

The Importance of Trust in Procurement Practices and Their Impact on Business Performance: An Empirical Investigation from the Perspective of the Buyer-Supplier Dyad

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The Importance of Trust in Procurement Practices and Their Impact on Business Performance: An Empirical Investigation from the Perspective of the Buyer-Supplier Dyad

ABSTRACT

This paper investigates the importance of trust in procurement practices and their impact on business performance from the dyad buyer-supplier perspective within Zimbabwe's banking industry. This study was exploratory in nature and had adopted the use of a case study methodology; involving twenty-two cases in the banking industry with a total of 44 interviews being conducted. Findings revealed that there were 29 dimensions across the seven trust attributes in buyer-supplier procurement practices as having an impact on business performance for firms in the Zimbabwe's banking industry.

KEYWORDS: Buyer-supplier relationships, business-to-business, banking, procurement, trust theory, Zimbabwe

INTRODUCTION

Until the second half of the 20th century, procurement had been greatly underestimated and was not seen as critical to business performance and competitiveness. However, this has changed with the recent development in global markets which have led to the evolvement of firms' procurement practices (Bailey, Farmer, Jessop & Jones, 2005). Several research findings (e.g. Bailey et al., 2005; Brammer & Walker, 2011; Hines, 2004) identified a number of key environmental factors influencing the developments in procurement practices and they include: the 1973 Oil crisis; scarcities of essential commodities; and the continued demand for effective and efficient sourcing and procurement practices.

The continual pursuit for sustainable competitive advantage by firms has led to significant recognition of the role of procurement function in many businesses. Van Weele (2001) and Loader (2010) argued that nowadays procurement practices are becoming more crucial for businesses and have changed dramatically, from being clerical and administrative to a more strategic role that contributes to the competitive advantage of firms (Allal-Chérif & Maira, 2011; Bailey et al., 2005; Hines, 2004; Rozemeijer, Van Weele & Weggeman, 2003).

Prior studies (e.g. Gulati & Sytch, 2007; Loader 2010; Roseira, Brito & Henneberg, 2010) revealed that firms' procurement functions are increasingly being delegated with the

responsibility to question business needs, forge relationships with suppliers, and understanding the needs of the end customers. As the broader field of supply chain management continues to evolve over the years, procurement practices are now playing a more important role in contributing to a firm's efficiency and competitiveness. While numerous studies (e.g. Forker, Vickery & Droge, 1996; Gulati & Sych, 2007; Lawson, Cousins, Handfield & Petersen, 2009; Plane & Green, 2012) have shown that effective procurement practices can have a significant impact on the quality of outputs, buyer-supplier relationships and the overall business performance, but there is an apparent lack of research into the impact of the trust between buyers and suppliers in procurement practices on business performance. Thus, this exploratory research seeks to address the question '*What are the key dimensions of the trust attribute in procurement practices that influence business performance? Why?*'. This study will investigate the various procurement practices prevalent in buyer and supplier firms in Zimbabwe's banking industry, to provide greater insights about firms' perceptions of performance and importance of trust in procurement practices that has an effect on business survival, particularly in a turbulent environment.

This paper will begin with the relevant literature review on the research issue and then discusses the methodology including the data collection techniques used in researching this issue. Next the analysis of data is described and then the findings presented. These are followed by the conclusions drawn from the research, the implications from these and finally suggestions for further research are drawn.

LITERATURE REVIEW

Procurement can be broadly defined as the acquisition of goods, services, capabilities and knowledge required by businesses, from the right source, at the right quality, in the right quantity, at the right price and at the right time to effectively maintain and manage the company's primary and support activities (Bailey et al., 2005; Giunipero, Handfield & Eltantawy, 2006; Hines, 2004; Jensen, 2011; Van Weele, 2001). In addition, the Chartered Institute of Purchasing and Supply (CIPS) UK, one of the world's leading professional bodies in purchasing and supply has outlined six critical success factors that shape firms' procurement practices. These include:

- Leadership and accountability
- Knowledge of the consequences of procurement practices

- Firms ability to manage stakeholder conflicting priorities
- Thinking and acting beyond short-term horizons
- Managing relationships in the supply chain, and
- Responsible use of power in the supply chain.

