the Eastern Cape Department of Roads and Public Works to the extent that such implementation is in line with the regulatory and legislative framework of government. The focus was mainly on the SCM structure, people and procedures. The extent to which general procurement reform objectives have been achieved by the department did not form part of the study, neither is the extent of effectiveness and efficiency has been covered.

The fact that the researcher is an employee of the Department may suggest an extent of bias either for or against the department. This was mitigated through use of standardized questionnaires which were analysed and the data presented is supported by exact response forms where the names of respondents, if mentioned, had been removed. As stated under ethical considerations, it was not anticipated that the department would react with caution to the researcher as the area of study would be beneficial to the department.

1.8. **Limitations of the study**

The study covered the period 2010 to 2012 therefore it presents only the status of Supply Chain Management in that period. No future changes had been predicted nor has a comparison with what obtained prior to this period been made. This has been a case study that is exploratory hence no attempt was made to draw any causal relationship. The advantage of this exploratory study is that it has opened more research interest on the topic in the future.

1.9. **Conclusion**

The Department of Roads and Public Works was formed in 2009 with the merger of the roads component of the former Department of Roads and Transport and the then Department of Public Works forming a new Department of Roads and Public Works. This study explores Supply Chain Management (SCM) as a government procurement system in the ECDRPW which is
government procurement reform process. This study will identify whether the department has succeeded alternatively the extent of success in implementing SCM.

Three specific areas of focus were identified which are people, training and policies and procedures. The theoretical framework and conceptual framework that establishes a link between SCM and Public Administration were discussed.

A brief look at the research design was made and it was stated that this was going to be an exploratory study with a specific focus on the Eastern Cape Department of Roads and Public Works and, therefore, its findings are not conclusive. It was emphasised that the extent to which general procurement reforms objectives have been achieved by the department will not form part of the study, neither will the extent of effectiveness and efficiency of SCM on the department.

The next chapter deals with literature review followed by chapter three that deals with research methodology. Chapter four deals with data analysis and, lastly, chapter five presents recommendations and conclusion.
CHAPTER 2
LITERATURE REVIEW

2.1. Introduction
The Eastern Cape Department of Roads and Public Works is the departments whose mandate is to provide infrastructure development. Whilst other departments make budgetary provision for their infrastructure needs, it is the DRPW that becomes the implementing agent. It is for this reason that a strong and effective SCM unit is required in the department. In her policy speech in 2010 the Member of the Executive Council (MEC) for Roads and Public Works, Ms Pemmy Majodina stated that the Executive Council decided that in the longer term the Department of Roads and Public Works was to transformed into the Centre for Public Infrastructure Delivery which would be accountable and responsible for the coordination of planning, procurement and delivery of all infrastructure delivered as part of the provincial mandate. That such infrastructure includes roads infrastructure, social infrastructure and provincial government offices (Majodina, 2010:11)

This is an acknowledgement of the role the department has to play in as far as being a procurement agent for sister departments in the province. This mandate is not limited only to being a procurement agent but extends to the actual project implementation for the department itself as well as other departments in the province.

It can be deduced from this mandate that the need for a fully capacitated supply chain management unit in the department cannot be overemphasised. The following discussion will look at the enabling provisions that form the basis for implementing Supply Chain Management in the Public Sector. Regulatory provisions as prescribed by Legislation and or National Treasury which form the key pillars for implementation of SCM will be looked. This discussion will also include the theoretical framework and conceptual definitions that pertain to Public Administration to the extent it relates to financial management as well as relevant research done previously on the subject of SCM.

In this chapter relevant literature will be reviewed. Supply Chain Management in the Public Sector is relatively new, therefore, literature that is available globally on the subject becomes very important. This review will focus on previous work done on the subject and a critical discussion of literature that is specialized and relevant to the research problem. Literature will
assist in understanding how other expects in the field have approached their research projects on the subject and what findings are relevant to this case study.

In reviewing literature the concept of financial management as a public administration activity as well as research related to Supply Chain Management will be the area of focus.

2.2. Theoretical Framework

A theoretical framework will provide an understanding of relevant theories and concepts and how this topic relates to the Public Administration. It will connect this study to the body of knowledge already developed in the field.

2.2.1. Gaps in SCM theoretical development in South Africa

As highlighted in the preliminary review of literature in chapter one, little research has been done on this topic. Supply Chain Management (SCM) was introduced in the public sector in South Africa around 2003 after the government decided to introduce procurement reforms. As it will be seen later in this chapter, Section 217 of the South African Constitution forms the basis for the introduction of Supply Chain Management in the Public Sector. This has been followed by policies developed to guide the implementation of SCM in the Public Sector. As it will be shown subsequently, there has been some research which has primarily focused on public procurement as a practice. However, little or no attention has been given to staffing, training and polices in relation to SCM.

For instance, Bolton (2006), conducted a study that focused on procurement as a policy tool of government. His research focused on “two constitutional principles that directly impact on the use of procurement as a policy tool in South Africa: the right to equality and the attainment of value for money. These two main aspects covered in Bolton’s research did not address the questions raised in this case study but addressed, primarily, the practice of Supply Chain Management as means to achieve government objectives.

Nevertheless, research that has some relevance to the topic covered here is that done by Migiro and Ambe (2008). The purpose of the research was to evaluate the implementation of public sector supply chain management. Although this work can be seen to be throwing some light on the challenges faced by public institution’s SCM units, its primary focus was on local government and specifically a case study undertaken in the Central District Municipality and its
local municipalities in the North West Province of the Republic of South Africa. The research found, amongst other things, that:

- Implementation of SCM was far from satisfactory.
- The municipalities were faced with problems of lack of skills and capacity in the implementation and execution of SCM.

Indeed, the study concludes with recommendation on the training of municipal employees. However, other than the findings highlighted above the study focused on SCM as a practice.

2.2.2. Public Administration and Supply Chain Management

As highlighted in Chapter one, Supply Chain Management in the Public Service is a Public Financial Management activity which employs the public administration functions of planning, organizing, directing coordinating and controlling of government operations. For these functions to be executed efficiently and effectively public institutions charged with the SCM responsibility need to have the necessary capacity to execute them. That capacity entails having recruited the right people, relevant training and putting in place SCM policies and procedures.

Kanyane (see Kuye et al, 2002:12) lists the various role players in financial administration and management as:

- The Accounting Officer: The accounting officer is responsible for the administration of state funds under the control of the department. In the Eastern Cape Department of Roads and Public Works, the accounting officer is the Head of Department (HoD).

- Programme Manager: An official with delegated authority and responsibility from the accounting officer to produce a set of outputs for the various divisions of the department (Pauw et al, 2002:50).

- Chief Financial Officer (CFO): The Chief Financial Officer is appointed by the accounting officer to advise the accounting officer as well as programme managers on the implications of current and new projects. The CFO also advises the management about the budget implications and other financial issues, using the mission statement and strategic plan of the department as a basis for his or her advice.
• Responsibility Manager: This is the smallest organizational entity for which a budget can be compiled within a spending agency, that is, the government department. Examples of responsibilities within a department are: a directorate, a specific project, a regional office et cetera (Fourie, in Kuye et al, 2002).

2.2.3. SCM and Scientific Management Theory

Frederick Taylor who conducted studies in management of industry gave management the statues of science. According to him, management rests upon clearly fixed laws, rules and principles therefore best management is a true science (Taylor, 1911). He came up with four principles of scientific management that are:

• Develop a science for each element of a man’s work which replaces the old rule-of-the-thumb method.

• Scientifically select and then train, teach and develop the workman, whereas in the past he chose his own and trained himself as best as he could.

• Heartily cooperate with other men so as to ensure that all the work is being done in accordance with scientific principles.

• There is almost an equal division of work and responsibility between management and the workman. The management takes over all work for which it is better fitted than the workman while in the past almost all of the work and the greater part of the responsibility was thrown on the men.

The Scientific Management Theory is applicable to SCM as a financial management activity. SCM operates within a regulatory framework of fixed laws, rules and principles. The extent of adhering to those will determine the success in implementing SCM in the public service. This study focuses on the availability of skilled personnel in the DRPW SCM unit. It also examines the importance of training on SCM as it is an activity requiring compliance and efficiency in its implementation. There is a perception that in most public organisations the required staff has not been recruited and those who have been employed have not been appropriately trained in SCM.

The critical importance of SCM in South Africa is continually stressed by relevant government functionaries. In the 2011 budget speech of the South African National Minister of Finance
Minister Pravin Gordhan highlighted the significance of public procurement in the economy of the country and in service delivery. The predicament of taxpayers, who are not getting value for money due to wastage and corruption in public procurement, compromises the integrity of governance and frustrates the pace of service delivery (Gordhan, 2011, 34). The minister said a strong procurement framework is critical to boosting jobs and service delivery.

Apart from wastage and corruption, government also seems to recognise a lack of human capacity as a serious impediment in running government. In her budget and policy speech, the MEC for Roads and Public Works, Pemmy Majodina in 2010 emphasised the need for quality of human resources that must be retained in the Public Service in order for the centre to be successful. (Majodina, 2010, 14). This suggests recognition by the department of the need to develop the necessary capacity to meet the challenges of service delivery in the department. Taking into consideration some of these admissions from government, the significance of procurement on government becomes critical hence the need to ensure that personnel have the required skill capacity and capabilities.

Indeed success in implementing SCM has been linked to the skills level of officials. According to Edigheji (2010:261) “skills development is incontestable crucial to debates regarding the effectiveness of a developmental state. In the light of the historical skills deficit in South Africa, implementation of skills development programmes has the potential to either advance or retard development efforts. Skills development is thus central to capability enhancement and contributes to national prosperity.

2.3. Conceptual Framework

The conceptual framework is broad overview of the key concepts that the study is going to focus on. Definition may vary from context to context hence the overview here will focus on these concepts as they relate to financial administration. These concepts are the following:

- Supply Chain Management
- Training
- Policies and Procedures
2.3.1. Supply Chain Management

The Policy to Guide Uniformity in Procurement Reform Process in Government (2003:19), defines Supply Chain Management as an integral part of Financial Management that seeks to introduce internationally accepted best practice. It bridges the gap between traditional methods of procuring goods and services and the balance of the supply chain while addressing procurement related matters that are of strategic importance. Handfield and Nichols (2002:8) define SCM as encompassing all organisations and activities associated with the flow and transformation of goods from the raw material stage, through to the end user, as well as the associated information flows. Material and information flow up and down the supply chain. Supply Chain Management is the integration and management of supply chain organisation and activities through cooperative organisational relationships, effective business process and high level of information sharing. The aim is to create high performing value systems that provide member organisation a sustainable competitive advantage. From the above two definitions it is clear that SCM has to do with procurement whether that happens in the public or in the private sector.

Mentzer et al, (2001:2) define SCM as a systemic, strategic coordination of the traditional business functions and the tactics across these business functions within a particular company and across business within the supply chain, for the purpose of improving the long-terms performance of the individual companies and the supply chain as a whole. Form the above definitions SCM has to do with materials, information and finances and how these are coordinated and integrated within and between institutions such that goods and services flow from the producer to the end user.

It can be concluded that the principles of accountability and value for money are the ultimate intention with the introduction of SCM in the public sector. As a financial management function, SCM requires the accounting officer to observe general financial management practices. Findings of the Auditor General, which point to unauthorised expenditure, can be traced back to SCM procedures that have not been followed. This may be as a result of challenges departments and accounting authorities face in their SCM Units.

2.3.2. Training

Training can be viewed as enhancing the skills capacities and knowledge of the employees who are performing a particular job in the organization. The enhancement of skills is human resource
development which happens through training and learning. Harrison (2005:7) uses the term “learning and development” to refer to human resource development and defines its purpose as an organisational process to aid collective progress through collaborative and expert stimulation and facilitation of learning and knowledge that support business goal, develop individual potential and respect and build on diversity. Three important aspects that relate to the purpose of training are raised by this definition those being support for business goals, development of individual employee potential and diversification of the workforce. According to Gitman and McDaniel (2008:211) through training and development employees acquire additional knowledge or skills to increase job performance.

