

# **UNIVERSITY OF KWAZULU-NATAL**

College of Law and Management Studies  
School of Management, Information Technology and Governance

The Influence of Dimensions of Organisational Culture on Supply Chain  
Performance in Selected State-Owned Enterprises in Zimbabwe

By

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Special mention goes to my family and Jackie Viljoen, who edited the thesis and ensured that there are no spelling and grammar mistakes.

## DECLARATION

I, Michael Musanzikwa, do hereby declare that the research reported in this thesis, except where otherwise indicated, and is my original research. This thesis has not been submitted for any degree or examination at any other university. The thesis does not contain other persons' data, pictures, graphs or other information, unless specifically acknowledged as being sourced from other persons.

Sign



Date: 02 March 2018

## **DEDICATION**

This study is dedicated to my family who gave me emotional and financial support during the study period.

## PERMISSION TO SUBMIT

The undersigned declare that they have examined the thesis entitled “The influence of dimensions of organisational culture on supply chain performance in selected state owned enterprises in Zimbabwe” submitted by Michael Musanzikwa in fulfilment of the requirements for the degree of PhD in supply chain management, and recommends it for acceptance.

### Supervisor

Signed:..... Date: .....

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## ABSTRACT

This study aimed to explore the extent to which organisational cultural factors, like time orientation, profit orientation, and ownership orientation have an influence on the supply chain performance of state owned enterprises (SOEs) in Zimbabwe. The main objective of the study was to explore the influence of dimensions of organisational culture on supply chain performance in SOEs in Zimbabwe. There were seven specific objectives. The first research objective was to review literature on organisational and supply chain management. The second research objective was to examine the extent to which SOEs in Zimbabwe were effective in terms of financial targets, customer satisfaction, internal business processes, and learning and growth perspectives. The third research objective was to understand the influence of time orientation on the supply chain metric of delivery in SOEs in Zimbabwe. The fourth research was to understand the influence of time orientation on the supply chain metric of flexibility in SOEs in Zimbabwe. The fifth research objective was to understand the influence of profit orientation on cost reduction in supply chain activities in SOEs in Zimbabwe. The sixth research objective was to understand the influence of 'no ownership culture' on decision-making in supply chain management in SOEs in Zimbabwe. The seventh research objective was to assess the level of customer satisfaction in SOEs. The researcher used mixed methods, which entailed a combination of both qualitative and quantitative designs. The population for the study comprised managers, employees, and clients of eight SOEs in Zimbabwe. The researcher used a combination of sampling strategies. Judgmental sampling was used to select the SOEs that were studied. Managers and employees were selected using random sampling while clients were selected through convenience sampling. Questionnaires and interviews were used as research instruments. This thesis presents the findings thematically, in line with the research questions. When answering the first research question, it was established that the SOEs were not meeting financial targets, not satisfying customers, internal business processes were not efficient and learning, and growth targets were not met. The study also found that the organisational cultural variables such as time and ownership orientation in the SOEs were weak and affecting, flexibility and timely delivery of goods and services negatively. It was established that there was no urgency because there were no ownership claims to profit. With regard to customer satisfaction, it was found out that the SOEs were failing to meet the needs of clients. In its contribution to new knowledge, the present research found that organisational cultural variables such as time, ownership and profit orientation have a direct influence on the behaviour of human resources and an indirect effect on customer satisfaction, cost saving and profitability in the SOEs. Based on the study, it is therefore recommended that commitment of leadership on human behaviour is necessary for effective supply chain performance and strategy implementation. It is also held that constant environmental scanning, strategic alliances (private-public partnerships), rationalisation of salaries and benefits and sound corporate governance are essential.

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## LIST OF ACRONYMS AND ABBREVIATIONS

Air Zim:	.....	Air Zimbabwe
ANOVA:	.....	Analysis of Variance
BSC:	.....	Balanced Score Card
CEO:	.....	Chief Executive Officer
CGF:	.....	Corporate Governance Framework
CPM:	.....	Critical Path Method
CRM:	.....	Customer Relationship Management
CSI:	.....	Customer Satisfaction Index
CSR:	.....	Corporate Social Responsibility
GDP:	.....	Gross Domestic Product
GMB:	.....	Grain Marketing Board
HRM:	.....	Human Resources Management
IATA:	.....	International Air Transport Association
IBE:	.....	Internet Booking
IT:	.....	Information Technology
KT&G:	.....	Korean Tobacco Ginseng Corporation
KT:	.....	Korean Telecom
NCCG:	.....	National Code for Corporate Governance
NMMZ:	.....	National Museums and Monuments of Zimbabwe
NOCZIM:	.....	National Oil Company of Zimbabwe
NOIC:	.....	National Oil Infrastructure Company
NPM:	.....	New Public Management
NRZ:	.....	National Railways of Zimbabwe
OB:	.....	Organisational Behaviour
OECD:	.....	Organisation for Economic Corporation and Development
PFMA:	.....	Public Finance Management Act
POSCO:	.....	Pohang Iron and Steel Corporation
PPP:	.....	Private-Public Partnership
PSIP:	.....	Public Sector Investment Project
RBM:	.....	Results Based Management
SAA:	.....	South African Airways