According to So and Sculli (2002), trust is developed through consistent and predictable acts of an exchange partner over an extended period. On the other hand, several other sources (e.g. Gillespie & Dietz, 2009; Hassan & Semerciöz, 2010; Sahay, 2003) argue that trust is propagated around a system that respects the right to differ and accepts differences between organizations or individuals either up or down, peer to peer, internally or externally. The system defines trust as based on expectations of reasonable and fair behaviour. Other sources (e.g. Jøsang, Marsh & Pope, 2006; Papagelis, Plexousakis & Kutsuras, 2005; Viljanen, 2005) have also argued that trust is seen as either “associative or transitive”. According to Milliman and Fugate (1988), and Stewart and Malaga (2009), trust can be developed through a transference process meaning that trust can be transferred from one trusted to another person or group despite having had any experience or previous relations.

Other studies (e.g. McLeod & Pippin, 2012; Smith & Barclay, 1997) have argued that trust is an emergent property of a system of relationships. Guarantors and regulators have been seen as source of increasing the overall level of trust in a system. Also trust levels increase when dealing in familiar domains, and often trust is taken for granted – until something appears to shake that faith. In new domains, there is less certainty as to whom or what to trust (Barringer & Harrison, 2000). However, it should be noted that the trust theory is more complex than explained here and influences formation and development of all forms of relations between companies.

Trust allows stakeholders involved in procurement arrangements to focus on other issues knowing that those with whom they are involved with will protect their interests and not engage in activities that are harmful to their business (Bachmann & Inkpen, 2011; Simchi-Levi, Kaminsky & Simchi-Levi, 2002; Tomkins, 2001). Therefore, trust is a belief by one part that the other party will fulfill its obligation in a relationship (Dagger & O’Brien, 2010; Hines, 2004; Nguyen & Rose, 2009). This suggests that trust is being perceived across procurement practices theoretical paradigms as a critical construct upon which buyer and

seller interactions are premised. Table 1 presents some definitions of trust within the context of procurement practices.

Take in Table 1 about here.

Furthermore, relational exchange parties should appreciate that parties involved in any form of business interactions calculate the cost and or benefits of another party cheating or staying in a relationship (Dasgupta, 1998; Williamson, 1993; Yaqub, Malik & Shah, 2010). Therefore one relations exchange partner would be considered trusting if it believes that it would be in the best interest of the other party not to cheat, as the benefits of the contrary are more, hence that party would therefore trust the other. When relational exchange partners trust each other, they are more willing to share relevant ideas, clarify goals and problems and communicate efficiently. It also increases satisfaction with the relationship (Aurier & N'Goala, 2010; Dagger & O'Brien, 2010), enhances continuity expectations (Gaur, Mukherjee, Gaur & Schmid, 2011; Mysen & Svensson, 2010; Smith & Barclay, 1997), and improves cooperation, coordination, collaboration and communication (Caruson & MacManus, 2012; Malhotra & Lumineau, 2011).

Based on the literature reviewed on the definitions of trust in this study, it can be concluded that the term trust can mean relatively the same to parties involved in a relationship or can mean completely different aspect. Each of the definitions (as presented in Table 1) concentrated on specific aspects of trust thereby providing different dimensions of the term. While there is no single agreed definition for the term, but the importance of trust can be explained by the fact that it is seen as a phenomenon, which contributes to the strength of interpersonal relationships, intra, and inter-organizational relationships in supply chains.

For many decades, the dimension and construct of trust has gained interest in various areas of research. In the 1950s and 1960s, researchers discovered the significance of trust in personal relationships (Deutsch, 1958, 1962; Rotter, 1967; Tedeschi, Hiester & Gahagan, 1969). Development of the construct of trust in the 1970s and after had led to the discovery of various attributes and dimensions of trust as outlined in Table 2.

