



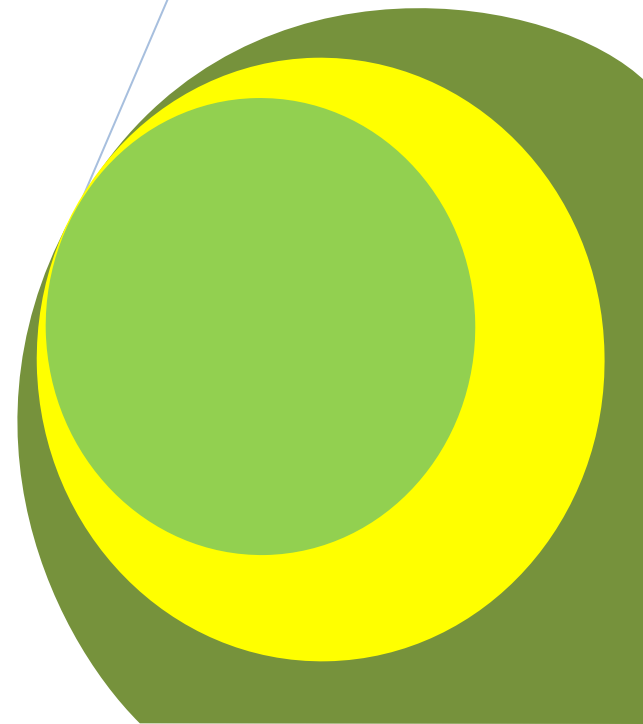
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Barriers to Sustainable Procurement in Zimbabwe

By

Felix Chari
Lloyd Chiriseri



Research Article

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***Felix Chari, Lloyd Chiriseri**

Bindura University of Science Education, P/Bag 1020, Bindura, Zimbabwe.

*Corresponding Author's Email: charifelix93@gmail.com, Tel: 00263775994001, 00263713271777

ABSTRACT

The research sought to investigate the factors affecting the adoption of sustainable procurement in Zimbabwe. The researchers used questionnaires and interviews on 300 procurement and administration staff to collect data. The study found out that sustainable procurement practices were not being practiced. Purchase orders were being awarded based on the lowest bid and other considerations such as the social and environmental factors were not included in purchasing decisions. The study found that lack of management support was a limiting factor in the adoption of sustainable procurement. In availability of sustainable products, lack of knowledge about the concept and the perception that sustainable products are expensive also contributed to the challenges affecting the adoption of sustainable procurement. The study recommends that employees should be trained and educated on sustainability practices. Emphasis should be made on the benefits of sustainability and the risks of non-sustainability. Further more incentives should be given to suppliers to encourage them to develop sustainable products. A sustainable procurement policy should also be put in place.

Keywords: Sustainable procurement, barriers, Zimbabwe.

INTRODUCTION

Sustainable procurement has become a growing issue and has been on the agenda of many organizations in the Western and Eastern world. While in the Third world statements have been made about introducing sustainability into organisations' procurement there is little evidence of implementation of this. This paper seeks to establish the barriers to the implementation of sustainable procurement in Zimbabwe.

BACKGROUND

"Sustainable procurement is the pursuit of sustainable development objectives through the purchasing and supply process, and involves balancing environmental, social and economic objectives" (Walker and Wendy, 2006). Sustainable procurement gives due considerations to the impact of procurement on the environment, on the community and on the social condition of those delivering and receiving the product or service. In recent years, academics and practitioners have become increasingly interested in how organisations and their suppliers impact on the environment, society and the economy (Walker and Wendy, 2006). This has been compelled by the need by organizations to comply with environmental laws, control costs through whole life costing, managing supply chain risks and the need for these organisations to have good reputation in the community.