SADPE: ..... South African Department of Public Enterprises  
SAP: ..... Standard Accounting Practice  
SAPs.....Structural Adjustment Programmes  
SCC:..... Supply Chain Council  
SCM: ..... Supply Chain Management  
SCOR:.....Supply Chain Operations Reference  
SERVPERF: Service Performance Model  
SERVQUAL: Service Quality Model  
SHRM: ..... Strategic Human Resources Management  
SOE:.....State Owned Enterprise  
SPB:..... State Procurement Board  
TM: ..... Tokwe Mukosi  
TQM:..... Total Quality Management  
UNICEF: .....United Nations Children’s Fund  
WTO:..... World Trade Organisation  
ZESA: .....Zimbabwe Electricity Supply Authority  
ZETDC: .....Zimbabwe Electricity Transmission and Distribution Company  
ZIM-ASSET: Zimbabwe Agenda for Sustainable Socio-Economic Transformation  
ZINWA: ..... Zimbabwe National Water Authority  
ZMDC: .....Zimbabwe Mining Development Corporation  
ZUPCO: ..... Zimbabwe United Passenger Company

# CHAPTER I

## INTRODUCTORY CHAPTER

### 1.1 Introduction

In most of the public sector institutions around the world, there has been a problem of under-performance and weak organisational culture seemed to be the problem (Rondinelli, 2005). According to Burman and Evans (2008), challenges that the state-owned enterprises (SOEs) face in supply chain (SC) performance could be due to organisational cultural practices that are counter-productive. In this regard, this study sought to explore the influence of selected organisational cultural variables, like time orientation, profit orientation, and ownership orientation on the SC performance in Zimbabwean SOEs. There are a myriad of organisational cultural variables but the selected ones seem to have a more direct influence on supply chain performance in the SOEs.

In this introductory chapter, the focus is on the presentation of the problem and its setting. There is a detailed discussion of the background to the study, research objectives, research questions and the significance of the research. The theoretical and conceptual framework, overview of research methodology, limitations of the study, definition of key terms, and layout of the thesis are also part of the chapter.

### 1.2 Background to the problem

SOEs are government-owned entities and in Zimbabwe, they include Air Zimbabwe, Zimbabwe Electricity Supply Authority (ZESA), and the National Railways of Zimbabwe (NRZ). There are 78 SOEs in Zimbabwe, which are expected to be either the backbone of the Zimbabwean economy or economic enablers. The effectiveness in supply chain performance in SOEs should

ultimately result in a number of spill over effects leading to improvement in the quality of life of all the Zimbabweans (Nyoni, 2012). In general, SOEs are strategic institutions and governments establish them so that basic services are available to all the citizens. Most SOEs aim to provide essential services such as water, electricity, transport, and communication and they are viewed as strategic institutions.

Baily, Farmer, Jessop, and Jonnes (2008) define the supply chain as all those involved in organising and converting materials through the input stages (raw materials), conversion phase (work-in-progress), and outputs (finished products). Wieland and Wallenburg (2011) define supply chain management (SCM) as a collection of related business functions conducted in order to provide goods and services required by clients. Governments have a constitutional mandate to ensure that there is provision of goods and services and they do this through SOEs (Burman & Evans, 2008).

However, in Rondinelli's (2005) view, most of the SOEs in developing countries are failing to contribute to economic development. Most of the government-owned entities are not effective in SC performance and are loss makers instead of being revenue generators. For example, the Chinese government invested more than US\$11 billion into the SOEs during the 1990s, but the results of the investment (Woetzel, 2008) reports, that, at the time of his research the state owned entities in Namibia were contributing only 0.7% to the national revenue while the government was injecting about 9% of the total government expenditure. The arguments by Woetzel and Schlettwein (2010) show that, despite the investment of resources into the SOEs, the entities were failing to fulfil their mandate and not making any return on investment (ROI).



According to Burman and Evans (2008), ineffectiveness in the SOEs results from the 'organisational culture' inherent in the institutions. Along similar lines, Islam and Michael (2009) opine that SOEs are organisations that belong to nobody and there is no concern about effectiveness in SCM. The culture in organisations determines the behaviour of members and their commitment towards goal attainment. According to this view, Schein (2009) argues that organisational culture is a set of beliefs, values, and assumptions that hold organisations together. In a similar vein, Ravasi and Schultz (2006) state that the culture of an organisation denotes the shared values that guide the behaviour of its stakeholders, particularly its managers and employees. Culture entails the beliefs, values, practices, and attitudes that have been cultivated within organisational members over a long period of time (Schein, 2008).

According to Woetzel's (2008) study of the Chinese SOEs, most of the institutions owned by government are highly inefficient. Schlettwein (2010), points out that there is no 'drive' towards realisation of profits, because, by their nature, profits are meant to fulfil social obligations. Along similar lines, government-owned entities in Zimbabwe are perennial loss makers (Nyoni, 2012). For instance, in 2009, the Reserve Bank of Zimbabwe (RBZ) indicated that SOEs like Air Zimbabwe, Zimbabwe Electricity Supply Authority (ZESA), National Railways of Zimbabwe (NRZ), and Zimbabwe National Roads Administration (ZINARA) were underperforming and there were inadequacies in their SC, which were draining the national purse. In addition, Nyoni (2012) labelled the SOEs as the 'missing link' in the economic turnaround of Zimbabwe. Most of them have been performing negatively and have a negative effect on the treasury, thereby affecting the economic growth of the country (RBZ, 2009).