Take in Table 2 about here.

While the literature revealed many important aspects of trust (including its essential role in buyer-supplier procurement relationships), there are limited studies on the impact of trust between buyers and suppliers in procurement practices on business performance. This research seeks to evaluate trust (using a number of dimensions) as a determinant of buyer-supplier procurement practices that effect business performance. The findings aim to provide new insights to the existing literature on procurement practices, buyer-supplier relationships and business performance. Based on the literature, a preliminary model (see Figure 1) was developed suggesting that a list of dimensions in the trust attributes which existed in buyer-supplier procurement practices could have an effect on business performance.

Take in Figure 1 about here.

RESEARCH METHODOLOGY

This research is exploratory and the methodology adopted in this study was designed primarily to overcome a lack of prior research directly related to the research problem. With the apparent lack of research literature about the impact of trust between buyers and suppliers in procurement practices on business performance, it was deemed necessary to develop propositions about the research issue. Case study methodology was adopted in this study and was aimed to extend the emergent theory in the literature reviewed (Parkhe, 1993; Yin, 2009). The use of case study methodology was justified mainly on two grounds. Firstly through case studies, this research sought to investigate the complex business environment in Zimbabwe's banking industry that will allow a real-life account of the research issue raised in this study and builds on theory for further conclusive research (Carson, Gilmore, Perry & Gronhaug, 2002; Perry, 1998; Yin, 2009). Next, case study research focuses on an organization or industry to rigorously explore and analyze contemporary real-life experiences and events in depth while retaining the holistic and meaningful characteristics of these real-life experiences and events. This allows the richness and depth of contextual meaning (such as the impact procurement practices on business performance in a turbulent environment) that can give raise to the possibility of new insight (Yin, 2009).

Twenty-two cases within the banking industry were selected judgmentally, of which 10 cases were selected using the simple ranking of Zimbabwean banks based on their annual published

financial results, and the remaining 12 cases were supplying organizations (i.e. suppliers to those 10 buying organizations). Through the use of replication logic in multiple case studies, external validity was achieved. A total of 44 interviews were conducted with two interviews for each case organization. Secondary sources such as the company's business plans, marketing plans and other relevant documentations (egg procurement policies) were used to further triangulate the results. The construct validity of this study was achieved with the use of multiple sources of evidence. These interviews were semi-structured with flexible and informal discussion that gave the interviewer the opportunity to gain an in-depth understanding of the interviewees' experiences, opinions and attitudes towards the impact of trust between buyers and suppliers in procurement practices on business performance. In order to enhance the reliability of the study, a case study interview protocol was developed and used throughout the interviewing process, so that all relevant issues were addressed and consistently conveyed to the interviewees. The duration for each of the face-to-face in-depth interview lasted between 30 to 35 minutes. The findings of this research will be discussed in the next section.

RESULTS

Forty-four in-depth interviews were conducted with 22 cases (i.e. 10 buying organizations and 12 supplying organizations) within the Zimbabwean banking industry. All interviewees had more than five years of relevant experiences in the banking industry and were directly involved in activities related to procurement practices in their respective organization. Majority of these cases (17 out of 22) had been operating in the industry for at least 10 years and had an annual procurement spending worth more than US\$5 million. Detailed profiles of these case organizations are outlined in Table 3.

Take in Table 3 about here.

Overall, the findings supported 29 of the 31 dimensions of the trust attributes (as identified in the literature) in buyer-supplier procurement practices as having an impact on business performance. All the 22 cases supported the dimension of *track record/history* in the security attribute as an important influence on business performance, while the least supported (5 out of 22 cases) dimension was identified as the *willingness to disclose trade secrets* in the

openness attribute. Table 4 provides a brief summary on the findings about the impact of the dimensions of trust on business performance.

Take in Table 4 about here.