(a) Importance of training
Each organization is expected to develop its human resource capital in order to be successful. This specifically relates to the training of employees by the organization. As stated under the theoretical framework in this chapter, SCM is relatively new in the South African Public Sector, having been introduced per National Treasury Practice Note 3 of 2004, therefore the level of skill required to meet the challenges facing government procurement is still lacking. This can only be achieved through training and development.

Training is essential for any organization to meet its day-to-day developmental challenges. Pravin (2010:212) explains training as a short-term skills development which is intended to overcome employee deficiencies in the performance of their duties. Pravin highlights the benefits of training as follows:

- Enlargement of skills and competency
- Effective utilization of the existing human resources
- Enhancement of customer satisfaction
- Enhancing competitive advantage
- Ensuring personal growth
- Enhancement of team spirit
- Enabling a learning culture
- Establishing a positive organisational climate
- Encouraging better health and safety measures
- Ensuring organisational growth and development.
Human resource development is necessary for both the organisation to grow as well as for the employee personal development, thus leading to an institution that is responsive to customer needs. New and existing employees are trained to enhance their knowledge and to manage new operational changes within the organization. Also training is provided so that employees can get promoted to higher positions.

Training in the public service is a critical success factor if the government is to respond effectively and efficiently to the needs of the citizens. According to Muhammad (2009:79), “the capacity building for the anticipated future function of public sector is highly important. It facilitates the organizational change. The public sector organizations are working in a highly dynamic environment where changes are taking place on regular basis. In order to cope with these changes, the public sector organizations must be more alert and must chalk out programmes to train and develop human resources to make them more adoptable.” This attests to the need for a capacitated public service core.

When SCM was introduced in the Public Sector in South Africa, the National Treasury Practice Note No 5 of 2004 was issued to institutions in which the issue of training was dealt with. This study seeks to establish whether the DRPW had indeed established an SCM unit. Merely establishing the unit cannot be enough, the personnel employed in that unit need to be trained for the new roles they are going to perform. This study seeks to establish the extent DRPW has gone in training personnel employed in the SCM unit. This will include the nature of the departmental training plan and if SCM relevant training was catered for during the time under review.

In order for the Eastern Cape Department of Roads and Public Works to succeed in its mandate the staff in Supply Chain Management needs to be properly capacitated and must understand the policies and procedures applicable to their area of responsibility.

2.3.3. SCM Policies and Procedures

In order to understand the importance of policies and procedures in an organisation it is important to first get an understanding of what a policy is and what are procedures. Page (2002:2) defines a policy as a “predetermined course of action established as a guide towards accepted business strategies and objectives” and procedures as a “method by which a policy can be accomplished”. From this definition it can be summarised that a policy is a generic guide and procedures can be said to be interpretation of the policy. Procedures flow from the policy. Policies as procedures are not an end on their own but merely means to an end. Campbell
(1998:1) defines a policy as a position statement that explains an organisation’s stand on a subject and why there is a rule about it.

The Australian Concise Oxford Dictionary defines policy as a course or principle of action adopted or proposed by a government, party, business or individual. The intention having a policy is to control and manage actions in an institution by indicating clearly what needs to be done by whom, how it is to be done and for whom it is to be done and lastly why it has to be done.

The Policy to Guide Uniformity in Procurement Reform Process in Government, issued in 2003, sets a broad framework for accounting officers to set standards, assign responsibilities and promote the development of a supply chain management system that conforms to the Policy Strategy. Generic guides have been made available to departments. The expectation is that when implementing SCM government institutions should be guided by their policies. Thus, this study conceptualises SCM policies as not only the development of the policies themselves but also whether the employees are aware of such policies and the extent of their participation in the development of such polices if any are available.

(a) Importance of policies and procedures

Policies and procedures are internal controls in organisation. Some of the reasons for having policies and procedures are explained by Campbell (1998:7) as follows:

- Policies and procedures enable managers and their subordinates to clearly understand the individual and group responsibilities including the boundaries within which they have to work and the demands upon them.
- They create a baseline to which subsequent change can be referred and through which the way things are done is enabled.
- They enable managers to decide whether a subordinate’s improper action or decision was due simply to poor judgement or to an infringement of the rules.
- They provide individuals the freedom to make decisions in the execution of their duties within the defined boundaries and help avoid over-control by managers.
- They enable managers to exercise control by exception rather than by action and decision of their subordinates.
- They enable managers to control events in advance.
Policies and procedure serve as the roadmap as they present in details the expectations of the organization from its employees. They are a link between the organization and its day-to-day operations. They help each employee to understand his/her roles and responsibilities within the organization. Management uses policies as means to guide the operations of the organization towards specific goals. Procedures simple lay down in detail actions to be undertaken in order to achieve a specific target goal. Procedures are usually drawn out of applicable policies in an organization. It becomes important therefore for the employees to have a thorough understanding of policies and procedures as these influence their actions and behaviour everyday they are at work.

2.4. Institutional, Legislative and Regulatory Framework
The implementation of SCM in the public sector is guided primarily by the regulatory provisions as determined by government. It is within this environment that public institutions are expected to operate, comply and adhere. This section deals with the guidelines the government has issued to public institutions. These range from legislation to regulations and circulars.

2.4.1. The Constitution
The Constitution of the Republic of South Africa Act 108 of 1996 contains an enabling section that underpins government procurement. Section 217 of the constitution states that:

“(1) When an organ of state in the national, provincial or local sphere of government, or any other institution identified in national legislation contracts for goods and services, it must do so in accordance with a system that is fair, equitable, transparent, competitive and cost effective.

(2) Subsection (1) does not prevent the organs of state or institutions referred to in that subsection from implementing a procurement policy providing for:

(a) Categories of preference in the allocation of contracts, and

(b) The protection or advancement of persons, or categories of persons, disadvantaged by unfair discrimination.

(3) National legislation must prescribe a framework within which that policy referred to in subsection (2) must be implemented” (South African Government, 1996).
Section 217(3) of the Constitution directs that national legislation with requirements to prescribe framework for preferential procurement to address social and past imbalances must be put into place.

These are the sections in the South African Constitution against which SCM requirements are based. Critical for purposes of this study is the phrase that refers to a “system which is fair, equitable, transparent, competitive and cost effective”.

Both the promulgation of legislation and the awarding of a tender that clash with these five criteria would be unconstitutional and therefore legally invalid (Pauw J.C. et al, 2009:67) According to Pauw and Wolvaardt these criteria must all be taken into account when an organ of state procures goods and services. To be able to create a balance in all the criteria contained in the Constitution adequately skilled personnel is SCM is required. The Constitution in itself does not prescribe how these criteria are to be managed and that is left to regulators in terms of Section 217(3) of the Constitution.

2.4.2. The Public Finance Management Act 1 of 1999 as amended by Act 29 of 1999

This Act gives effect to and reiterates the Constitutional requirements of Section 217. It sets out broadly the requirement for procurement and provisioning system to be in place and allocates responsibilities thereto.

Section 38(a)(iii) states that “the accounting office for a department, trading entity or constitutional institution must ensure that, that department, trading entity or constitutional entity has and maintains an appropriate procurement and provisioning system which is fair, equitable, transparent, competitive and cost effective” (PFMA., 1999)

Looking at the PFMA in general the object of the act is stated in section 2 and it is to secure transparency, accountability and sound management of revenue, expenditure, assets and liabilities of institutions to which the act applies (PFMA, 1999) From the above, non-compliance with the PFMA provision would constitute breaking the law. The Accounting Officer of a department or entity to which the PFMA applies has the overall responsibility for compliance with the Act. Failure to comply with the provisions of the act may result in unauthorised, fruitless and wasteful expenditure. (Pauw et al, 2002:42) describes unauthorized expenditure as, among others, expenditure exceeding a budget amount for a purpose or item. The author
continues by explaining it as misdirected spending or overspending or both. To Pauw *et al* (2002:42), unauthorized expenditure combined with fruitless, wasteful and irregular expenditure form the ‘*gruesome threesome*’, that accounting officer must avoid at all costs. This reference explains the ‘three’ as negative forces working against the economy, effectiveness and efficiency.

### 2.4.3. Preferential Procurement Policy Framework Act, Act 5 of 2000.

This Act gave effect to the principle of redress as it regulated the awarding of tenders to groups previously disadvantaged. It further introduced the point system in the evaluation of tenders in the public sector.

### 2.4.4. Broad Based Black Economic Empowerment Act, Act 53 of 2003.

This Act introduced what today is commonly known as BBBEE and is intended to facilitate broad-based economic empowerment across the country.

### 2.4.5. Green Paper on Public Sector Procurement Reform in South Africa

A Green Paper on Public Sector Procurement Reforms in South Africa was published in April 1997. The paper recognised that public sector procurement could be used by government as a mechanism to also achieve certain broader policy objectives such as black economic empowerment, local economic development spin-offs for small and medium businesses, skills transfer and job creation. To achieve this, institutional reform and economic reform became necessary within two broad themes, namely:

- To establish principles of good governance in the area of Supply Chain Management and
- To introduce a preference system to achieve certain socio-economic policy objectives

(South African Government, 2003)

This discussion document paved the way for the development of procurement laws, guidelines and regulations such as the Public Finances Management Act and its regulations.
2.4.6. Departmental Capacity
In 2010 the department undertook to assess the infrastructure institutional capacity of the province with a view to assess the human resource capacities as well as existing systems and processes that were being used to deliver infrastructure in the province (Majodina, 2010, 12). As noted above, the department identified capacity within the support division as a constraint especially with the transfer of the Roads function to the department. In this study, the existing capacity has been analysed and recommendations made accordingly.

2.4.7. The National Treasury
The National Treasury and Provincial Treasuries are charged with issues related to financial management. Chapter 2 and Chapter 3 of the Public Finances Management Act (PFMA) deal with the establishment, powers and functions of National Treasury and Provincial Treasuries. In terms of Section 6(g) of the PFMA, the National Treasury must “promote and enforce transparency and effective management in respect of revenue, expenditure, assets and liabilities of departments, public entities and constitutional institutions (National Treasury, 1999).

Section 18(c) of the PFMA directs Provincial Treasuries to “promote and enforce transparency and effective management in respect of revenue, expenditure, assets and liabilities of provincial departments and provincial public entities” (National Treasury, 1999).

The above directives are not optional for the Treasuries and in order to carry out their responsibilities, treasuries issue directives to departments and public entities. More specifically, Practice Notes, guidelines, instruction notes and circulars are from time to time issued to departments and entities. Some of these are explained below.

2.4.8. Supply Chain Management: A Guide for Accounting Officers/Authorities
In February 2004 the National Treasury issued the above guide titled “Supply Chain Management: A Guide for Accounting Officers/Authorities which has been widely used as the Supply Chain Management Policy for the South African Government.

Two of the four major objectives in the policy adopted by Cabinet are to:

- Transform government procurement and provisioning practices in an integrated SCM function and
• Promote the consistent approach throughout government’s supply chain (National Treasury, 2004:9)

The guide introduces five key elements of Supply Chain Management. These are:

(a) Demand Management- This is the beginning of the supply chain where needs are assessed, specifications determined, requirements linked to the budget and the supplying industry is analysed.

(b) Acquisition Management- This is the focus of procurement activities where the approach to the market is decided and the best procurement and supplier selection processes are determined as well as conclusion of agreements with suppliers.

(c) Logistics Management- This is concerned with inventory management, receiving, storage, warehousing and distribution, as well as vendor performance.

(d) Disposal Management- This concerns the obsolescence planning and determination of disposal strategies to execution of disposal processes.

(e) Supply Chain Performance – This is a monitoring process that is intended to determine whether the proper processes have been followed and desired objectives achieved. It is a compliance sub-function within the SCM function.

This policy further states that to fully achieve SCM objectives in the policy document, it will be necessary to introduce a dedicated, well trained, professional SCM cadre in government. It is the responsibility of every accounting officer/authority to see to it that their SCM personnel is adequately trained.

2.4.9. Policy Strategy to Guide Uniformity in Procurement Reform Processes in Government

This policy was published by the South African government in April 2003. The intension was to ensure that there is uniformity in the implementation of Supply Chain Management in government. Among its objectives is the replacement of “outdated procurement and provisioning practices in government with a supply chain management function” (National Treasury, 2004, 2).