According to the Reserve Bank of Zimbabwe (2009), a lack of commitment and a weak organisational culture are largely to blame for the ineffective performance

in the SOEs. The Zimbabwe Independent (2013) also shared the same sentiments and reported that there were delays in decision-making (time orientation) with public procurement systems being slow. By way of example, delays in decision-making have resulted in the City of Harare paying \$80 million instead of a cost of around \$10 million for the construction of the airport road, a distance of less than 20 kilometres. In addition, the need to comply with state procurement procedures resulted in the construction of a \$600,000 district hospital in Gokwe North lagging behind schedule (Mafumbe, 2011). According to Masuku (2011), delays were a major issue in the customer service performance, as most service providers were unhelpful, rude, and inattentive, and the speed of the service was generally slow.

Mafumbe (2011) also points out that four SOEs, namely, Air Zimbabwe, the National Oil Company of Zimbabwe (NOCZIM), NRZ, and the Grain Marketing Board (GMB) had a combined loss of US\$40.9 million during a period of six months, from January to June 2010. The value of the loss was substantial given that the gross domestic product (GDP) of Zimbabwe during that time was about US\$10 billion (Zimbabwe National Statistical Agency, 2012). It would appear that SOEs had been underperforming and failed to contribute meaningfully to the economic growth of the country.

### **1.3 Statement of the problem**

The SOEs in Zimbabwe have made and continue to make losses, thereby failing to contribute meaningfully or positively to the attainment of the economic goals of the country (RBZ, 2009). For instance, Mafumbe (2011) points out that four of the SOEs made substantial losses, about 1% of the GDP during 2010. Due to their underperformance, government has had to finance the deficits of the SOEs, putting immense pressure on limited financial resources. There is a need to reform the operations of SOEs, otherwise the economy of the country will remain

stagnant or sink deeper into the doldrums of economic underdevelopment. Therefore, using a research methodology with both a quantitative and qualitative orientation, this study sought to explore the extent to which certain organisational culture dimensions influence SC performance in SOEs in Zimbabwe.

#### **1.4 Research objectives**

The primary aim of the study was to explore the influence of dimensions of organisational culture like time orientation, profit orientation, and 'no ownership culture' on SC performance in SOEs in Zimbabwe. The specific objectives were:

- 1.4.1 to conduct a literature review to understand the theoretical, conceptual and empirical underpinnings of the dimensions of organisational culture;
- 1.4.2 to assess the performance of SOEs in Zimbabwe in terms of financial, customer, internal business processes and learning and growth perspectives;
- 1.4.3 to understand the influence of time orientation on the SC metric of delivery in SOEs in Zimbabwe;
- 1.4.4 to understand the influence of time orientation on the SC metric on the flexibility in SOEs in Zimbabwe;
- 1.4.5 to understand the influence of profit orientation on cost reduction in SC activities in SOEs in Zimbabwe;
- 1.4.6 to understand the influence of 'no ownership culture' on decision-making in SC management in SOEs in Zimbabwe; and
- 1.4.7 to understand the level of customer satisfaction in selected Zimbabwean SOEs.

#### **1.5 Research questions**

This study sought to answer the basic question, 'what is the influence of dimensions of organisational culture like time orientation, profit orientation, and

'no ownership culture' on the SC performance of SOEs in Zimbabwe?' The specific research questions were:

- 1.5.1 what is the available literature that provides an understanding of the theoretical, conceptual and empirical underpinnings of the dimensions of organisational culture?
- 1.5.2 to what extent are the SOEs in Zimbabwe effective in terms of financial, customer, internal business processes and learning and growth perspectives?
- 1.5.3 to what extent does time orientation influence the SC metric of delivery in SOEs in Zimbabwe?
- 1.5.4 to what extent does time orientation influence the SC metric of flexibility in SOEs in Zimbabwe?
- 1.5.5 to what extent does profit orientation influence cost reduction in SC activities in SOEs in Zimbabwe?
- 1.5.6 how does the cultural dimension of ownership orientation influence decision making in SC management in SOEs in Zimbabwe?; and
- 1.5.7 to what extent are SOEs managing to satisfy the needs of customers?

## **1.6 Significance of the study**

In Zimbabwe, there seems to be little research on organisational culture and its influence on SC performance and customer satisfaction in SOEs. Masuku (2011) and Mzumara (2012) conducted studies on performance of SOEs in Zimbabwe and found that the weaknesses in governance structures were the major cause of poor performance affecting state enterprises in Zimbabwe. For example, in the studies by Masuku (2011) and Mzumara (2012), it was found that the SOEs had largely failed to provide public and social infrastructure services. Muzapu, Havadi, Mandizvidza, and Xiongyi (2016) echoed these sentiments, namely that the weaknesses in governance structures were the major cause of poor

performance affecting state enterprises in Zimbabwe. For example, the SOEs largely failed to provide public and social infrastructure services to the public.