Closeness

There were four dimensions (joint decision making, building of joint outcomes, social bonding and sharing of information) in the closeness attribute being investigated for their impact on business performance. The findings revealed that 14 of the 22 cases supported the two dimensions on *joint decision making* and *building of joint outcomes*. Thirteen cases were supportive of *social bonding* with a further 12 cases agreed to the influence of *sharing of information*. One interviewee supported the impact of the closeness attribute on business performance commented that “*It is procurement function’s responsibility to engage with suppliers who show willingness to undertake joint corrective action through working jointly to align and achieve both parties’ objectives*”. Another interviewee supported this attribute by stating that “*Information is power and a strong basis for our company to make informed decisions as a result of communication is enshrined in our company policy*”. On the whole, 12 cases agreed that all the four dimensions in the closeness attribute could have an impact on business performance, whereas 10 cases shown limited or no evidence of such effects.

Openness

A total of four dimensions in the openness attribute were investigated; internal stakeholder engagement; external stakeholder engagement; working together; and willingness to disclose trade secrets. The findings suggested that 14 of the 22 cases supported the dimensions on *internal stakeholder engagement*, *external stakeholder engagement*, and *working together*. One interviewee supported this attribute by stating that “*We value openness and transparency when forming and developing inter-organizational relationships with third parties. Performance is measured by its ability to work collaboratively with key stakeholders to achieve cost efficiencies and cost savings*”. Another interviewee commented that “*The procurement function works collaboratively with both internal and external stakeholders in a way influencing decision-making process throughout the procurement process*”. In contrast, only five cases agreed that the *willingness to disclose trade secrets* could affect business performance. The lack of support for this dimension was evident by an interviewee stating

that “*Because of the illegal foreign exchange market which has become the major source for funding businesses in Zimbabwe, disclosing certain information may be detrimental to the day to day operation of our business hence transparency under such circumstances is virtually impossible particularly for our organization*”. The overall findings were disparate with five cases each in supporting and not supporting all the four dimensions in this attribute of having an effect on business performance. While the remaining 12 cases provided limited evidence for their support on these four dimensions.

Commitment

There were eight dimensions in the commitment attribute being considered for their effect on business performance; senior management support; long term relationship; coordinated arrangements; structured organization; willingness to make idiosyncratic investments; leadership and accountability; visibility; and willingness to take risk. The findings indicated that the dimensions, *structured organization* and *visibility* were well supported by 19 cases and 14 cases respectively. Furthermore, the *senior management support*, *long term relationship*, *coordinated arrangements* and *willingness to take risk* dimensions were also supported by 13 cases. However, only 11 cases supported *leadership and accountability*, with another seven acknowledged the influence of *willingness to make idiosyncratic investments* on business performance. Some of the comments supporting this attribute by the interviewees include: “*The firm’s procurement practices are perceived as providing leadership and advice to business through forging relationships with trusted suppliers, co-operate with other functions, and strive for joint and collaborative relations with supply partners to assist both firms maximize shareholders value*”, “*The company prefers long-term contracts with strategic suppliers, so that they can be integrated in the development of strategically important products and for the improvement of the existing ones*”. Overall, six cases believed that all the eight dimensions in the commitment attribute would affect business performance, while three cases argued that these dimensions had no influence at all. The remaining 13 cases revealed limited evidence on their support of these dimensions as having an effect on their organization’s business performance.

Security

A total of five dimensions in the security attribute were explored; namely track record; credibility; character endorsement; acceptance of duty to protect rights of partners; and

acknowledgement of duty to protect interests of partners. The findings revealed strong support for all the five dimensions; *track record* (supported by all 22 cases), *acknowledgement of duty to protect interests of partners* (supported by 21 cases), *credibility*, and *acceptance of duty to protect rights of partners* (both supported by 20 cases) and *character endorsement* which was supported by 19 cases. In supporting this attribute, an interviewee commented that “*To keep our business going, we have to be sensitive to certain levels of exposure*”. Another interviewee also stated that “*We do not indulge in any form of business relationship deals, we even decline being involved in high risk low returns kind of business*”. On the whole, 19 cases indicated their endorsement for all the five dimensions in this attribute as having an impact on business performance. In contrast, only three cases had shown limited or no evidence of such effect.