The policy recognises that the introduction of an integrated supply chain management will contribute towards the improvement of financial management in the broader public sector. The
policy states that “it should be realised, however, that the gap between the current procurement and provisioning procedures and practices and those contemplated in this Policy Strategy documents is substantial. It would therefore require the adoption of a phased strategy to move from the current position to the new” (National Treasury, 2004, 44). Three phases are identified being the preparation phase, full implementation phase and the support and monitoring phase. The purpose of this study is to look into the full implementation phase and determine the extent the Eastern Cape Department of Roads and Public Works has moved.

In order to achieve the government objectives the policy recognises institutional reforms which include the establishment of Supply Chain Management units within the offices of the CFOs. It states that “adequate CFO capacity in the form of appropriate structure with fully skilled and professional supply chain management personnel are key success factors particularly as supply chain management was either neglected or dealt with in a very fragmented or desultory manner (National Treasury, 2004:47).

On training of personnel, as highlighted above, the policy identifies General Management training, Financial Management training and Specialist Supply Chain Management training as the fundamental considerations the accounting officers should pay attention to in order to successfully implement SCM (National Treasury, 2004,47).

2.4.10. National Treasury Circular: Implementation of Supply Chain Management
In October 2004 the National Treasury issued a circular on implementation of Supply Chain Management. The intention was to give institutions further guidance on the implementation of SCM. According to that circular it is the responsibility of the accounting officer/authority to ensure that SCM practitioners within their institutions are trained in accordance with the Guide for minimum training and deployment, issued also by the National Treasury in 2004. The requirements for official to be trained only on courses that have been validated to ensure that value for money is achieved (National Treasury, 2004:6).

2.4.11. National Treasury Practice Note 3 of 2004
In August 2004 the National Treasury issued Practice Note 3 of 2004 titled Checklist for the Implementation of Supply Chain Management. The purpose of the checklist was to guide
accounting officers/authorities in the implementation of SCM within their institutions and also monitor their status regarding the implementation process with a view to providing assistance and guidance where necessary (National Treasury, 2004)

2.4.12. Department of Roads and Public Works Strategic Plan

In the foreword of the strategic plan of the Department of Roads and Public Works for the period 2011/12 to 2013/14 it is stated that “as the department that has been entrusted with the responsibility of spearheading the infrastructure development of the province, we are of the firm belief that we are indeed on track in the trajectory that will catapult the infrastructure delivery programme to higher levels” (EC Public Works, 2011, 2).

(a) Targets

The department goes further to outline its targets as the following:

• Create 247000 work opportunities by 2013.

• Unqualified audit reports consecutively for three years.

• Unbundling of maintenance contracts and ensuring that 60% of them are sourced through BBBEE by 2013.

• Provide 80% of space requirements by departments by 2013.

• Resurface 2000km of rural roads and construct 300km of roads by 2013.

From the above targets it is clear that the department committed itself to sound financial management practices in its process of delivering infrastructure to the province. The roads network of the province will be delivered through sourcing from the private sector. This will require a strong SCM unit within the department.
Supply Chain Management falls within Programme 1 which is a support function to core functions of the department. Within Programme 1 there is the Finance Branch which falls under the Chief Financial Officer (CFO).

(c) Strategic Goals
The Department decided on some strategic goals to be achieved over the period 2011/12 to 2013/14 and these are:

Strategic Goal 1 – To promote sound corporate governance.

Strategic Goal 2 – To improve management systems in order to offer efficient and effective services to client departments and the public.

Strategic Goal 3 – To lead transformation and development in the construction and property industries.

Strategic Goal 4 – To reduce poverty and unemployment.

Strategic Goal 5 – To ensure effective management of immovable and movable provincial assets.
From the above strategic goals it can be summarized that the department would be procuring infrastructure related needs of the province and therefore huge amounts will be expended. In doing this the department is expected to adhere to regulations and legislation that pertain to Supply Chain Management.

2.5. Conclusion

Public sector procurement plays a critical role in economic development. The public sector is single huge spender or buyer using public funds. This requires a political will to transform public procurement and align it to government broader economic development objectives. Accountability must be promoted as public funds are spent by government in delivering services to the people.

The Eastern Cape Department of Roads and Public Works has been identified as a Nerve Centre for Infrastructure Delivery in the Eastern Cape. This requires quality human resources to deliver on that mandate. In its Strategic and Annual Performance Plan the ECDRPW has identified targets which can be achieved through sound procurement practices. However, the department has been faced with capacity constraints, particularly resources, to fill vacancies in its support division worsened by the transfer of the Roads function to the department without the corresponding support personnel.

Implementation of SCM in the public sector is guided by legislation and the regulatory framework. The SA Constitution and the PFMA are the most important pieces of legislation that must be observed. They both emphasize the needs for an SCM system that is fair, equitable, transparent, competitive and cost effective. This need has also been highlighted in the Green Paper on Public Sector Procurement Reforms where black economic empowerment and local economic development for SMMEs are identified as the focus of reforms.

The National and Provincial Treasuries have issued numerous prescripts to public institutions with a view to provide guidance and support in the implementation of SCM. These are in the form of policies, Practice Notes, Circulars and, sometimes, Instruction Notes.
CHAPTER 3
RESEARCH METHODOLOGY

3.1. Introduction
In this case study the implementation of Supply Chain Management in the Eastern Cape Department of Roads and Public Works has been investigated. The aim is to establish the extent to which the department has managed to comply with National Treasury prescribed regulatory framework as well its own policies that pertain to SCM implementation. The ultimate output expected was to come up with recommendations for consideration by the department in its endeavour to improve SCM practices and compliance issues. This chapter explains the process and methodology used in conducting the research.

3.2. Research Strategy
This is a case study of the Eastern Cape Department of Roads and Public Works and it covers two financial years being 2010/2011 and 2011/2012. While the findings of this research is expected to provide some insights into the problem, these findings may not be used to generalise on the status of the department as a whole, neither may it be used to generalise on the status of other provincial departments and/or government institutions.

3.2.1. Case Study Definition
Martyn Shuttleworth (2008) defines a case study as in-depth study of a particular situation as against a statistical survey. It narrows down a broad research field into a researchable topic. Implementation of supply chain management is a broad area. This study looked into three areas only being staffing, training as well as policies and procedures. Although it has been pointed out that this case study may not be used to generalise on the status of other departments, Gerring (2004:342) holds the view that a case study is best suited for generalization as it is an intensive study of a single unit with an aim to generalise across a larger set of units. My suggestion is that this case study may be used as a basis for further research or lessons on the topic as it applies to other government institutions. Similarly, Dul and Hak (2008:24) suggest that a case study research is useful when the topic is too broad and highly complex, when there is not a lot of theory available and when the context is very important. It is a useful tool in an exploratory approach. Worth noting in this research is the fact that no causal relationship has been
investigated. The idea was to establish the extent of progress by the DRPW in relation to SCM implementation.

According to Sharp, et al, (1996; 14) the four common purposes of a research project are:

- To review existing knowledge
- To describe some situation or problem
- The construction of something useful
- Explanation.

As it will be seen later in this chapter, this study was aimed at exploring and describing the situation of the DRPW during the period under review with a view to make recommendations to the department.

3.3. Research Design

This study was exploratory in nature as it sought to provide insights and understanding of the research problem. Its findings may not necessarily be conclusive but tentative. Exploratory research was chosen because it is very useful when a problem has not been clearly defined as yet. As highlighted in chapter two, SCM is relatively new in the South African Public Sector, having been introduced on 2003, and very little research has been conducted at Provincial government level and in the particular government department being investigated. Therefore exploratory research is most useful as the problem is not very well understood. It is useful because of its high degree of flexibility and can be approached informally. As an employee of the department, the researcher is familiar with the nature of the sample to be studied.

3.4. Target Population and Sample

The target population were employees in the Financial Branch of the department. These were employees in the Financial Management Branch of the department and specifically the Supply Chain Management Unit. The structure of the department is hierarchical. The total population consists of employees according to the levels below:
The table above shows the hierarchy of the sample selected for the case study.

3.4.1. Sampling

According to Mbaliswana (2009:47-48) there are two types of sampling: probability sampling and non-probability sampling. In probability sampling each unit of the population has the same known probability of being selected. Non-probability sampling is, “selecting information-rich cases for study in depth”. Non-probability purposive sampling will be used in this research due to the fact that researcher is familiar with the population and its elements and how they relate to the research aims.

A Simple Random Sampling method was used to select the sample. Random sampling implies that each official will have the same probability of being included in the sample. According to Flick (2009:115) sampling is connected to the decision about which persons and from which group will be included in the study.

One advantage of random sampling as suggested by Fink (2005:49) is that it simplifies survey administration. Worth noting is that random sampling can lead to poor representation of the overall population hence care will be taken to ensure that adequate proportions of officials at the different levels of the hierarchy are included in the sample. The department has two main divisions although these are not distinct in the organisational structure. These are the administrative support (Corporate Services) and the core business unit (Infrastructure). All offices, regions and head office, were requested to submit the number of employees in the SCM
Unit as well as the number of vacant positions for purposes of sampling. The total number that makes up the population to be sampled is 73 in the SCM unit and 20 in the Infrastructure division. A sample of not less than 20% in each office has been selected.

The breakdown of the sample is as follows:

<table>
<thead>
<tr>
<th>Office</th>
<th>No of SCM staff and Managers</th>
<th>Sample Size</th>
<th>Percentage of the total population</th>
<th>Data Collection Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>Head Office</td>
<td>24</td>
<td>5</td>
<td>20.83</td>
<td>Questionnaire</td>
</tr>
<tr>
<td>Alfred Nzo</td>
<td>9</td>
<td>3</td>
<td>33.33</td>
<td>Questionnaire</td>
</tr>
<tr>
<td>Joe Gqabi</td>
<td>3</td>
<td>3</td>
<td>100.00</td>
<td>Questionnaire</td>
</tr>
<tr>
<td>Chris Hani</td>
<td>8</td>
<td>3</td>
<td>37.50</td>
<td>Questionnaire</td>
</tr>
<tr>
<td>Amathole</td>
<td>10</td>
<td>3</td>
<td>30.00</td>
<td>Questionnaire</td>
</tr>
<tr>
<td>Cacadu</td>
<td>8</td>
<td>3</td>
<td>37.50</td>
<td>Questionnaire</td>
</tr>
<tr>
<td>OR Tambo</td>
<td>10</td>
<td>3</td>
<td>30.00</td>
<td>Questionnaire</td>
</tr>
<tr>
<td>CFO</td>
<td>1</td>
<td>1</td>
<td>100.00</td>
<td>Interview</td>
</tr>
<tr>
<td>DDG Roads</td>
<td>1</td>
<td>1</td>
<td>100.00</td>
<td>Interview</td>
</tr>
<tr>
<td>General/Senior Managers Roads</td>
<td>5</td>
<td>1</td>
<td>20.00</td>
<td>Interview</td>
</tr>
<tr>
<td>General/Senior Managers Buildings</td>
<td>4</td>
<td>1</td>
<td>25.00</td>
<td>Interview</td>
</tr>
<tr>
<td>General/Senior Managers Corporate Services</td>
<td>5</td>
<td>2</td>
<td>40.00</td>
<td>Interview</td>
</tr>
<tr>
<td>Regional Senior Managers</td>
<td>5</td>
<td>1</td>
<td>20.00</td>
<td>Interview</td>
</tr>
<tr>
<td></td>
<td>93</td>
<td>30</td>
<td>32.26</td>
<td></td>
</tr>
</tbody>
</table>

**Table 3.1 Detailed Sample Breakdown**

(a) **Sample Distribution**

In each region, a manager is the head of SCM and the rest of officials are either supervisors or operational employees. The table below indicates the intended distribution of the sample according to level and according to the region.