A report by the RBZ (2009) shows that the basic utilities in Zimbabwe such as water, food, electricity, and health services are compromised. According to the World Bank (2016), most of the parastatals in all sectors are facing serious challenges, such as lack of capital, heavy wage bills, low productivity, and unsustainable debt. This is affecting the provisioning of service delivery to the firms down the line and to the consumers. The Financial Gazette (2016) also reports on the poor performance of the SOEs and their continued reliance on the treasury. This is largely because of being heavily indebted, huge inter-parastatal debts, maladministration, under-capitalisation, corruption, and serious corporate governance issues (Nyoni, 2012).

Mugunzva (2016) also carried out a research study and focused on how the dimensions of organisational culture, profit, and ownership affected the performance of supply chain of the SOEs in Zimbabwe. The study was focused on the National Museum and Monuments of Zimbabwe (NMMZ) and how it has been affected by the aforementioned dimensions on the management of heritage sites in Zimbabwe. Mugunzva (2016) elaborates that individual culture is the obstacle to link and allow the interface of the heritage and cultural resources into the mainstream tourism for heritage sites to be destinations of tourism in Zimbabwe.

Previous researches by the RBZ (2009), Mafumbe (2011), Masuku (2011), Mzumara (2012), Rusvingo (2014), Mugunzva (2016), and the World Bank (2016) identified a lack of quality leadership, poor work ethic, corruption, high human resource (HR) turn over and lack of performance-based rewards practices as some of the weaknesses in the Zimbabwean SOEs. The study by

Muzapu et al. (2016) identified weaknesses in governance structures as the major cause of poor performance affecting state enterprises in Zimbabwe. The World Bank (2016) identified a lack of capital, heavy wage bills, low productivity, and unsustainable debt as the major causes of poor performance. While the comments by the Financial Gazette (2016) emphasise on the issues of corporate governance and corruption, Mugunzva (2016) pins it down to the influence of individual behaviour to be having a negative influence on the performance of one of the SOEs, which is the National Museums and Monuments of Zimbabwe (NMMZ). The previous researchers emphasise on the general performance of SOEs in Zimbabwe while Mugunzva (2016) emphasise one SOE, the NMMZ. However, the present study focused on the influence of dimensions of organisational culture, such as the human element on the performance of supply chain in SOEs in Zimbabwe and suggested possible solutions in order to improve on the challenges. This study aimed to establish time orientation, profit orientation, ownership orientation and bureaucratic orientation in SOEs and their influence on SCM. The study sought to add to the body of knowledge and to examine whether organisational cultural variables, like time, ownership, and profit orientation influence the performance of Zimbabwean SOEs.

### **1.7 Delimitation of the study**

The focus of the present research was on examining the influence of selected dimensions of organisational culture, such as time, ownership, and profit orientation on SC metrics of delivery, flexibility, and profitability in the selected Zimbabwean SOEs. The researcher collected information from managers, employees, and clients in eight selected SOEs. The SOEs targeted were in the agricultural marketing, energy, mining, transport, and water provision sectors. In order to manage time and financial resources, data was collected from urban areas and rural areas around the metropolitan provinces of Bulawayo and Harare and in the City of Mutare.

## **1.8 Theoretical and conceptual frameworks**

This section focuses on theoretical and conceptual frameworks. The study used four theories, all which were derived from literature. The conceptual framework shows the main variables in the study and was designed by the researcher.

### **1.8.1 Theoretical framework**

The research used four theories in order to establish the influence of culture on (SC) performance in SOEs in Zimbabwe. The first theory was **cultural theory**, which provides a framework to understand and explain the concept of organisational culture (Shahzad, Luqman & Khan 2012). According to Quy (2011), corporate culture pertains to the norms and ways of doing things in organisations. Organisational culture influences the behaviour of human resources, the most valued assets in institutions. The second theory is the **balanced score card** (BSC). Kaplan and Norton (1992) developed the BSC as a tool for thoroughly examining the SC performance of companies. There are four perspectives in the BSC, financial, customer, internal business processes, and learning and growth. According to Mehrjerdi (2009), the BSC incorporates both financial and non-financial elements and provides a 'balanced' way for assessing SC performance. The third theory is the **Customer Satisfaction Index** (CSI). The ability of the organisation to meet the needs of the customers results in customer satisfaction (Denzin, 2008), which helps to keep and draw more clients (Grant, 2008). As Chin (2010) observes, there are several ways of pleasing customers such as employee empowerment, provision of adequate resources, and the training and development of employees, which promote good employee-customer relations within the organisation. One of the methods that have been used for a long time by managers to measure the level of client satisfaction within an organisation is the CSI. The CSI assesses many indicators that relate to customer service, namely those relating to the effectiveness of a service, client care, dealings, methods, systems, pricing mechanisms, and the goods and services provided (Lamikanra, 2013).

The fourth theory is the **service quality (SERVQUAL) model** that was developed by Parasuraman, Zeithamal, and Berry (1985). The SERVQUAL model states that there are gaps between the expectations of clients and the services that are delivered by organisations. Customer satisfaction will depend on the extent to which the gaps between the views of the clients' and those of organisations are reduced.