Honesty

Three dimensions in the honesty attribute were investigated: ethical conduct; transparency; and open intentions/motives. The findings suggested that 18 cases supported the dimension of *ethical conduct* being influential to business performance and another 14 cases agreed that *transparency* could have a similar effect. There were also 13 cases indicated that the dimension of *open intentions/motives* could have an impact on their organizations’ business performance. An interviewee supported this attribute commented that “*We distance ourselves from any form of practices that seek to compromise our integrity as this affects our reputation in the industry*”. Overall, 11 cases endorsed their support for all the three dimensions in this attribute as having an effect on business performance, whereas three cases disagreed to this effect. The remaining eight cases revealed little or no evidence for their support of these dimensions affecting an organization’s business performance.

Competence

The three dimensions in the competence attribute investigated were: capability; character endorsement; and traceable reference. The findings indicated strong support for all the dimensions; *capability* and *character endorsement* (both supported by 20 out of 22 cases), *traceable reference* (supported by 19 cases). An interviewee supported this attribute had commented that “*This is an area we have managed to keep our organization ahead of competition and we also accredit our partners on the same basis*”. Another interviewee also stated that “*Better skills and high competence levels across the supply chain is what enable*

us to offer and deliver value for money, goods and services". On the whole, 19 cases revealed their support for all the three dimensions in this attribute as affecting business performance. In contrast, only one case had indicated their disagreement to this effect with another two cases shown limited or no evidence for their support of these dimensions.

Dependability

There were four dimensions in the dependability attribute (reliable, deliver on promises, walking the talk, and flexibility) to be investigated for their impact on business performance. The findings showed that the dimension on *deliver on promises* was supported by 19 out of 22 cases with another 18 cases agreed that being *reliable* had an effect on business performance. The dimensions of *walk the talk* and *flexibility* were supported by 17 and 14 cases respectively. In supporting this attribute, an interviewee commented that "*Being reliable is our cause for existence otherwise we risk losing our reputation and without it we have no business*". Another interviewee also stated that "*If we anticipate or experience any challenges regarding meeting our promises to our customers and any other stakeholders, our policy is that we should communicate with all those affected well in advance, we ensure that our customers are kept informed*". On the whole, 14 cases supported all the dimensions in the dependability attribute with the remaining eight cases revealed limited or no evidence to support their impact on business performance.

Differences in Response

The findings suggested that there were differences in responses for 12 of the 31 dimensions between buyer and supplier firms. The differences in responses are summarized in Table 5.

Take in Table 5 about here.

Respondents from buyer firms revealed four dimensions; *joint decision making*, *building joint outcomes*, *social bonding* and *sharing of information* in the closeness attribute that were not regarded as influential to their organizations business performance. This was particularly evident in those buying firms where supplier relational exchanges issues and concerns were synchronized through central procurement department at the head office. As a result, the relations between procurement team, with other functions of the company and supply partners in country had no influence on the strategic direction of the business in any way. A

respondent supported this by commenting that “*We do not have mandate to influence business direction through working with supply partners and other functions of the organization in a joint and collaborative way*”. Furthermore, procurement staff at some buying firms did not have the full mandate to work with strategic supply partners towards significantly influencing the overall business success of the organization. This was supported by a respondent’s comment “*Procurement practices are not founded on co-operation with other functions to strive for joint and collaborative relations with supply partners to assist both firms maximize shareholders value*”.