<table>
<thead>
<tr>
<th>Level</th>
<th>Amathole</th>
<th>Alfred Nzo</th>
<th>OR Tambo</th>
<th>Joe Gqabi</th>
<th>Chris Hani</th>
<th>Cacadu</th>
<th>Head Office</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Sample</td>
<td>3</td>
<td>4</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>11</td>
</tr>
<tr>
<td>Top Management</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>General/Senior Managers</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>4</td>
</tr>
<tr>
<td>Managers &amp; Ass. Managers</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Operational</td>
<td>3</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3</strong></td>
<td><strong>4</strong></td>
<td><strong>3</strong></td>
<td><strong>3</strong></td>
<td><strong>3</strong></td>
<td><strong>3</strong></td>
<td><strong>11</strong></td>
</tr>
</tbody>
</table>

**Table 2.2 Sample Spread**

The core business of the department is mainly the infrastructure area, therefore officials in working in the infrastructure unit of the department were also included in the sample especially
Senior Managers. The intention was to get their perception on the performance of SCM in the department. Questions to this group were mostly open-ended. The breakdown is as follows.

### 3.5. Data Collection

This study is aimed at establishing whether the department has implemented SCM in line with the requirement set out by the National Treasury. This entails establishing whether there is an SCM unit in the department. This will be demonstrated by having a structure which is filled by warm bodies that must have been trained on SCM. Also the department is expected to develop its own policies and procedures on SCM. Data collection therefore will consist of Primary and Secondary sources. These will entail the following:

#### 3.5.1. Primary Data Sources

Questionnaires were administered and interviews were conducted with the target sample as highlighted in table 2 above. In order to facilitate response to the questionnaires, these were distributed to all the participants and a time frame was given to all participants to respond. Questionnaires were sent to each participant by email together with instructions. Each participant was given a timeframe of about three to five days to complete the questionnaire and then send it back either by email or by facsimile transmission.

Interviews were either conducted face to face with the participant or over the telephone. Each participant was given the set of questions prior to the interview and a date was set wherein the interview would be conducted.

#### 3.5.2. Secondary Data Sources

These consisted mainly of Document Survey. The target documents to be surveyed were:

- Policy Speeches by Members of the Executive Council for Roads and Public Works
- Strategic Plans relevant to the period.
- Annual Performance Plans for the period.
- Reports of the Auditor General relevant to the period
- Annual Reports of the Department as well as
- Legislative and regulatory framework.

The above documents did shed some light on how the department has moved in achieving its stated objectives and to ascertain whether SCM has had an impact. The legislative and regulatory
framework provides compliance issues that government institutions must adhere in implementing SCM.

3.5.3. Data collection procedures

The data used was collected mainly through three methods: Document analysis, questionnaires and interviews.

- **Document Analysis**

Document analysis method was used to study documents dealing with the topic of the research. Among others, documents analysed are the legislation dealing with the management of public funds. This legislation included the PFMA of 1999 (Act No 29 of 1999) as amended and the Constitution of the Republic of South Africa Act 108 of 1996. The Strategic and the Annual Performance Plans for the period 2010 to 2014 also formed part of documents analysed. These were analysed in relation to Annual reports of the department for the period under review.

To a lesser extent, the report of the Auditor General relating to the period was analysed with a view to determine issues raised by the Auditor General that pertain to SCM practices and procedure. It is through these reports that compliance with prescripts could be determined.

The budget speech and policy speech of the MEC/MECs during the period under review were used as a basis to determine attainment of political directions. However, much of these have been highlighted in the first two chapters of this study.

- **Questionnaires**

Two different questionnaires were prepared and distributed using the department’s e-mail address list to targeted officials. These are attached as annexure A, B and interview questions in annexure C hereto.

The respondents were expected to complete the questionnaires in the absence of the researcher and submit those per email to the researcher. Given the possibility of tight work schedules especially for those in management positions a period of seven days was allowed for the respondents to complete and return the questionnaires.

- **Interviews**

34
Interviews were conducted with those departmental officials who are not in SCM but are serviced by Supply Chain Management.

3.6. Data Analysis
On receipt of the questionnaires the data was analysed in order to establish primarily whether an SCM Unit exists in all regions and head office. Although the organisational structure may be making a provision for the unit, the essence of establishment is the existence of warm bodies filling the positions in the structure. A simple descriptive analysis was used to analyse the data collected. The analysis used was on the problem statement with a view to provide answers to the problem statement. Data was analysed to the extent it meets National Treasury Guidelines on SCM staffing, training and policies and procedures.

3.7. Ethical Considerations
The information on the study was obtained mainly from the Eastern Cape Department of Roads and Public Works. As anticipated, the department did not react with caution to the researcher as the area of study would also benefit the department in the short to long term. A letter introducing the researcher was prepared and given to the targeted officials in the department who were asked expected to first agree to participate in the research. Therefore, prior consent was obtained from participants in the study.

The information the researcher accessed through the study, is not considered to be sensitive and confidential save for the information that relates to people and such information has been treated as confidential. The identities of the respondents have not been disclosed in as far as the information that relates to them as persons.

3.8. Limitations Impacting on the Case Study
SCM has had an impact on the way government procurement is handled. Respondents taking part on this study are having their own experiences on all the aspects being investigated that is, staffing, training and policies and procedures. It became imperative for the researcher to design questions such that the intended outcomes are not distorted by personal frustrations and/or excitement on the part of the respondents. It may well be that some respondents may have seen this as an opportunity to present their subjective feelings on how the department is handling the issue of SCM implementation. In order to circumvent the possibilities of biases careful care was
be taken to ensure that, for the staff in the finance branch, the same questionnaire is utilized. Questions for officials in the infrastructure contained mostly open-ended questions which presents itself to possible bias. To minimise this risk, these questions were designed to offer little option for personal opinions but confine, as much as possible, the respondents to provide a response to the question.

The study covered the period 2010 to 2012 therefore presents only the status of Supply Chain Management in that period. No future changes had been predicted nor had a comparison with what obtained prior to this period been made. This was a case study that is exploratory hence no attempt was made to draw any causal relationship. The advantage of this exploratory study is that it will open more research interest on the topic in the future.

3.9. Conclusion

This is a case study of the department of Roads and Public Works and cannot be used to generalise about what is applicable to other departments at any tier of government. The study in limited to the period 2010 to 2012 and what obtains at the department at the time of conclusion of the study is excluded.

The approach was to explore the extent to which the DRPW has progressed in implementing SCM in as far as staffing, training and policies and procedures are concerned. Therefore the target population and sample consist mainly of officials in the finance branch from the top to the bottom of the hierarchy. The sample selected is spread across the province inclusive of Head office and regional based staff.

Data was collected using primarily questionnaires and to a limited extent, interviews and document review. The researcher is familiar with the department as an employee in the finance branch and particularly SCM division.
CHAPTER 4

DATA ANALYSIS

4.1. Introduction
The purpose of this chapter is to present and analyse the findings that were collected form the wide range of respondent including document analysed under literature review. As stated earlier in chapter three, the respondents consisted of departmental officials employed at different levels. Questionnaires were used to collect data from SCM staff and interviews were conducted with some of the core business division officials. The approach adopted to analyse data has mainly focused on assessing the statues of the department as a whole then comparison either between head office and regions or between SCM managers and SCM operational staff. The term operational staff is used to refer to all staff below level 9. This consists mainly of Clerks, Administration Officers and Senior Administration Officers. The term management is used to refer to managers from level 9 to 12 consisting of Assistant Managers and Managers.

4.2. Sample responses
A total of 30 respondents participated in the study. The graph below indicates the distribution of participants.

50% of participants were SCM operational staff. This consists of Administration Officers and Senior Administration Officers. 35% of were SCM Managers consisting of Assistant Managers and Managers.
and Managers. 17% were End Users consisting of Top Management (20%), Senior Managers (60%) and Managers (20%).

4.3. Biographic Data Analysis

4.3.1. Status of employment for all SCM personnel
Respondent were asked to indicate their status of employment in the department. Their responses are presented graphically below.

86.67% of the respondents are permanent employees and 13.33% are contract workers. 13.33% of operational SCM staff members are appointed on contract and 86% are permanent employees.

4.3.2. Period worked in Supply Chain Management
Respondents were asked to indicate the period in years each has worked in SCM or procurement related field. This includes years worked before the introduction of SCM as government policy in 2003.
26.67% of operational staff have worked in Supply Chain for a period of less than 5 years, 60% for a period of between 5 to 10 years and 13.33% have worked in SCM for a period of more than 10 years.

About 22.22% of SCM managers have been working in SCM for a period of less than 5 years, 33.33% from 5 to 10 years, 11.11% from 10 to 15 years and 33.33% for a period exceeding 15 years.

4.3.3. Period worked in DPRW Supply Chain Management

Respondents were asked to indicate the period in years each has worked in Supply Chain Management division of the department. This includes years worked before the introduction of SCM as government policy in 2003. Results are as per the graph below.

![Figure 4.6 Period in DRPW SCM](image)

36% of SCM personnel have less than 5 years working in SCM of DRPW, 33.33% of operational staff and 40% of SCM managers have been in SCM in DRPW.

52% have been with SCM in the department for a period of between 5 to 10 years, 53.33 of operational staff and 50% of SCM managers have been in DRPW over the same period.

12% of SCM personnel have been in DRPW SCM for more than 10 years, 13.33 of operational staff and 10% of managers have been with the department for more than 10 years.

4.3.4. SCM Personnel Post Levels.

The graph below indicated the post levels of the personnel in SCM who participated in the study. This has been divided between operational staff and managers.
13.33% of SCM operational staff is employed at level 6 or less, 53.33% at level 7 and 33.33% at level 8. 70% of managers are employed at level 9-10 and 10% of SCM managers are employed at level 11-12.

4.3.5. SCM Personnel Period in Post Level.

Participants were asked to indicate the number of year each has been in the current post level.

33.33% of SCM operational staff has been with the department for less than 5 years, 53.33% for a period of between 5 to 10 years and 13.33% for more than 10 years.

50% of SCM managers have been with the department for less than 5 years and 50% have been with the department for a period of 5 to 10 years. None of the managers have been with the department for more than 10 years.
4.3.6. SCM Personnel Qualifications.

Each of the participants was asked to indicate his or her highest qualification. Generally most employees have a post matric qualification.

![Figure 4.10 SCM Personnel Qualifications](image1)

8% of SCM personnel have matric or less as the highest qualification and 72% have either a 3 year degree or diploma and 20% have a post-graduate qualification. 13.33% of operational staff has matric or less 73.33% and 70% of operational and managers respectively have a three year degree or diploma and 13.33% of operational and 30% of managers have a post-graduate qualification.

4.3.6. SCM Personnel Supply Chain Management Qualifications.

Participants were asked to indicate if they have an SCM related qualification. Generally, more than 50% of SCM personnel do not possess an SCM qualification.

![Figure 4.11 SCM Qualifications](image2)

---

41
28% of SCM staff members have an SCM related qualification 80% of operational staff and 60% of managers do not have an SCM qualification. The percentage of SCM personnel without an SCM related qualification is higher in the regions, at 77.78% than at head office which is 57.14%.

4.3.6. Type Supply Chain Management Qualifications.
A further analysis of the type of SCM qualifications yielded the results as in the graph below.

Figure 4.12 SCM Qualification categories

- 68% of SCM staff does not have an SCM qualification.
- 50% of SCM managers do not have as SCM related qualification compare to 80% of operational staff.
- 4% have a certificate of 12 months or less duration of study.
- 4% have a certificate of more than 12 months duration of study.
- 10% of SCM managers have an SCM related qualification of a certificate of 12 months or less.
- 20% have a three year degree/diploma in SCM.
- 4% have a post graduate SCM related qualification.
- 30% of SCM managers have a three year degree/diploma.
- 10% have a post graduate SCM related qualification.

Comparing the data for regions and head office revealed that:

- 72.22% of regional staff does not have an SCM related qualification. 5.56% and 22.22% have a certificate of 12 months or more and a three year degree/diploma respectively.
57% of head office staff does not have an SCM related qualification. 14.29% head office staff have a certificate of 12 months or less and 14.29% have a three year degree or diploma and 14.29% have an SCM related post graduate qualification.