The strategic role of purchasing and supply as a lever for sustainable development is much more manifested now than before. These issues are relevant to managers as their stakeholders, customers, regulatory bodies, non-governmental organisations and even their own employees are increasingly demanding that organisations address and manage the environmental and social issues which are impacted by their organisations (Carter and Easton, 2011). Procurement managers are more relevantly positioned here as they can impact the environmental and social performance, through for example product or service specification, evaluation and supplier selection, and evaluating performance of the provider either by developing the performance evaluation criteria or using that criteria to evaluate the providers' fulfillment of the contract for which the provider was contracted.

Statement of the Problem

Zimbabwe has made significant progress with environmental management, women's rights issues, labour laws and children's rights but sustainability issues are not being incorporated in purchasing decisions by both private and

public organisations. Bids are awarded based on the lowest bid only, without social considerations such as the use of child labour, health and working conditions; and environmental sustainability issues such as pollution, which will affect the future generation. This has compelled the researchers to carry out a study on factors affecting the adoption of sustainable procurement in an organisation's procurement activities.

Research Objectives

The objective of this research was to analyse factors affecting the adoption of sustainable procurement in Zimbabwe and make recommendations on how to overcome barriers to the adoption of sustainable procurement.

LITERATURE REVIEW

Changing Role in purchasing and supply

Traditionally, the approach in procurement was concerned with sending request for quotations (RFQ) to two or three potential suppliers. On receiving the quotations, the decision to award an order was usually based on the lowest quoted cost (Crandall et al., 2010). Today procurement is being seen by many successful organisations as an activity of strategic importance. The procurement function is now involved at board level rather than at departmental level. Bailey et al. (2008) has attributed this shift in importance to the external organisational factors such as customer demands, competition and increasing environmental awareness. The customer is now seen as important and should be satisfied beyond expectations. It is good business sense to be green (Bailey et al., 2008). Recycling, the specification of renewable raw materials, a greater concern with the effects of waste and by products, wider concern for the use of returnable packaging and many other related concerns all have implications on the purchasing function. Crandall et al. (2010) reiterated that the reputation of a firm is closely linked to the social, environmental and ethical profile of an organisation's spending and therefore the purchasing departments must add finding responsible suppliers to their list of operating objectives as this also influences the changing role of the department.

Barriers to sustainable procurement

Community Social Responsibility (CSR) Policy

CSR is the commitment to systematic consideration of the environmental, social and cultural aspects of an organisation's operations. This includes the key issues of sustainability, human rights, labour and community relations, and supplier and customer relations beyond legal obligations; the objective being to create long-term business value and contribute to improving the social conditions of people affected by the organisation's operations. Where an organisation already has a CSR policy, this will support the operation of a CSR policy (Blackburn, 2004).

Perceived Costs

Sustainable products are often perceived as being expensive or requiring a big capital investment (Blair and Wrigh, 2012). The UN Procurement guide reiterates that the whole process and outcomes are professed to be expensive and time consuming. This conflicts with procurement objectives of obtaining the goods at the lowest possible price (Lyons and Farrington, 2006). Cost is the prime decision factor in purchasing. Many public sector organizations do not have purchasing practices that factor in total cost of ownership, or full life cycle costs of the organization. Providing information and tools that will change these behaviors to favor environmentally preferable products will be key to overcoming the status quo (Sternner, 2002).

Senior management support

Blair and Wrigh (2012) have identified lack of senior management support as a barrier to sustainable procurement. An organisational culture and structures, and processes that are supportive and conducive towards sustainable solutions, as well as senior management support are considered key in sustainable procurement. The Sustainable Procurement Task Force (Defra, 2006) reiterated that there was a lack of clear direction from top management to make delivering sustainable development objectives through procurement a priority.

Structural and organisational change

It appears that the status of the purchasing function tends to be lower than in other functional areas, particularly in the public sector (Uyarra, 2010). This relatively low influence is aggravated by a general lack of commitment and ownership of procurement strategies by senior management and political leaders, as suggested by Morgan (2008) and the Sustainable Procurement Task Force (Defra, 2006).