There were three dimensions (i.e. *internal and external stakeholder engagement, and working together*) in the openness attribute not supported by the buyer firms as having an impact on the business performance. Respondents from the buying firms suggested that the procurement function was more concerned with controlling of process, for instance segregation of duties in an attempt to control procurement practices across the firm. In addition, the procurement function was regarded as a back office operation, which provided assistance to the firm with procurement administrative work such as order processing, invoice matching and resolving payments issues with suppliers. A respondent supported this by commenting that “*We at the procurement department better understand what we do on a daily basis and we can deal directly with the suppliers*”. Due to the tender regulations in Zimbabwe, investing in the formation and development of relevant relational exchanges with supply partners was not possible as the tender system regulates the relationship between parties and any further modifications or changes were in essence a violation of the tender regulations. This was supported by a respondent’s comment that “*The supplier relational exchanges are formed and developed by user teams, as they fully understands what their requirements are to ensure compliance with tender rules and regulations. All relational exchanges and choice of supply partners is predominantly the prerogative of the user departments and the involvement of other departments are not possible*”.

Respondents from buying firms highlighted five dimensions; *long term relationship, coordinated arrangements, leadership and accountability, visibility, and willingness to take risk* in the commitment attribute that had limited effect on business performance. Respondents from buying firms considered procurement practices as prevalent in an organization and was not considered as strategic and critical to business survival, but instead procurement processes and protocols were seen as transactional oriented and tactical. This

was supported by a respondent's comment *"Each user department manages its own procurement arrangements in addition to its business activities. Essentially, the procurement function is treated as tactical and not strategic and as procurement activities are carried out at operational level"*. As a result of the belief that the procurement function was transactional in nature, therefore the development of a long term relationship with supplier/buyer was not regarded as essential. A respondent supported this by commenting that *"There is no need for us to develop a relationship with the supplier as we purchase from suppliers that give us the best deal (price) and this affects our bottom line"*.

CONCLUSIONS, IMPLICATIONS AND LIMITATIONS

In conclusion, this study has explored the impact of trust between buyer-supplier in procurement practices on business performance. Forty-four in-depth interviews were conducted with 22 organizations in Zimbabwe's banking industry and the findings supported 29 of the 31 dimensions in the trust attributes presented in the preliminary framework, as having an effect on an organization's business performance. While the findings revealed the endorsement for majority of the dimensions in the trust attributes as influential on business performance, there were two dimensions (i.e. willingness to disclose trade secrets in the openness attribute and willingness to make idiosyncratic investment in the commitment attribute) highlighted as not having a similar effect.

It should also be noted that there were some variations in attitudes based on buying versus supplying organizations' viewpoints relating to the impact of 12 dimensions in the trust attributes on business performance. Furthermore, organizations also acknowledged that the extent of their procurement practices effect on business performance was dependent on the level of interconnection between performance and the importance of trust attributes in the respective organizations.

The findings of this research have also added new knowledge and insights to the existing literature of business-to-business relationships, procurement, supply chain management and business performance with the identification of a list of 29 dimensions in the trust attributes (existed in buyer-supplier procurement practices) which could impact on business performance. The results have provided organizations in the Zimbabwe's banking industry

with a comprehensive list of dimensions in the trust attributes to which they could consider in their procurement practices, so as to enhance their business performance.

This study investigated the initial development of a list of dimensions in the trust attributes that existed in buyer-supplier procurement practices that could have an impact on business performance. Since the study was conducted within the context of Zimbabwe banking industry and therefore constrains the applicability of the findings to other industries and country markets. This study is exploratory in nature and therefore a more representative sampling population should be sought and be tested, to generalize the findings. The list of dimensions in the trust attributes developed in this study should be replicated and tested in other industry and country settings. This could further made contributions to the theory and practice where comparisons to the findings could be made to determine if any significance existed between these industries and countries on the impact of trust in buyer-supplier procurement practices on business performance.