### **1.8.2 Conceptual Framework**

The thrust of this research was to examine the influence of selected dimensions of organisational culture (time, ownership, and profit orientation) on SC performance in selected SOEs in Zimbabwe.

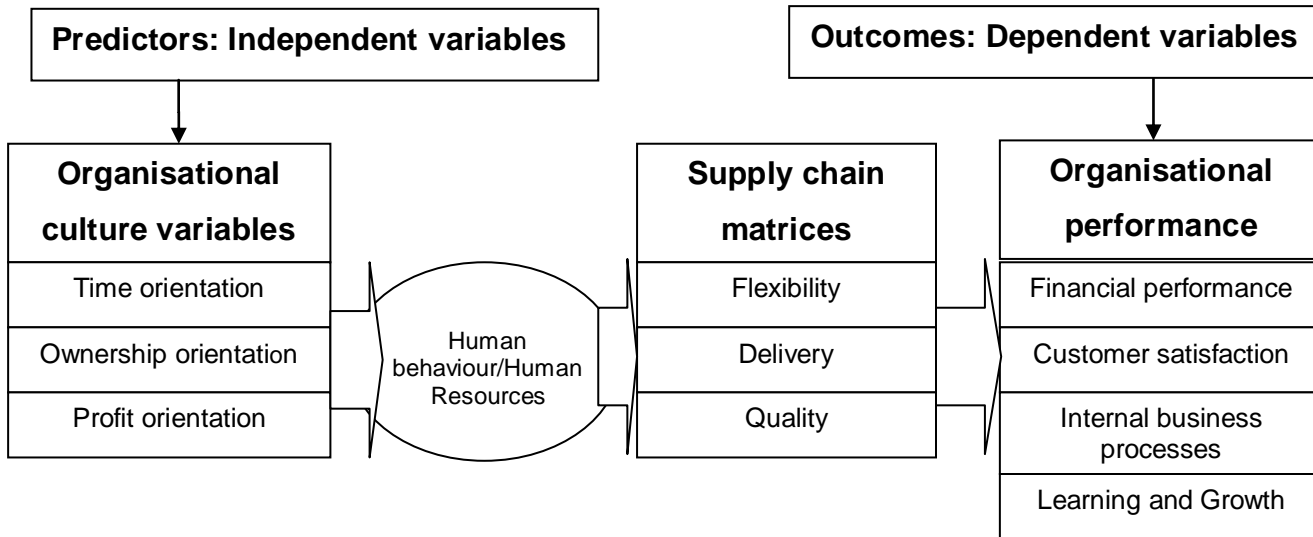
The importance of SCM is to contribute to the overall success of the organisation through aligning the strategic, tactical, and operational activities to attain optimal performance (Bhagwat & Sharma, 2007). SCM is also important in providing or creating value to the customers. The principles of SCM are based on the need ensure some of the following:

- i. adapt SC activities based on the needs of each customer (Chemangich, 2013);
- ii. customise logistics network for each segment of the organisation (Nelson & Quick, 2011);
- iii. outsource strategically (Bhatti & Sarwet, 2011); and
- iv. develop information technology that supports multi-level decision-making (Cameron & Quinn, 2011).

The dimensions of organisational culture, that is, time, ownership, and profit orientation, were the independent or causal variables while SC performance (financial performance, customer satisfaction, efficiency in internal business processes, and learning and growth) was the dependent variable or the outcome. Human behaviour, flexibility, delivery, and quality were the intervening variables.



The study focused on the SC metrics of flexibility, delivery, and quality because they are critical in ensuring organisational success and customer satisfaction. Figure 1.1 illustrates the variables in the conceptual framework.



**Figure 1.1: Conceptual framework**

**Source: Author's own compilation Original (2016)**

According to Figure 1.1, the organisational cultural variables (time orientation, ownership orientation and profit orientation) are perceived to have a significant influence on human behaviour. According to Armstrong (2008), humans are the essential resources in any organisation and their attitude influences SC performance in the organisations. Accordingly, human resources in the Zimbabwean SOEs are perceived to have an influence on SC matrices of flexibility, delivery, and quality. In the end, flexibility, delivery, and quality have an influence on the performance of the organisation in terms of financial targets, customer satisfaction, internal business processes, and learning, and growth.

## **1.9 Research methodology**

Both positivist and interpretive thinking guided this study. The researcher sought to understand the influence of organisational cultural variables on SC performance and customer satisfaction while generating new knowledge. This was in line with the positivist philosophy, which states that the search for knowledge is continuous (Saunders, Lewis, and Thornhill, 2012). In line with the interpretive approach, people have subjective views about organisational cultural variables, and their perceptions of customer satisfaction may differ. The researcher therefore used the mixed methods approach, that is, a combination of both qualitative and quantitative designs (Creswell, 2014). Recognising the epistemological chasm between qualitative and quantitative methods, the researcher made no assumptions about the convergence of data. The multi-method approach was adopted because this approach makes it possible to generate a more complete set of data. The population for this study comprised managers, employees, and clients of eight SOEs in Zimbabwe. The population sizes of managers, employees and clients were 1724, 12953 and 16.8 million respectively. The combined population size was 16.81 million. The researcher noted that there was multiple counts when it comes to clients, since one person could be a client in all eight SOEs, meaning that the contribution of that person to the population would be eightfold.