Knowledge and capacity

Another barrier to procuring innovative solutions resides at the level of the individual where there may be a discrepancy between the capabilities held by procurers and the skills required for procuring innovative solutions. As noted by Rothwell and Zegveld (1981), whereas relatively little in-house competence is needed when procuring off-the-shelf goods for the lowest possible price, greater competence is required to encourage suppliers to innovate. Changes in the procurement function towards a more strategic orientation, and a more demanding environment for procurement has led commentators to critically examine the skill and competency requirements of procurement professionals (Tassabehji and Moorhouse, 2008). Cousins et al. (2006) also found that purchasers with high skill levels and knowledge have a significant impact on financial performance and operational efficiency in terms of quality improvement, design and reduction of lead times. They differentiate between strategic, celebrity, undeveloped and capable purchasing, according to their performance in the following: performance against strategic planning, purchasing skills, purchasing status and internal integration. The Sustainable Procurement Task Force noted that many parts of the public sector lacked professional procurement expertise (Defra, 2006). In particular, there was a lack of understanding about sustainability and its relationship to procurement; they commented that this was partly due to the fact that environmental specialists rather than procurement experts deliver sustainable procurement training. Lack of information, training and accountability are barriers to integrating sustainable procurement. Without concise, accurate and instructive information, buyers become confused. Equally without sustainability training, the motivation of procurers reduces and delivery of sustainable outcomes suffers (Sustainable Procurement Taskforce).

Availability of suppliers of sustainable assets or services

Lack of suppliers of sustainable assets or services is also another barrier to sustainable procurement. Some environmentally preferable products aren't as readily available, may not meet performance specifications, or may not be cost-competitive. However, these products often outperform their less-green counterparts through improved efficiencies or favorable life-cycle costs (Sterner, 2002).

Empirical Literature

Mensah and Ameyaw (2005) carried out a research on the challenges of sustainable procurement in the Ghanaian construction industry. The authors noted that very few people in the procurement department understood sustainable procurement as a concept that encompasses environment, economic and social aspects of sustainability. They discovered that the main concerns for sustainable procurement have not been harmonized into a policy for use in the Ghanaian construction industry. It was concluded that lack of understanding of the SP concept and the higher initial costs associated with SP were identified as the major challenges that face SP practice in the Ghanaian procurement landscape. It was recommended that educational institutions, non-governmental organizations and governmental oversight bodies have a significant role to play in regularly educating and creating intensive awareness among all stakeholders on issues concerning SP. With government's investment, the proper tools and techniques required must therefore be developed to support effective practice of SP.

Brammer and Walker (2007) researched on the sustainable procurement practice in the public sector in the UK. Financial constraints, the perception that sustainable products are expensive, lack of senior management support and the none availability of sustainable products were some of the limitations to sustainable procurement which were identified by the researcher. Brammer and Walker (2007) concurred with Mensah and Ameyaw (2005) on the high costs associated with sustainable products as one of the barriers. In their conclusion Brammer and Walker (2007) noted that both the cross-country variation in the sustainable procurement activities of organisations and the observation that legislative support for sustainable procurement is among the most frequently cited facilitators of sustainable procurement suggest that national and international policy environments regarding sustainable procurement are a primary determinant of the extent to which organisations engage in sustainable procurement. Brammer and Walker(2007) recommended that the governments needs to provide clear legislative and regulatory support for SP, and also to provide sufficient budgetary flexibility for organisations to make investments in SP that may be financially efficient only when viewed from a long-run perspective.