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Table 1: Definitions of trust in different procurement practices

Definition	Authors
<ul style="list-style-type: none"> • Willingness to accept vulnerability and or rely on an exchange partner in whom one has confidence. 	Dwyer et al., 1987; Gallivan & Depledge, 2003; Pennington et al., 2004
<ul style="list-style-type: none"> • An attitude displayed in solutions where a person is relying on another person. 	Giffin, 1967; Bialaszewski & Giallourakis, 1985
<ul style="list-style-type: none"> • The belief that a party's word or promise is reliable and that a party will fulfil their obligation in an exchange for a relationship. 	Schurr & Ozanne, 1985
<ul style="list-style-type: none"> • Willingness to relinquish some independence and developing mutual dependence to ensure parties play the game. 	Ryan et al., 2004; Perry et al., 2002; Walker, 2004
<ul style="list-style-type: none"> • An accepted vulnerability to another's possible but not expected ill will (or lack of good will). 	Baier, 1986
<ul style="list-style-type: none"> • The degree to which a channel member perceives the existing relationship and accepts short term dislocation because it is confident that such dislocation will balance out in the long run. 	Anderson et al., 1987
<ul style="list-style-type: none"> • Willingness by partners to take the risk of relying on the exchange of another partner in whom they have got evidence. 	Kwon & Suh, 2005; Sahay, 2003
<ul style="list-style-type: none"> • One party's belief that its needs will be fulfilled in the future by actions undertaken by the other party. 	Anderson & Weitz, 1989
<ul style="list-style-type: none"> • The firm's belief that another company will perform actions that will result in positive outcomes for the firm, as well as not take unexpected actions that would result in negative outcomes for the firm. 	Anderson & Narus, 1990
<ul style="list-style-type: none"> • Willingness to rely on an exchange partner in whom one has confidence. 	Moorman et al., 1992
<ul style="list-style-type: none"> • When one party has confidence in an exchange partner's reliability and integrity. 	Morgan & Hunt, 1994
<ul style="list-style-type: none"> • Expectation, not just of a lack of ill will, but an element of goodwill from the person trusted. 	Govier, 1994

Table 2: An analysis of the multidimensional constructs of trust in procurement practices

Constructs of trust	Analysis of the dimension	Authors
Closeness	<ul style="list-style-type: none"> - Joint decision making - Building joint outcomes - Social bonding - Sharing of information 	Baily et al., 2005; Gefen, 2000; Tomkins, 2001; Holmlund, 2004; Bruce et al., 2004; Harrison & Van Hoek, 2002; Storey, 2002
Openness	<ul style="list-style-type: none"> - Internal stakeholder engagement - External stakeholder engagement - Working together - Willingness to disclose trade secrets 	Hart et al., 1986; Preece, 2002; Salam et al., 2005
Commitment	<ul style="list-style-type: none"> - Senior management support - Long term relationship - Coordinated arrangements - Structured organization - Willingness to make idiosyncratic investment - Leadership and accountability - Visibility - Willingness to take risk 	Baily et al., 2005; Rosen & Jerdee, 1977; McRobb & Rogerson, 2004; Morgan & Hunt, 1994
Security	<ul style="list-style-type: none"> - Track record / history - Credibility - Character endorsement - Acceptance of duty to protect rights of partners - Acknowledgement of duty to protect interests of partners 	Gefen, 2000; McRobb & Rogerson, 2004
Honesty	<ul style="list-style-type: none"> - Ethical conduct - Transparency - Open intentions / motives 	Cook and Wall, 1980; Kee & Knox, 1970; McRobb & Rogerson, 2004
Competence	<ul style="list-style-type: none"> - Capability - Character endorsement - Traceable reference 	Butler, 1991; Rosen & Jerdee, 1977; Butler & Cantrell, 1984; Lieberman, 1981; Kee & Knox, 1970; Preece, 2002; Bews & Rossouw, 2002
Dependability	<ul style="list-style-type: none"> - Reliable - Deliver on promises - Walk the talk - Flexibility 	Butler & Cantrell, 1984; Coleman, 1990; Dasgupta, 1988; Gambetta, 1988; Good, 1988; Zand, 1978; Pavlon & Gefen, 2004