The researcher used a combination of sampling strategies. To select the SOEs, the judgmental sampling method was used. Participants were grouped into three categories comprising of managers, employees, and clients. Managers and employees were selected using random sampling, while clients were selected through convenience sampling. The proportion of the sample size as compared to the population size was 10% for the managers and 5% for the employees. The sample size for clients was about 0.0025% of the population or one in every 40000 individuals. The sample comprised 176 managers, 470 employees and

421 clients, or 1067 elements. The sample sizes were manageable and were deemed adequate to yield the required data because they exceeded the minimum samples sizes for the respective population sizes if the confidence level was at 95%. According to the Research Advisory Council (2006), the minimum sample size for a population of up to 300 million at 95% confidence level and with a 5% margin of error is 384. In addition, Sekeran and Bourgie (2010) affirm that any sample size above 384 is acceptable for very large populations.

Questionnaires and interviews were used as research instruments. There were two sets of questionnaires, one of which was administered to clients in order to capture their perceptions of customer satisfaction. The other was administered to managers and employees and included a section containing items relating to dimensions of organisational culture and a section containing items relating to SC performance metrics. During the primary data collection stage, the researcher observed several ethical considerations such as informing the participants about the study, ensuring confidentiality, and protecting the participants from harm.

### **1.10 Limitations of the study**

There were a number of research limitations. Firstly, some of the respondents were not readily available due to work commitments and the researcher had to make advance appointments. In addition, it was difficult to identify clients in some of the SOEs because the products and services provided by the institutions were not always available in the market. In order to overcome this limitation, the researcher increased the sample elements for the other SOEs, whose clients were easy to contact.

Moreover, the study had a limitation of coverage. The research focused on selected eight SOEs, out of about 78 state institutions in Zimbabwe (Nyoni, 2012) and the findings might not be generally applicable to all the SOEs. Despite this

limitation, the findings of the study are significant because the selection of the eight SOEs was based on their importance in the Zimbabwean economy and the most critical entities were identified. There is justification for the selection of the SOEs in Table 5.1. Again, the study focused only on three dimensions of organisational culture (time, ownership, and profit orientation) and three dimensions of SCM (flexibility, delivery, and quality). Accordingly, other dimensions of organisational culture and SCM were left out. It is essential to note that, throughout the thesis, and even in the title of the thesis, there was justification that the research focused on selected issues, and justification for their selection was provided.

## **1.11 Definition of key terms**

The following key terms were extensively used in this study. Their meanings are as defined hereunder.

### **1.11.1 Customer**

These are individuals or companies who receive products or services from the SOEs. In this study, the terms customer, consumer, and client are in use interchangeably and mean the same thing. The customers for the SOEs are the general public and companies in Zimbabwe who rely on the services provided by the eight entities in this study.

### **1.11.2 Organisational culture**

According to Schein (2009), organisational culture pertains to the norms, ways of doing things or values in an institution. Zhang (2009) views organisational culture as the collective behaviour of humans who form part of an organisation.

### **1.11.3 State-owned enterprises**

SOEs are organisations that are 100% owned by government. SOEs are strategic entities, some of which are meant to deliver public goods (Nyoni, 2012).

#### **1.11.4 Supply chain management**

According to Wieland and Wallenburg (2011), supply chain management (SCM) is a connected set of activities that are undertaken in the provision of goods and services to end users. SCM also aims to improve the performance of entities in the supply chain.

#### **1.12 Structure of the thesis**

The study comprises 10 chapters organised into five major sections. This chapter was the first section (the problem and its setting). The second section presents the literature review and has three chapters (literature review on organisational culture, literature on SCM, and a literature review on SOEs). The third section focuses on research methodology, which is in a single chapter. In section four, there are the presentations, analysis and discussion of data, which are spread over four chapters organised in line with the research objectives. Section 5, a single chapter, concludes the research and presents the major findings from the study as well as the recommendations. Therefore, there are 10 chapters in this study.

#### **1.13 Chapter summary**

This chapter presented the research problem and its context. The study aimed to analyse the influence of dimensions of organisational culture on the SC performance in SOEs. The chapter also presented the research objectives, the research questions, the significance of the study, the delimitations, theoretical and conceptual frameworks, the definition of key terms, and the structure of the thesis. The next three chapters comprise up the literature review, subdivided into a literature review on organisational culture, literature on supply chain management, and literature on SOEs.

## **CHAPTER TWO**

### **LITERATURE REVIEW ON ORGANISATIONAL CULTURE**

#### **2.1 Introduction**

This chapter focuses on reviewing literature on the concept of organisational culture. Focus is placed on the definition and discussion of organisational culture and cultural dimensions. While there are many dimensions of organisational culture, this study focused on selected dimensions that have a direct influence on SC performance. These are time orientation, flexibility, delivery, profit and ownership orientation (as shown in the conceptual framework in Figure 1.1).