4.4. Organisational Data Analysis

4.4.1. Supply Chain Management Unit.
Participants were asked to indicate if the offices where they worked there is a distinct SCM unit. 100% of participants confirmed that there is an SCM unit in their offices. Data was further analysed to establish whether the SCM units at head office and regions conform to National Treasury guidelines.

![Figure 4.13 SCM Elements](image)

The SCM unit structure at head office and in all the regions makes provision for Demand, Acquisition and Logistics Management. However, when it comes to other element of SCM there have been differences either between regions and head office or amongst the regions themselves. Results for the other elements are presented below.
On Disposal Management 56% of all the SCM personnel said there is no disposal section in their offices and 44% said there is. 42.86% of head office SCM personnel said there is no disposal section compared to 57.14% who said there is a disposal section at head office. 61.11% of regional SCM staff said there is no disposal management and 38.89% said there is disposal management in their regions.

On SCM Performance Management 57.14% of head office staff confirmed that there is SCM performance at head office and only 11.11% of regional staff confirmed that there is SCM performance in the regions.

On Risk Management 80% of participants agreed that there is no SCM Risk management section in their offices. 57% of head office staff said there is Risk Management compared to only 5.56% of regional staff who confirmed that there is risk management in their offices.
4.5. Human Resource Development Data Analysis

4.5.1. SCM Training

Participants were asked to indicate if they had been sent for training by the department and 100% of them confirmed that they had been sent to some form of SCM training by the department. The data was further analysed to determine when last each of the employees attended training.

![Figure 4.17 Last attended Training](image)

![Figure 4.18 Last trained: Regions vs. Head Office](image)

44% of staff last attended training less than 1 year ago, 36% between 1 to 2 years and 20% attended training more than 2 years ago. 53% of operational staff last attended training less than 1 year ago, 40% between 1 to 2 years ago and 6.67% attended training more than 2 years ago. 30% of SCM managers attended training less than 1 year ago, 30% between 1 to 2 years and 40% more than 2 years ago.

When comparing the regions and head office staff the findings were that, 14% of those trained less than 1 year ago are from head office and 57% are from the regions. 85.71% of those trained between 1 to 2 years ago are from head office and 15.79% are from the regions. 26.32% of those trained more than 2 years ago are from the regions and none from head office were last trained more than 2 years ago.

The participants were asked to indicate whether the training they have received added any value to their day-to-day operations.
96% benefited from training attended and 4% did not see any value added by the training.

4.5.2. Relevance of SCM Training
Data was analysed to establish which SCM element received more focus when it comes to training.

(a) Demand Management

60% of SCM staff were never trained on Demand Management. 40% of Operational and 90% of managers never received on Demand management. 42.86% of head office SCM staff and 66.67% of regional staff were never trained on Demand management.
85.71% of head office staff has been trained on acquisition management and 94.44% of regional staff has been trained. 92% of SCM personnel have been trained on Acquisition management. 90% of managers and 93.33% of operational staff have been trained on acquisition management.

(c) Logistics Management

32% of SCM staff has been trained on logistics management. 28.57% of head office staff has been trained on logistics and 33.33% of regional staff has been trained.
(d) Disposal Management

![Bar chart showing disposal management training](chart.png)

**Figure 4.23 Disposal Management Training**

Only 8% of SCM staff has been trained on disposal management. 10% of managers have been trained on disposal management and only 6.67% of operational staff has been trained on disposal management.

(e) Performance Management

![Bar chart showing performance management training](chart.png)

**Figure 4.24 Performance management Training**

Only 12% of SCM personnel have received training that covered SCM performance. 14.29% head office staff received SCM performance training and 11.11% of regional staff received the same or similar training.
4.5.3. Public Sector Financial Management Training

Supply Chain Management is a financial management activity. Participants were asked to indicate if they have been trained of Public Financial Management. Results indicated that 40% of all SCM personnel received some form of Public Financial Management training. A further analysis was done to determine if the training received on Public Financial Management had any relevance to any of the PFMA, Treasury Regulations, PPPFA, General Management, Finance for non-finance personnel, Specialist Supply Chain Practice and/or any other relevant Public Financial Management training.
Only 32% of SCM staff attended training on PFMA and 68% never attended such a course. 76% of SCM personnel were never trained on PPPFA. Only 4% of SCM staff received training of financial management and 96% have not. 28% of SCM personnel have received training on Treasury Regulations. Only 4% of SCM staff has received specialist SCM training. 92% of SCM personnel never received general management training. Only 4% of SCM personnel have received some other form of training. The following graphs depict a comparison between operational staff and managers and also between Regions and Head Office.

(a) PFMA
Only 26% of operational staff and 40% of SCM managers attended PFMA training.

(b) Treasury Regulations

![Figure 4.28 Treasury Regulations Training](image)

26.67% of operational staff and 33.33% of managers received training. 27.78% of regional staff was trained and 28% of head office staff was trained on Treasury Regulations.

(c) PPPFA

![Figure 4.29 PPPFA Training](image)
70% of managers never received training of PPPFA and 80% of operational staff never received the training. 77.78% of regional staff was never trained on PPPFA and 71.43% of head office staff never received training on PPPFA.

(d) General Management

![Figure 4.30 General Management Training](image)

Figure 4.30 General Management Training

80% of managers and 100% of operational staff never received training on general management. 85% of head office staff and 94.44% of regional staff never received training on general management

(e) Finance for Non-Finance Personnel

![Figure 4.31 Finance for Non-Finance Personnel Training](image)

Figure 4.31 Finance for Non-Finance Personnel Training
10% of SCM managers did receive training on financial management. None of the operational staff have undergone training on financial management. Only 14% of head office staff have been trained and none from the regions.

(f) Specialist Supply Chain Management.

![Figure 4.32 Specialist SCM Training](image)

10% of SCM managers received specialist SCM training and none of the operational staff. None of the head office staff have received specialist SCM training and 5.56% of regional staff has attended a specialist SCM training.

(g) Other Relevant Public Financial Management Training.

![Figure 4.33 Other Relevant SCM Training](image)

None of the operational staff have received any other form of training other those already mentioned and only 10% of managers have received other form of training.
4.5.4. SCM Further Studies
Participants were asked to indicate if they had studied or were studying Supply Chain Management privately.

![Figure 4.34 SCM Private Studies](image)

24% of SCM staff have either studied or are studying SCM privately. 20% of operational staff have either studied or are studying SCM privately. 30% of SCM managers have either studied or are studying SCM privately.

14% of head office SCM personnel are either studying or have studied SCM privately. Regions have a higher percentage of SCM staff that have either studied or are studying SCM privately.

4.5.5. SCM Training Plan
(a) Availability of training plans
SCM Managers were asked if in their offices they had developed training plans for their staff. The graph below suggests that the development of training plans for SCM staff is not properly coordinated.
Cacadu and Chris Hani regions seem to have a clear training plan. Amathole and Joe Gqabi Regions do not seem even have a training plan. Head Office seems not to be sure whether there is a training plan or not. In Alfred Nzo there seem to some movement towards having a training plan. Overall there seems to be uncertainty from the participants about the existence of a training plan in the department.

(b) Implementation of training plans

SCM Managers were asked to indicate their satisfaction or dissatisfaction with the manner the training plans had been implemented.

As it can be seen in the graph above, 30% of SCM managers are not aware of any SCM training plan in place. 50% of SCM managers are not satisfied with the implementation of the SCM training plan compared to 30% of those who are satisfied.
4.6. Supply Chain Management Policies and Procedures

4.6.1. Availability of Policies and Procedures

Participants were asked if they were provided with SCM policies and procedures when they joined the department. The responses indicate that the department has SCM policies and procedures in place.

88% of all SCM staff has been provided with policies and procedures. 80% of SCM managers have been provided with polices and 93.33% of operational staff has seen policies. 85% of regional staff has seen SCM polices and 88% of head office SCM personnel have been provided with SCM policies and procedures. Those who have been provided with SCM policies and procedures were further asked to indicate if they had read the policies and procedures documents. The graph below indicates that most of those who were provided or are aware of the have in fact read them.
91% of SCM staff had read SCM policies and procedures. 77.78% of SCM managers have read policies and all operational staff had read SCM policies and procedures.

Participants were further asked to indicate if the policies and procedures are written in a language that is simple and easy to understand.

![Figure 4.39 Level of understanding SCM Policies and Procedures](image)

61.90% said that SCM policies and procedures are understandable and 38.10% say they are not. 71.43% of SCM managers say policies and procedures are understandable and 57.14% of operational staff who said they are understandable. Notable is the 42.86% of operational staff who said the policies and procedures are not understandable.

### 4.6.2. Participation in Policy and Procedures Review processes

Participants were asked to indicate firstly if they had participated in policy and procedures review processed and the results are represented in the graph below.

![Figure 4.40 Policies and Procedures Review Participation](image)

Only 8% of participant in the study participated in departmental policy review processes and 92% never participated. 20% SCM managers participated and 0% operational staff participated.
None of the regional SCM managers participated in policy review only head office managers participated.

A further enquiry as to whether they had ever heard of policy and procedures review processes in the department the results were as per the graph below.

68% of SCM staff never heard about policy review in the department. 50% of managers never heard about policy review. 80% of operational staff never heard about policy review. 28.57% of Head office staff never heard about policy review and 83.33% of regional staff never heard about it.

4.7. SCM Performance Rating
Participants were asked to rate SCM performance in the offices where they work as well as in the department as a whole. The two graphs below indicate how SCM personnel rated their own performance.
22.73% rated their office at 3 (average), 45.45% rated it 4 (good), 27.27% rated it 5 (very good) and 4.55% rated it 6 (excellent). 50% of operational staff rated their performance at 4 (good), 42.86% rated it 5 (very good) and 7.24% rated it 6 (Excellent). 62.50% of managers rated their performance at 3 (Average), 37.50% rated it 4 (good) and none rated their office performance either very good or excellent.

The overall average rating of office performance is 4 (Good) and managers gave an overall rating of 3 (Average) and operational staff rated it 5 (Very good). The ratings for SCM in the department were as follows.

![SCM Performance Rating in the Department](image)

30% of SCM personnel gave the SCM in the department a performance rating of 3 (average), 39.13% gave it a rating of 4 (Good), 26% gave it a rating of 5 (Very Good) and 4.35% gave it a rating of 6 (Excellent). 75% of managers compared to 6.67% of operational staff gave the department a rating of 3. 25% of managers against 46.67% of operational staff gave a rating of 4. None of managers gave a rating of 5 or 6 compared to a 40% rating of 5 and a 6.67% rating of 6 by operational staff. The average rating was calculated as per the table below.

<table>
<thead>
<tr>
<th>Rating Score</th>
<th>Number of responses per item</th>
<th>Score Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Very Poor</td>
<td>0</td>
<td>0.00</td>
</tr>
<tr>
<td>2 Poor</td>
<td>0</td>
<td>0.00</td>
</tr>
<tr>
<td>3 Average</td>
<td>7</td>
<td>21.00</td>
</tr>
<tr>
<td>4 Good</td>
<td>9</td>
<td>36.00</td>
</tr>
<tr>
<td>5 Very Good</td>
<td>6</td>
<td>30.00</td>
</tr>
<tr>
<td>6 Excellent</td>
<td>1</td>
<td>6.00</td>
</tr>
<tr>
<td>Grand Total of Responses</td>
<td>23</td>
<td>Grand Total of Scores</td>
</tr>
</tbody>
</table>

Divide the Total Rating Scores by the Total Responses to receive the Average

<table>
<thead>
<tr>
<th>Score Grand Totals</th>
<th>Response Grand Totals</th>
<th>AVERAGE Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>93.00</td>
<td>23</td>
<td>4</td>
</tr>
</tbody>
</table>

Table 4.1 SCM Performance Rating
The overall rating of 4 (good) was calculated for head office an overall rating of 4 was calculated equal to the calculated rate of 4 for operational staff

### 4.8. SCM Major Constraint

Three constraints understaffing, budget and training were put to participants and they were asked to select one that they feel is a major constraint. Results for both operational and managers were similar as in the graph below.