Table 3: Profiles of selected case study organizations

Firm Code	Background	Year of establishment	Nature of business	Annual spent through procured goods US\$
C01	Global	Established during the 17 th century	Banking services	1.5 Bn
C02	Indigenous	Established in 1991	Banking services	135 – 145m
C03	Regional	Established in 1993	Banking services	5 – 6.5m
C04	Global	Established 150 yrs ago	Banking services	1.6 – 2Bn
C05	Indigenous	Established in 1979	Banking services	<i>INA</i>
C06	Indigenous	Established in 1996	Banking services	<i>INA</i>
C07	Indigenous	Established in 1995	Banking service	50 – 55m
C08	Indigenous	Established in 1995	Banking services	45 – 50m
C09	Indigenous	Established in 2005	Banking services	90 – 100m
C10	Indigenous	Established in 2004	Banking services	20 – 23m
C11	MNC	Established 62 years ago	Manufacturer and distributor of ATMs,	400 – 410m
C12	Franchise of an international firm	Established 35 years ago	Supplier of auto-mailer and statement printers,	20m
C13	Indigenous	Established 40 years ago	Security and general printing services	175 – 200m
C14	Indigenous firm	Established 75 years ago	Security consultancy services and cash handling services	75m
C15	Subsidiary of an international	<i>INA</i>	Supplier of electricity generators, offers installation, repairs and maintenance services	5 – 30m
C16	Indigenous	Established 65 years ago	Manufacturer and distributor of high tech networking and telecommunications technology	75 – 80m
C17	Regional firm	<i>INA</i>	Access control and physical security	50 – 65m
C18	MNC	<i>INA</i>	International and national courier services, logistics and supply chain management services	2bn
C19	Indigenous	<i>Established in 1994</i>	Motor vehicle dealer;	<i>INA</i>

C20	MNC	<i>Established in 1956</i>	Manufacturer and distributor of high tech reprographic	60m
C21	MNC	<i>Established in 1860</i>	Construction and refurbishments	INA
C22	Global	<i>INA</i>	Manufacture and distribution and servicing of saloon, light and heavy duty vehicles	INA
<p>Notes: MNC – Multi-national Company Indigenous companies are companies wholly owned by local shareholders Regional company – a company with regional shareholding and network INA - Information Not Available US\$ - United States of America dollar Bn – Billion m – Million</p>				

Table 4: Summary of case studies research findings

Dimensions / attributes of trust	Total number of cases mentioned the dimensions (out of a possible 22)
Closeness	
Joint decision making	14
Building joint outcomes	14
Social bonding	13
Sharing of information	12
Openness	
Internal stakeholder engagement	14
External stakeholder engagement	14
Working together	14
Willingness to disclose trade secrets	5
Commitment	
Structured organization	19
Visibility	14
Senior management support	13
Long term relationship	13
Coordinated arrangements	13
Willingness to take risk	13
Leadership and accountability	11
Willingness to make idiosyncratic investment	7
Security	
Track record / History	22
Acknowledgement of duty to protect interests of partners	21
Credibility	20
Acceptance of duty to protect rights of partners	20
Character endorsement	19
Honesty	
Ethical conduct	18
Transparency	14
Open intentions / motives	13
Competence	
Capability	20
Character endorsement	20
Traceable reference	19
Dependability	
Deliver on promises	19
Reliable	18
Walk the talk	17

Flexibility	14
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Table 5: Summary results of the differences in responses between buyer and supplier firms

Dimensions / attributes of trust	Total number of cases mentioned the dimensions	
	Buyer firms (out of a possible 10)	Supplier firms (out of a possible 12)
Closeness		
Joint decision making	4	10
Building joint outcomes	4	10
Social bonding	3	10
Sharing of information	2	10
Openness		
Internal stakeholder engagement	3	11
External stakeholder engagement	5	9
Working together	5	9
Commitment		
Long term relationship	3	10
Coordinated arrangements	2	11
Leadership and accountability	3	8
Visibility	3	11
Willingness to take risk	3	10

Figure 1: Preliminary framework for the impact of trust between buyer-supplier in procurement practices on business performance