#### **2.2 Cultural theory**

The cultural theory argues that organisational culture comes from the elements of both the internal and the external environment (Shahzad, Luqman & Khan 2012). Moreover, according to Quy (2011), every organisation considers the internal and external environmental issues associated with its cultural processes. The organisational culture is largely influenced by the behaviour of employees, who are the most valued assets in the company (Desller, 2005).

#### **2.3 Definition of and discussion on organisational culture**

Organisational culture is a concept of interest to many scholars. Schein (2009) describes organisational culture as a general pattern of behaviour that organisations adopt. As a concept, he argues that it involves the sharing of basic norms, principles, and beliefs by individuals in an organisation. These norms help individuals to understand how their organisation functions. Zhang (2009) observes that organisational culture is a collective behaviour, as employees in an organisation adopt these particular norms collectively, which manifest in the vision, mission, the systems, dress code, artefacts, language used, corporate

colours, and symbols of the organisation to form the culture of the organisation. Quy (2011) further acknowledges that culture pertains to the norms imparted to new organisational members so that they can adopt the patterns of the organisation. According to Zhang (2009), organisational culture influences the way employees interact amongst themselves or with clients and key stakeholders. Ravasi and Schultz (2006) argue that organisational culture comprises the collective norms, psychologically shared, which guide the behaviour of employees and their decision-making capacity in various situations that may arise. Along similar lines, Shahzad et al., (2012) say the behaviour of individuals in an institution affects the success of such institution.

According to Shahzad and Ayesha (2012), there are various types of organisational culture, including the ways in which the organisational members value time (time orientation), power culture, role culture, achievement, and support culture. The indicators of a healthy organisational culture comprise competitive edge, good employee-customer relationships, improved employee performance, team building, motivated employees, and organisational effectiveness (Sharma, Bhuyan, & Jorgensen, 2009).

It is also essential to note that organisational culture is derived from the social environment (Quy, 2011). Organisational culture and the macro environment operate on a hand and-glove basis with culture originating from the macro environment of the organisation (Udegbe, Afobunor, & Udegbe, 2012). The forces of the macro environment, which are the political, social, technological, and legal variables, have an indirect influence on the organisation (Udegbe et al. 2012). Quy (2011) argues, moreover, that the external environment mostly influences organisational employees. The employee is a major contributor towards the development of organisational culture because, before joining the organisation, he/she would have had multiple encounters with various cultures

from various institutions with which he/she has associated in the past (Olughor, 2014). Employees bring the influences of these encounters with them into the organisation (Taylor, 2014).

Ahmed and Shafiq (2014) point out that the cultural dimensions differ between developed and developing countries. For instance, in Zimbabwe, the general practice to have an eight-hour working day (8:00 to 17:00), including one hour for lunch, a situation that is different from that of countries like China where people are not concerned about the amount of time spent on the job but are guided by the attainment of results (Barlow, Roehrich, & Wright, 2013). Organisational culture influences the performance of SOEs and the extent of customer satisfaction (Islam & Michael, 2009). SOEs are wholly owned by government and do not therefore have a static culture. The culture of these enterprises is very dynamic and fluid, so that whenever there is a change in leadership, the new management brings in new values and norms (Zhang, 2009).

In developing countries, organisations do not seem to be concerned about timely delivery and flexibility while efficiency is emphasised in developed nations (Peterson, 2012). Moreover, in developing countries, the state plays an important role in service provision and most of the large organisations are SOEs (Rondinelli, 2005). According to Omoyefa (2008), there is a difference in the 'ownership' culture of SOEs (that are predominant in developing countries) and of private organisations (predominant in developed countries). The politically motivated rotation in the leadership of SOEs, inconsistent government interventions that tend to be cyclical and conflicting, political interests, and a lack of transparency and accountability has contributed to the downfall of most SOEs in Africa (Andres, Guasch & Azumendi, 2011; Barlow et al., 2013; Gomes & Romao, 2012; Omoyefa, 2008).



## 2.4 Organisational cultural dimensions

There are a number of dimensions of organisational culture and they depend on the perspective on which one is focusing. Nelson and Quick (2012) identifies four critical dimensions of organisational culture namely power, role, achievement, and support. These are very common in most organisations as they reflect human behaviour based on individual values and they are depicted in different ways in organisations. Therefore, the dimensions have their own advantages and disadvantages depending on the particular situation within the organisation (Barlow et al., 2013).

**Power culture** is defined as the process of influencing the behaviour of others to act in a certain manner desired by a single individual (Barney & Hesterly, 2006). The individual will be in total control of the organisational resources and will have the strength to manipulate other employees to adopt or follow his/her approaches. This dimension is most prevalent in small organisations, which are owned or run by one individual or even in larger organisations but with an individual having control of the resources of the organisation (Barnabe, 2011).

The most notable advantages of this dimension are that the talent, knowledge, and wisdom of the individual leader are vested in the organisation to give direction to the organisation. In cases of serious organisational challenges such as market threats, the organisation can react quickly based on urgent decisions made by the leader (Soleimani, 2012). On the other hand, the disadvantages of this dimension are that organisations are led through fear since power will be used for personal gain and this will result in nepotism, favouritism and demotivation of other employees (Barsky & Brenger, 2009). Employees will become reluctant to be innovative, as they will be waiting to act upon instructions from the leader (Masuku, 2011). Generally, positive changes will be dependent on the leader's ability and intelligence to be flexible in adopting decisions, which

will be favourable for the organisation (Gomes, Romao, & Caldeira, 2013). In larger organisations, this power dimension of organisational culture can lead to inefficiency, as the direct management approach cannot be applicable in every situation (Tanase, 2015).