![Graph](image)

**Figure 4.44 SCM Major Constraint**

88% of respondents identified understaffing as a major constraint, 12% identified training and none identified the budget as a major constraint. 100% of managers identified understaffing as a major constraint compared to 80% of operational staff who identified understaffing as a major constraint and 20% identified training as a major constraint.

### 4.9. SCM Structure and Service Delivery

Participants were asked to indicate if they think the SCM unit organizational structure was ideal in supporting service delivery challenges. Operational staff was more optimistic about the structure compared to SCM Managers as it can be seen in the graph below.
60% of SCM personnel believe the SCM structure will be address service delivery challenges compared to 40% who do not agree. 73.33% of operational staff has confidence on the structure in addressing service delivery challenges. Only 40% of SCM managers have confidence on the structure.

4.10. End-User Data Analysis
End users were either interviewed over the telephone or asked to respond to, and comment on, a set of questions sent to them. The intention was to get their perceptions on SCM performance in the department. Worth noting is that the interviews are current despite that fact the study covers the period 2010/2011 and 2011/2012. The understanding is that 100% of the end users who participated in the study have been with the department for a period of more than 5 years therefore their responses are informed by the long period of their service in the department.

(a) SCM Delivers according to expectations
Respondents were asked to indicate if Supply Chain Management unit in the department delivers according to their expectations. 100% of respondents said no as can be seen in the graph below.
Some of the issues they raised are summarised below:

- Regions have very low financial delegation threshold. This requires regions to approach head office for all transactions above the regional approval threshold of R5 million.
- Delegation for approval of transaction are highly centralized and those officials with such delegations are not readily available.
- SCM staff complement was not increase with the merger of the Roads component with Public Works.
- There is no sense of urgency and ownership as well as understanding of the importance of SCM within the organization.
- SCM is currently playing a compliance role than a service delivery role.
- Officials with expertise are in higher positions and not at operational level where it matters most.

(b) **Bid Process Turnaround time**

Respondents were asked to indicate if the turnaround time from advertising of tenders to award is reasonable. As can be seen in the graph below, 100% of respondents indicated that it unreasonable.

![Graph showing turnaroud time](image-url)
Some end-users raised the following issues:

- It would be desirable if the turnaround time can be reduced from the current 3 to 4 months to at least one and a half months.
- The number of bid committees must be increased to reduce the turnaround time.

(c) SCM Understaffing
End-users were asked if they think the SCM unit of the department is facing a staff shortage problem. The graph below presents their responses.

![Bar chart showing SCM Understaffing](image)

**Figure 4.48 SCM Understaffing**

Some of the issues related to staffing raised by end users are:

- Head office SCM is not understaffed but the regions are understaffed in certain sections.
- When the roads component moved in to merge with Public Works the staff complement was never increased to meet capacity needs.
- SCM staffing needs to be critically revised and more people need to be recruited.
- There should be more SCM officials dedicated to infrastructure programmes of the department.

(d) SCM Training
Participants were asked if they think the SCM staff lack training and required skills.
80% of the respondents believed that training and skills are still lacking within the SCM unit. End users raised issues like the following:

- Some SCM officials find it difficult to assist clients and as a result send them away.
- SCM does not lack training but the number of personnel needs to be increased.

(e) **SCM Red-tape**

End users were asked if they think that there is too much unnecessary red-tape in the SCM processes. Their responses are as follows:

---

---
80% of respondents agree that there is unnecessary red tape in the SCM processes. Some indicated that:

- There is too much duplication.
- Additional requirements which are not prescribed by National and/or Provincial oversight institutions.
- Too much centralisation.
- Process-flow unduly long.

(f) SCM Understanding of SCM policies perceptions.
Participants were asked to indicate if they think SCM staff understands the SCM policies they are expected to implement.

![Figure 4.51 Understanding of SCM Policies]

80% of end-users are of the opinion that SCM officials understand SCM policies.

(g) SCM Understanding of other policies perceptions.
Participants were asked to indicate if they think SCM staff understands the other policies that apply to other units of the department. 100% of respondents indicated that they do not believe that SCM officials understand other policies that apply to other unit of the department. Some indicated that SCM officials need to be taken through workshops on other policies and other suggested specific training to be done on regulations applicable to the building industry.

(h) End-user rating of SCM support received.
End users were asked to rate the support they were getting from the SCM unit on a scale of 1 to 5 where 1 represented “very poor” and 5 represented “outstanding”. The responses are contained in the graph below.
The majority, 80%, of respondents rated SCM support on 3 (average) and 20% rated it on 2 (poor). Respondents indicated that the support is average due to capacity constraints.

(i) End-user rating of SCM understanding of DRPW mandate.
End users were asked to rate the understanding of the mandate of the department by SCM staff on a scale of 1 to 5 where 1 represented “very poor” and 5 represented “outstanding”. The responses are contained in the graph below.

60% of respondents gave a rating of 2 (poor), 20% gave a rating of 3 and 4 respectively.
(j) **Need to review SCM as government policy.**
Participants were asked if they think that Supply Chain Management as a government procurement policy needs to be reviewed.

![SCM review chart]

*Figure 4.54 SCM Review*

Most respondents, 80%, felt that SCM as a government procurement policy needs to be reviewed. Some of the issues raised were:

- That there is too much red-tape.
- Reduce turnaround time in the awarding of tenders.

### 4.11. Research Findings

The findings presented herein are based on the analysis of the data collected from the participants.

#### 4.11.1. Department of Roads and Public Work Supply Chain Management Unit

(a) **Staffing**

Some of the respondents indicated that there is too much temporal employees in the SCM division. Contrary, a greater percentage of SCM officials are permanent employees. It may well be that there were few temporal employees in the sample. There are few temporal or contract workers working in the SCM division. There is a lot of knowledge investment on contract workers who will leave the department at the end of their contracts.

The period of service in a Supply Chain Management related field, either within or prior to joining the department, seems to be reasonably acceptable. About 73.33% of operational staff
have worked in SCM for at least 5 or more years. This can be considered an acceptable level for the operational staff. Close to 78% of managers have been in SCM, or procurement related field, for a period of 5 years or more. About 60% of SCM staff has been with DRPW for a period of 5 or more years. This implies that there is an understanding of SCM operations and more specifically critical issues that affect service delivery in the department.

(b) Qualifications: SCM Staff.
Most employees in the SCM unit have a post matric qualification. The number of employees with a post graduate qualification is considerable low. Notable on 30% of managers have a post graduate qualification.

The number on SCM employees without an SCM related qualification is high. The department seems not to be concerned about employing properly qualified personnel in SCM. Similarly, most officials, about 76% are not studying or never studied SCM privately. It appears that getting an SCM related qualification is considered important by the officials themselves.

4.11.2. Supply Chain Management structure
The department complies with National Treasury guidelines in as far as the SCM elements of Demand, Acquisition and Logistics Management. However, when it comes to the other two elements of Disposal and SCM Performance management the department seems not to be complying. The Disposal function is not a daily activity which may justify the non-compliance at the level of the regions. Head Office seems to be taking responsibility for the disposal function for regions. According to its disposal policy, regions submit to head office which leaves the regions with the responsibility of compiling information and head office implementing the disposal function.

There can be no justification for the non-existence of SCM performance management in the regions. This is a function that ensures compliance with SCM prescripts. It absence in the regions may lead to a qualification by the Auditor General

Risk management is not an SCM element as prescribed by National Treasury, however, it is a necessary activity that the department needs to perform prior to awarding of bids. Its absence in the department may put the department at risk of awarding contracts to contractors who may not
be having the necessary capacity and capability to execute those contracts. This may lead to wasteful expenditure and non-completion of projects on time.

4.11.3. Supply Chain Management Capacity Building

(a) Supply Chain Management Training
The department appears to have done relatively well with training. However it must be noted that many of the staff attended short sources which are not accredited courses and therefore not certificated. The training courses attended by SCM personnel seem to be focused mainly on Demand Management about 60% of staff, Acquisition management, about 92% of staff. Other areas that are critical to SCM operation like Logistics Management seem to be neglected. The National Treasury SCM Practice Note 5 of 2004, Section 2.1. (b) prescribes that SCM official should attend “Intermediate training with a focus in intensive training on all the elements of supply chain management.” (National Treasury, 2004:2)

The department should consider arranging for staff to be trained in the following areas:

- Logistics Management about 68% of staff.
- Disposal Management about 92% of staff.
- SCM Performance Management about 88% of staff and
- Risk Management about 88% of staff.

Training opportunities seem to be benefitting more staff at head office than in the regions.

(b) Public Sector Financial Management Training
Supply Chain Management is a financial management activity. However, only about 40% of staff has attended other financial management courses. PFMA is the only training that has been attended the most at 32%, which is comparatively low in relation to compliance requirements of the Act, and Specialist Supply Chain Management scored amongst the lowest at only 4%. Given that most of the staff members do not possess SCM related qualification, about 72%, training in other areas of Public Financial Management should be seriously considered.
(c) **Training Plans**

It seems that there is lack of coordination in this area. The sense is that only what is in the Personal Development Plan of each employee Performance and Development contract is considered as the training plan. This is a function of the Human Resource Development division of the department which is responsible for the overall departmental training programmes. The dissatisfaction score by SCM managers point to the lack of proper implementation and management of SCM training by the department. The National Treasury SCM Practice Note 5 of 2004 sets out the following requirements for training of SCM staff:

Section 2.1 outlines training types for SCM which are:

(a) Introduction to supply chain management.

(b) Intermediate training with a focus in intensive training on all the elements of supply chain management.

(c) Advanced training that includes specialist skills within each element of supply chain management such as strategic sourcing.

The SCM unit has no properly coordinated process of developing a training plan for its employees. This could be the contributing factor to officials not considering attaining an SCM related qualification.

**4.11.4. Supply Chain Management Policies and Procedures**

(a) **Access to Policies and Procedures**

Policy documents are not made available to each official upon employment in the department. Some employees seem to be experiencing problem in understanding the policies which may be due to language proficiency.

(b) **Participative Policy review**

Participation by SCM staff in policy review process is very low. These are the very officials who have a responsibility to implement the policies. They have day-to-day experience of all the challenges related to policy implementation. During reviewal of policies shortfalls and problem areas can be addressed. In the department the policy review process seem to be a prerogative of some managers and mostly Head office managers participate in these processes. About 80% of operational staff and about 83% of regional staff never even heard about policy review. This may be linked to the fact that polices were last approved in 2007 and may not have been reviewed since then or that those processes are reserved for only heard office SCM managers.
4.11.5. **Supply Chain Management Performance**

The confidence levels for both the SCM staff in their own performance is relatively low as well as the confidence of the officials in the infrastructure division of the department who are supported by SCM is very low. Most respondents cited understaffing as the major constraint. This may be due to vacant posts not being filled or to the organizational structure itself not making provision for the required personnel. In its annual reports for 2011 and 2012, the department highlighted capacity constraints which are due to budget and the fact that when the Roads component was merged with Public Works, the corresponding support staff was not transferred to the new department. This has put strain of the Public Works resources.

4.11.6. **Expediting the Turnaround time**

Officials in the infrastructure division seem not to be happy with the services they are getting from the SCM unit. Some concur with the SCM staff that understaffing can be the main cause. Notable is the fact that SCM rate their own performance either at average or as good. This may be in line with the overall rating by end-users who have given an average rating and only 20% gave a poor rating.

4.12. **Conclusion**

This chapter dealt extensively with data analysis from both SCM personnel and end-users. Data from SCM personnel was analysed, looking at the department holistically from head office down to regions. Comparison had been made between what obtained at head office in relation to what obtained in the regions. SCM personnel were categories into operational staff and management and the data has been analysed with this in mind with some comparisons being made between the two categories. Operational staff were excluded from the questions that dealt with training plans as this is a planning issue that has to be dealt with by managers. Data analysis revealed differences between head office and regions in as far as the SCM structure and the policy related matters are concerned.