Boomsma (2009) researched on sustainable procurement in developing countries. The countries under study were Sierra Leone, Mali and South Africa. The research found that lack of technical and management capacity, cultural integration, funding for investment start ups, early inclusion of small producers, transparency and equal distribution of power were some of the aspects cited as hindering sustainable procurement by the author. Boomsma (2009) concluded that sustainable sourcing needs multi stakeholder process, as well as the primary value chain actors, stakeholder researchers, government, support agencies, in order to be successfully implemented. The author further highlighted the need to create synergy among these stakeholders to manage conflicts and interests as to ensure that all actors gain. Boomsma (2009) recommended that the three aspects of sustainability (efficiency, high quality and social responsibility) need to be considered in the structure of an organization and its supply chain in order to add the highest possible value to the chain. The public sector, support agencies and donors should actively and responsibly support this process. In poorly integrated chains, a facilitator may be needed to coordinate and mediate the process towards a fair chain partnership.

Dolva (2008) made an assessment of Green Public Procurement in Norway and an analysis of perceived drivers and barriers for implementing more Green Public Procurement. The results revealed that 60% of all tender documents included some kind of environmental criteria but 1/3 were doubtful. This indicated that lack of knowledge, focus on economic considerations and product functionality, and work pressure were five main barriers preventing Green Public Procurement. Increased co-operation, increased focus from management, simplification of criteria and more available products with environmental labels were identified as drivers. The author recommended the labeling of products and making visible more environmental friendly alternatives available in trying to find a way to reach a better co-operation in the procurement process, supporting initiatives for Environmental Management Systems and standards, and striving to make the possibility to include Green Public Procurement as simple as possible.

METHODOLOGY

The researchers used descriptive design for this research because it offered an opportunity for the researcher to view perceptions, attitudes and behavior of employees pertaining to challenges affecting the adoption of sustainable procurement. The target population of this study comprised of all purchasing professionals in Zimbabwe. The researchers used a sample of 300 procurement and administration staff members who are involved with the procurement function. The researcher targeted procurement departments since they are the people involved with the purchasing of organisational requirements and are able to give information on procurement activities than other staff members from different functions.

The researchers used the interviews, questionnaire techniques and document inspection to collect data. Interviews were used to gain an understanding of the underlying reasons which were affecting the adoption of sustainable procurement at the organisation. Questions were adjusted depending on the response of the respondent. Questionnaires also used because they are an inexpensive way to gather data from a potentially large number of respondents. A well-designed questionnaire was used effectively to gather information on the whole concept of sustainable procurement.

Document analysis involves the use of existing data. The researcher used documents such as the purchase orders, Internal Purchase Requisition (IPR) and the Comparative analysis documents. The advantage of document analysis was that information was readily available and it was easy to obtain it.

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

The purpose of the study was to find out the factors that are affecting the adoption of sustainable procurement in Zimbabwe. The research finding showed that sound sustainable procurement practices were not being practiced in Zimbabwe. Cost price was still a major selection criterion in awarding tenders. Social and environmental considerations were not being incorporated in the purchasing decisions. Most organisations did not have a policy on sustainable procurement; as a result it was not mandatory to carryout sustainable procurement. Furthermore there was lack of support from the senior management on the implementation of the concept. The concept is perceived as a preserve for purchasing function. Lack of skills and knowledge was also found to be another challenge to the implementation of sustainable procurement. Some of the employees were not aware of what sustainable procurement was all about.

The study concluded that lack of sustainable procurement policy in the organisation was a major limitation to the practise of sustainable procurement. It was difficult to enforce sustainability practices in the absence of a policy. Senior management were not supportive of sustainable procurement. Also the perception that the sustainable products are expensive and lack of knowledge about sustainable procurement concept largely contributed to the adoption of sustainable procurement.

The study makes the following recommendation:

- A sustainable procurement policy should be put in place by the management. This would ensure enforceability of sustainable procurement practices.
- Employees should be trained on sustainable procurement concept, and regular refresher courses should be put in place so as to enhance the skills and knowledge for effective sustainable procurement practices.
- Supplier appraisal criteria which incorporate sustainability aspects should be formulated and used as a guiding tool.
- Whole life costing concept should be considered in the procurement decisions, where, the cost of the product from design to disposal should be considered, sustainable products may be expensive but can reap later cost savings in running costs for example energy saving appliances.

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