Although most of the staff members in SCM had been with the department for a period of 5 to 10 years therefore were in the department during the period under review it is worth noting that...
some of the few who have been with the department for a period of less than 5 years may have joined the department after the period under review. Few contract workers formed part of the sample as they may have joined the department after the period under reviews. The next chapter deals with what is recommended for the department to consider.
CHAPTER 5
RECOMMENDATIONS AND CONCLUSION

5.1. Introduction
The purpose of this chapter is to present key recommendations for consideration so that the
department can be in line with the prescribed SCM implementation requirements. This study was
focused on the extent the department has moved in implementing supply chain management. As
stated in chapter one, these findings are not conclusive but tentative. Some of the
recommendations may have been started by the department by the time of the conclusion of this
study as the study mainly focused on the 2010 to 2012 period.

5.2. Department of Roads and Public Works Supply Chain Management
Unit

5.2.1. Staffing
The department should consider recruiting permanent staff. Some of the respondents indicated
that there are too much temporal employees in the SCM division. There is a lot of knowledge
investment on contract workers who will leave the department at the end of their contracts.

5.2.2. Improving SCM Personnel Qualifications.
The department must explore options to ensure that SCM staff is appropriately qualified in
Supply Chain Management. These may include:

- Offering bursaries and scholarships to SCM personnel wanting to pursue SCM
  qualifications privately.
- Linking with Institution of Higher Learning within and outside the province so that SCM
  programmes can be incorporated into their offerings.
- Motivating SCM personnel to study further and establishing direct links with institutions
  like the Institute of Purchasing and Supply South Africa (IPSA) in order to leverage on
  the wealth of knowledge the institute offers as well as training opportunities.

This study has also revealed that only about 24% of SCM staff have studied or are currently
studying SCM privately measures as stated above should be investigated and resources set aside
to fund such programmes.
5.3. Supply Chain Management structure
The department should review its organisational structure for the SCM division and align it to the National Treasury guidelines. Whilst it is recognized that some of the functions, like disposal of redundant and obsolete equipment, are not performed daily planning so that these are executed properly and in line with applicable government prescripts dedicated officials are needed. The non-existence of SCM Performance sections in the regions may lead to non-compliance not being detected on time. As contained in the Auditor General findings for 2011/12, most of the irregular expenditure may have resulted from non-compliance. Had SCM performance Management been part of the regional structure this would have been minimised.

There is a lot of risk in Supply Chain Management. This ranges from poor performance or non-performance by suppliers to fraud and corruption risk. Although the SCM model does not make provision for SCM Risk Management the department should consider introducing this function. The current Risk Management unit if the department has an overall responsibility for managing risk for the entire department and cannot be focused to specific risk as they apply to Supply Chain.

The department should review its structure and should consider dedicated officials with the required technical expertise supporting the infrastructure divisions of the department as the current structure is not viewed to be supporting service delivery challenges satisfactory.

5.4. Supply Chain Management Capacity Building
5.4.1. Supply Chain Management Training
The department appears to have done relatively well with training. However it must be noted that many of the staff attended short sources which are not accredited course and therefore not certificated. It is recommended that the department should consider linking with institutions and organisations that offer formalized and accredited training for the staff to attend.

The training courses attended b SCM personnel seem to be focused mainly on Demand Management about 60% of staff, Acquisition management, about 92% of staff. Other areas that are critical to SCM operation like Logistics Management seem to be neglected. The National Treasury SCM Practice Note 5 of 2004, Section 2.1. (b) prescribes that SCM official should attend “Intermediate training with a focus in intensive training on all the elements of supply chain management.” (National Treasury, 2004:2)
The department should consider arranging for staff to be trained in the following areas:

- Logistics Management about 68% of staff.
- Disposal Management about 92% of staff.
- SCM Performance Management about 88% of staff and
- Risk Management about 88% of staff.

Training opportunities seem to be benefitting more staff at head office than in the regions. Believing that regions are more close to service delivery points it is important for the department to ensure that training opportunities are spread evenly across the province with more focus on the regions.

5.4.2. Public Sector Financial Management Training
Supply Chain Management is a financial management activity. However, only about 40% of staff has attended other financial management courses. PFMA is the only training that has been attended the most at 32%, which is comparatively low in relation to compliance requirements of the Act, and Specialist Supply Chain Management scored amongst the lowest at only 4%. Given that most of the staff do not possess SCM related qualification, about 72%, training in other areas of Public Financial Management should be seriously considered.

5.4.3. Training Plans
The department should review planning when it comes to training. It seems that there is lack of coordination in this area. The sense is that only what is in the Personal Development Plan of each employee Performance and Development contract is considered as the training plan. This is a function of the Human Resource Development division of the department which is responsible for the overall departmental training programmes. The dissatisfaction score by SCM managers point to the lack of proper implementation and management of SCM training by the department. The National Treasury SCM Practice Note 5 of 2004 sets out the following requirements for training of SCM staff:

Section 2.1 outlines training types for SCM which are:

(d) Introduction to supply chain management.
(e) Intermediate training with a focus in intensive training on all the elements of supply chain management.
(f) Advanced training that includes specialist skills within each element of supply chain management such as strategic sourcing.

The practice note further goes to outline the responsibilities of the treasuries and Accounting officers when it comes to training. In terms of Section 4.2.1. of the practice note provincial treasuries are tasked with the responsibility of regulating training within their provinces and to submit training material of training providers to the National treasury for validation. Accounting officers are directed to ensure that SCM practitioners are acquainted with the training as outlined in practice note.

5.5. Supply Chain Management Policies and Procedures

5.5.1. Access to Policies and Procedures

Many policy documents as there are SCM personnel should be printed so that each official is provided with a copy upon employment in the department. Some employees seem to be experiencing problem in understanding the policies which may be due to language. The language used in the policy documents should be reviewed and further simplified such that it can be understood by both SCM practitioners as well as the end-users.

5.5.2. Participative Policy review

Participation by SCM staff in policy review process is very low. These are the very officials who have a responsibility to implement the policies. They have day-today experience of all the challenges related to policy implementation. During reviewal of policies shortfalls and problem areas can be addressed. In the department the policy review process seems to be a prerogative of some managers and mostly head office managers participate in these processes. About 80% of operational staff and about 83% of regional staff never even heard about policy review. This may be linked to the fact that polices were last approved in 2007 and may not have been reviewed since then or that those processes are reserved for only head office SCM managers. The department should seriously consider the policy review process to be all inclusive. Strategies to involve staff at lower levels and those in the regions should be devised.

5.6. Supply Chain Management Performance

The confidence levels for both the SCM staff in their own performance is relatively low, as well as the confidence of the end users who are supported by SCM is very low. Most respondents cited understaffing as the major constraint. This may be due to vacant posts not being filled or to
the organizational structure itself not making provision for the required personnel. In its annual reports for 2011 and 2012, the department highlighted capacity constraints which are due to budget and the fact that when the Roads component was merged with Public Works, the corresponding support staff was not transferred to the new department. This has put strain of the Public Works resources. The department should consider filling all vacant positions in the structure as well as reviewing the current structure such that staff in not demotivated.

5.7. **Expediting the Turnaround time**
The department should revisit the time taken from advertising to award and ensure that evaluation happens immediately after a tender has closed. The perceived red tape must further be investigated to establish if it is as a result of requirements laid down by regulatory institutions like treasuries, own policies or internal processes. If this is within the control of the department, then it’s internal processes should be reviewed such they are pro-service delivery.

5.8. **Policies of the Department**
SCM staff should be taken through other policies and the overall mandate of the department. This will ensure that they can adjust and readjust their own processes to be in line with the overall policy direction of the department.

The rating for support given to end-users should be a yard stick to measure the expectations of end-users and SCM should review its own processes such that higher client satisfaction is achieved.

5.9. **Improving service delivery through Supply Chain Performance improvement**
Participants in the case study made the following suggestions for the management to consider with a view to improve SCM performance in the department. Some have been covered in the recommendations above.

- More material resources should be made available to the SCM division.
- Communication needs to be improved. This will assist staff at lower level in understanding what is happening at higher levels of the department.
- Head office SCM personnel should offer more support to the regions.
- Staff should be motivated so that they can be productive.
- Induction on policies should be done to ensure that there is common understanding and approach to policy implementation.
• The top management should consider delegating more to lower levels so as to reduce bottle necks that are leading to unnecessary delays in Supply Chain Management.

5.10. Conclusion
Implementation of Supply Chain Management in the Eastern Cape Department of Roads and Public Works has not been done according to the guidelines and prescriptions of the National Treasury. Regions display a vast difference from the head office with some the SCM elements not implemented at all. Similarly, training and policy development have not been taken seriously by the department. Training is more focused on some elements of SCM while other are ignored. There is not clear SCM training plan and officials do not explore self-development in Supply Chain Management as very few have SCM related qualifications and very few are developing themselves in SCM. SCM policy development is prerogative of head office where only managers participate while regions are merely passive recipients and implementers of polices.

The department should seriously consider reviewing it SCM organisational structure such that it is responsive to the needs of the units it is intended to support. Regions should be adequately resourced, human and material, for maximum support.

Training should be taken more seriously and SCM staff should be developed even in other Public Financial Management areas. Partnering with institutions of higher learning within and outside the province can help the department to address critical skills shortage in the department as most of SCM personnel do have SCM related qualifications. The training provided should cut across the SCM elements and not be focused on Demand, Acquisition and Logistics as it appears on this case study.

More research can still be pursued with a view to establish the effectiveness of SCM in the department. This will help to understand whether non-compliance with the SCM implementation guidelines has had an impact on the performance of SCM in the department.
References


Flick, U., 2009. An Introduction to Qualitative Research. s.l.:SAGE.


Petersen, A.D. M. *Supply Chain Management Local Government Perspective*, Durban, eThekwini Municipality


## ANNEXURE A: QUESTIONNAIRE 1 - SCM OPERATIONAL STAFF

### General

1. In which office are you based? (Mark with an X)

<table>
<thead>
<tr>
<th>Head Office</th>
<th>Amatole</th>
<th>Alfred Nzo</th>
<th>Cacadu</th>
<th>Chris Hani</th>
<th>O.R. Tambo</th>
<th>Joe Ggabi</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Biographic Information

2. What is the status of your employment?

<table>
<thead>
<tr>
<th>Permanent</th>
<th>Temporal</th>
<th>Contract</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

3. How many years have your worked in the Supply Chain/Procurement field?

<table>
<thead>
<tr>
<th>Less than 5 years</th>
<th>5 to 10 years</th>
<th>More than 10 years</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

4. How many years have you worked in Supply Chain Directorate of the Department of Roads and Public Works?

<table>
<thead>
<tr>
<th>Less than 5 years</th>
<th>5 to 10 years</th>
<th>More than 10 years</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

5. To which level are you currently employed?

<table>
<thead>
<tr>
<th>Below Level 6</th>
<th>Level 6</th>
<th>Level 7</th>
<th>Level 8</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
6. How many years have been employed at this level in the Department of Roads and Public Works?

<table>
<thead>
<tr>
<th>Less than 5 years</th>
<th>5 to 10 years</th>
<th>More than 10 years</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

7. What is your highest qualification?

<table>
<thead>
<tr>
<th>Matric or Less</th>
<th>Three year degree/diploma</th>
<th>Senior Degree</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

8. Do you hold a Supply Chain Management qualification?

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

9. If your answer to 10 above is yes, in which of the following categories does your qualification fall?

<table>
<thead>
<tr>
<th>Certificate (12 months or less)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Certificate (More than 12 months)</td>
<td></td>
</tr>
<tr>
<td>Three year degree/diploma</td>
<td></td>
</tr>
<tr>
<td>Post-Graduate qualification</td>
<td></td>
</tr>
<tr>
<td>Other ..................................(specify)</td>
<td></td>
</tr>
</tbody>
</table>
Organisational Information

10. Is there a Supply Chain Management Unit in your office?

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
</table>

11. Does the SCM structure make provision for the following elements?

<table>
<thead>
<tr>
<th>Element</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Demand Management</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acquisition Management</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Logistics Management</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Disposal Management</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supply Chain Performance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Risk Management</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Training

12. Have you ever been sent to/attended training in Supply Chain Management whilst working for DRPW?

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
</table>

13. When last did you attend SCM training?

<table>
<thead>
<tr>
<th>Less than 1 year ago</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1 to 2 years ago</td>
<td></td>
</tr>
<tr>
<td>More than 2 years ago</td>
<td></td>
</tr>
<tr>
<td>Never attended</td>
<td></td>
</tr>
</tbody>
</table>
14. Did the training you attended add any value to what you practice at work?

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
<th>Never attended training</th>
</tr>
</thead>
</table>

15. In which of the following SCM Elements do you think the training you have received best fit? *You can choose more than one option.*

| Demand Management |  |
| Acquisition Management |  |
| Logistics Management |  |
| Disposal Management |  |
| SCM Performance Management |  |
| Risk Management |  |

16. Have you ever received training in public sector financial management?

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
</table>

17. If Yes to the question above which area of public financial management training did you receive? *You may choose more than one option.*

| PFMA |  |
| Treasury Regulation |  |
| PPPFA Regulations |  |
| General Management Training |  |
| Finance for Non-finance employees Training |  |
| Specialist Supply Chain Management Training |  |
| Other |  |
18. Have you studied or are you currently studying supply chain management privately?

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Policies and Procedures**

19. Are you aware or have you ever been provided with the Supply Chain Management Policy/Policies of the Department?

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

20. Have you ever heard a chance to read the Supply Chain Management Policy/Policies of the Department?

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

21. In your opinion do you think the SCM Policy/Policies of the department is/are easily understandable?

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

22. While in the employ of the department have you had a chance to participate in SCM policy and procedures review by the Department?

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

23. While in the employ of the Department have you ever heard of SCM policy and procedures review?

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Perception

24. In a scale of 1 to 6, where 1 represents “very poor” and 6 represents “outstanding” how would you rate the performance of Supply Chain Management in the office where you work i.e. head Office or Region?

<table>
<thead>
<tr>
<th>Very Poor</th>
<th>Poor</th>
<th>Average</th>
<th>Good</th>
<th>Very Good</th>
<th>Excellent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
</tr>
</tbody>
</table>

25. In a scale of 1 to 6 where 1 represent “very poor” and 6 represents “outstanding” how would you rate the performance of Supply Chain Management generally in the Department?

<table>
<thead>
<tr>
<th>Very Poor</th>
<th>Poor</th>
<th>Average</th>
<th>Good</th>
<th>Very Good</th>
<th>Excellent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
</tr>
</tbody>
</table>

26. Of the three constraints mentioned below which one do you think is a major constraint facing SCM in the Department? (One Only)

<table>
<thead>
<tr>
<th>Understaffing</th>
<th>Budget</th>
<th>Training</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

27. Do you think the organisational structure of the SCM division in the department will best address service delivery challenges?

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Conclusion

Is there anything that pertains to SCM in the department that you would like to bring to the attention of the top management?

.................................................................................................................................................................................................................................................................................................................................................................................................................................................................................................................................................................................................................................................................................................................................................................
ANNEXURE B: QUESTIONNAIRE 2 - SCM MANAGERS

General

1. In which office are you based? (Mark with an X)

<table>
<thead>
<tr>
<th>Head Office</th>
<th>Amatole</th>
<th>Alfred Nzo</th>
<th>Cacadu</th>
<th>Chris Hani</th>
<th>O.R. Tambo</th>
<th>Joe Ggabi</th>
</tr>
</thead>
</table>

Biographic Information

2. How many years have you worked in the Public Sector Supply Chain/Procurement field?

<table>
<thead>
<tr>
<th>Less than 5 years</th>
<th>5 to 10 years</th>
<th>10 to 15 years</th>
<th>More than 15 years</th>
</tr>
</thead>
</table>

3. How many years have you worked in Supply Chain Directorate of the Department of Roads and Public Works?

<table>
<thead>
<tr>
<th>Less than 5 years</th>
<th>5 to 10 years</th>
<th>More than 10 years</th>
</tr>
</thead>
</table>

4. To which level are you currently employed?

<table>
<thead>
<tr>
<th>Level 9-10</th>
<th>Level 11-12</th>
<th>Level 13 or above</th>
</tr>
</thead>
</table>

5. How many years have been employed at this level in the Department?

<table>
<thead>
<tr>
<th>Less than 5 years</th>
<th>5 to 10 years</th>
<th>More than 10 years</th>
</tr>
</thead>
</table>

6. What is your highest qualification?

<table>
<thead>
<tr>
<th>Matric or Less</th>
<th>Three year degree/diploma</th>
<th>Post Graduate Degree</th>
</tr>
</thead>
</table>
### Organisational Information

7. Do you hold a Supply Chain Management qualification?

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
</table>

8. If your answer to 9 above is yes, in which of the following categories does your qualification fall?

<table>
<thead>
<tr>
<th>Category</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Certificate (12 months or less)</td>
<td></td>
</tr>
<tr>
<td>Certificate (More than 12 months)</td>
<td></td>
</tr>
<tr>
<td>Three year degree/ diploma</td>
<td></td>
</tr>
<tr>
<td>Post-Graduate qualification</td>
<td></td>
</tr>
<tr>
<td>Other ...................................(specify)</td>
<td></td>
</tr>
</tbody>
</table>

9. Is there a Supply Chain Management Unit in your office?

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
</table>

10. Does the SCM structure make provision for the following elements?

<table>
<thead>
<tr>
<th>Element</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Demand Management</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acquisition Management</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Logistics Management</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Disposal Management</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supply Chain Performance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Risk Management</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Training

11. Have you ever been sent to/attended training in Supply Chain Management whilst working for DRPW?

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
</table>
12. When last did you attend SCM training?

<table>
<thead>
<tr>
<th>Less than 1 year ago</th>
<th>1 to 2 years ago</th>
<th>More than 2 years ago</th>
<th>Never attended</th>
</tr>
</thead>
</table>

13. Did the training you attended add any value to what you practice at work?

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
<th>Never attended training</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

14. In which of the following SCM Elements do you think the training you have received best fit?
You can choose more than one option.

<table>
<thead>
<tr>
<th>Demand Management</th>
<th>Acquisition Management</th>
<th>Logistics Management</th>
<th>Disposal Management</th>
<th>SCM Performance Management</th>
<th>Risk Management</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

15. Have you ever received training in public sector financial management?

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

16. If Yes to the question above which area of public financial management training did you receive?
You may choose more than one option.

<table>
<thead>
<tr>
<th>PFMA</th>
<th>Treasury Regulation</th>
<th>PPPFA Regulations</th>
<th>General Management Training</th>
<th>Financial Management Training</th>
<th>Specialist Supply Chain Management Training</th>
<th>Other</th>
</tr>
</thead>
</table>
17. Have you studied or are you currently studying supply chain management privately?

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>No</td>
</tr>
</tbody>
</table>

18. Is there a training plan for SCM practitioners in your office?

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>No</td>
</tr>
</tbody>
</table>

19. If yes to 18 above, has the training plan been implemented to your satisfaction?

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>No</td>
</tr>
</tbody>
</table>

Section 4: Policies and Procedures

20. Are you aware or have you ever been provided with the Supply Chain Management Policy/Policies of the Department?

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>No</td>
</tr>
</tbody>
</table>

21. Have you ever had a chance to read the Supply Chain Management Policy/Policies of the Department?

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>No</td>
</tr>
</tbody>
</table>

22. In your opinion do you think the SCM Policy/Policies of the department is/are easily understandable?

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>No</td>
</tr>
</tbody>
</table>

23. While in the employ of the department have you had a chance to participate in SCM policy and procedures review by the Department?

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>No</td>
</tr>
</tbody>
</table>
24. While in the employ of the Department have you ever heard of SCM policy and procedures review?

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
</table>

Section 5: Perception

25. In a scale of 1 to 6, where 1 represents “very poor” and 6 represents “outstanding” how would you rate the performance of Supply Chain Management in the office where you work i.e. head Office or Region?

<table>
<thead>
<tr>
<th>Very Poor</th>
<th>Poor</th>
<th>Average</th>
<th>Good</th>
<th>Very Good</th>
<th>Excellent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
</tr>
</tbody>
</table>

26. In a scale of 1 to 6 where 1 represent “very poor” and 6 represents “outstanding” how would you rate the performance of Supply Chain Management generally in the Department?

<table>
<thead>
<tr>
<th>Very Poor</th>
<th>Poor</th>
<th>Average</th>
<th>Good</th>
<th>Very Good</th>
<th>Excellent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
</tr>
</tbody>
</table>

27. Of the three constraints mentioned below which one do you think is a major constraint facing SCM in the Department? (One Only)

<table>
<thead>
<tr>
<th>Understaffing</th>
<th>Budget</th>
<th>Training</th>
</tr>
</thead>
</table>

28. Do you think the organisational structure of the SCM division in the department will best address service delivery challenges?

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
</table>

Conclusion

Is there anything that pertains to SCM in the department that you would like to bring to the attention of the top management?

................................................................................................................................................................................
................................................................................................................................................................................
................................................................................................................................................................................
ANNEXURE C INTERVIEW QUESTIONS – END USERS

1. Do you think SCM in the department delivers according to your expectations?
2. Do you think the turn-around time from advertising to award of bids/tenders is reasonable?
3. Do you think SCM in the department is under-staffed?
4. Do you think SCM officials in the department lack adequate training and skills?
5. Do you think there is unnecessary SCM red tape that frustrates service delivery in the department?
6. Do you think the staff in the SCM Unit of the department understand SCM Policies?
7. Do you think the staff in the SCM unit understand other policies other than SCM policies which are fundamental to your area of operation?
8. On a scale of 1 to 5, where 1 represent “very poor” and 5 represents “outstanding”, how would you rate the support you receive from the SCM unit?
9. On a scale of 1 to 5, where 1 represent “very poor” and 5 represents “outstanding”, how would you rate understanding of the mandate/business of the department by the SCM staff.
10. Do you think Supply Chain Management, as a government policy, needs to be reviewed?
11. Any suggestions on how SCM can improve service delivery and/or its operations as a support function?
Sir/Madam

Our University of Fort Hare is asking people from your department to answer some questions, which we hope will benefit your department and possibly other departments and communities in the future.

The University of Fort Hare is conducting research regarding **implementation of Supply Chain Management in the public sector in South Africa.** We are interested in finding out more about the extent the Eastern Cape Department of Roads and Public Works has advanced in recruiting and training Supply Chain Management staff as well as the availability of Policies and Procedures. We are carrying out this research to help explore challenges Government institutions face in implementing SCM and suggest possible solutions.

Please understand that you are not being forced to take part in this study and the choice whether to participate or not is yours alone. However, we would really appreciate it if you do share your thoughts with us. If you choose not take part in answering these questions, you will not be affected in any way. If you agree to participate and you leave some questions unanswered there will be no penalties and you will NOT be prejudiced in ANY way. Confidentiality will be observed professionally.

Your name will not be recorded anywhere on the questionnaire and no one will be able to link you to the answers you give. Only me, the researcher, will have access to the unlinked information. The information will remain confidential and there will be no “come-backs” from the answers you give.
The questionnaire consists of 7 (seven) pages and 28 questions and is anticipated not to take more than 15 minutes to complete. I ask that you are as open and honest as possible in answering these questions. Some questions may be of a personal and/or sensitive nature. Some questions may also involve thinking about the past or the future. We know that you cannot be absolutely certain about the answers to these questions but we ask that you try to think about these questions. When it comes to answering questions there are no right and wrong answers.

If possible, our organization, University of Fort Hare, would like to come back to this area once we have completed our study to inform you and your department of what the results are and discuss our findings and proposals around the research and what this means for the department.

Thanking you in advance for your participation in this study.

INFORMED CONSENT

I hereby agree to participate in research regarding Supply Chain Management I understand that I am participating freely and without being forced in any way to do so. I also understand that I can stop this interview at any point should I not want to continue and that this decision will not in any way affect me negatively. I understand that this is a research project whose purpose is not necessarily to benefit me personally.

I have received the telephone number of a person to contact should I need to speak about any issues which may arise in this questionnaire.

I understand that this consent form will not be linked to the questionnaire, and that my answers will remain confidential.

I understand that if at all possible, feedback will be given to my department on the results of the completed research.

........................................

Signature of participant \hspace{1cm} Date:................................