Another dimension is **role culture**. Mbabazize, Mucunguzi, and Daniel (2014) opine that, unlike the power dimension where the leader can exert his/her authority to influence the behaviour of other employees, the role dimension is different. It explains a situation where the activities within the organisation are explicitly defined according to the job description, rules, policies, and procedures thereby giving direction to the organisation and its employees (Gomes et al., 2013). This means that the setting up of structures and systems is considered more important than a single leader in driving the organisation. The structures represent functional units, which are led by a few leaders who supervise employees in order to achieve results without the involvement of senior management (Mbabazize et al., 2014).

The role dimension proves to be advantageous to organisations in that it allows employees not to waste time but to concentrate on their work through well-defined structures and systems (Bartlett & Ghoshal, 2011). This also reduces chances of conflict, confusion, indecision or abuse of power since every employee is guided by the clearly defined systems and procedures (Meyer, 2010). Nevertheless, the weakness of this set-up is that ordinary employees are excluded from responsibilities implying that they are not trusted (Bartlett & Ghoshal, 2011). Since employees work according to the laid-down rules and procedures, they are conditioned to follow instructions to such a degree that there is no room for innovation to bring new ideas (Becker & Huselid, 2006).

Moreover, there is **achievement culture** (Nambirijan & Kumar, 2010). This dimension explains a situation where employees within the organisation are self-motivated and self-oriented towards achieving common goals. The structure within the organisation is highly centralised and aimed at uniting employees through their efforts and energies to perform towards the achievement of organisational goals (Deal & Kennedy, 2011). Under this dimension, the advantages realised are that employees feel that they are part of the organisation and they perform whole-heartedly in order to attain organisational objectives (Neely & Bourne, 2009). Every employee is empowered to make decisions, and this makes the organisation very flexible and easy to adapt to changes (Norreklit, 2013). On the other hand, this dimension has the following challenges realised. Firstly, because employees are highly empowered and result-oriented, their work groups will tend to focus on how to get the work done at the expense of planning for efficiency and effectiveness (Grobler, Warnich, Carrell, Elbert, & Hatfield, 2011). The work groups can develop self-individualism behavioural attitudes, which can make them to be very arrogant and difficult to work with other groups, and co-ordination can be a serious challenge within the organisation (Norreklit, 2013).

There is also **support culture** (Nelson & Quick, 2011). The supportive dimension involves a simple business structure with fewer hierarchy levels of power and there is oneness as well as togetherness among individuals and management (Hong & Kaur, 2008). The communication is verbal and informal, everyone is treated as an asset to the organisation and free to contribute in decision-making (Norreklit, 2013). The characteristic of oneness is to instil self-motivation and self-encouragement towards operational performances (O'Riordan, 2015). The advantages of this organisational dimension are that, there are internal attachment and trust within the organisation. There is also unity of purpose among employees to produce results, and management provides a good working

environment for the employees to be comfortable (Janicijevic, 2012). The disadvantage of the support dimension is that employees' interactions are based on empathy, which can compromise their performance (Nelson and Quick, 2011). For example, employees tend to avoid facing the reality of challenges when there is a need to do so and might just overlook or ignore the problem in order to avoid conflict among themselves (Gunaraja, Venkatramaraju, & Brindha, 2013). There is often slow reaction in making decisions as it takes time to get contributions from key people who might be away at that moment (Pirayeh, Mahdavi, & Nematpour, 2011).

Moreover, Quy (2011) carried out a research, which revealed that a change of ownership structure in state-owned Enterprises and private firms led to a change of the organisational culture, which affected the performance of state-owned enterprises positively. In addition to that, various organisational cultural dimensions were also explored with a number of characteristics. The dimensions are: innovation and risk taking; the ability and willingness of employees to explore for new ideas and creativeness, attention to detail; the ability to be quality conscious, and outcome orientation; to be in a position to meet expectations as per the designed processes (Andres, et al., 2011). There is also people orientation, the observance of cultural norms and societal values as well as the people's unique attributes, and individual versus team orientation, and the question whether the organisation recognises individual effort or team effort. The other characteristics are aggressiveness, and the ability to be proactive in solving challenges, and stability, and the ability to be flexible and dynamic in order to encounter market changes.

Much research has been done on the various organisational cultural dimensions and how they influence organisational performance (for example, Gunaraja et al., 2013; Nelson and Quick, 2011; Quy, 2011). The present study focused on

selected dimensions of organisational culture, such as time, profit, and ownership and the influence of these on the performance of the selected SOEs in Zimbabwe. Although Quy (2011) states that, there are a number of organisational cultural dimensions, this study focused on time orientation, flexibility, delivery, profit and ownership orientation.

#### **2.4.1 Time orientation**

Time is a crucial dimension of organisational culture and it is closely related to money or profits (Bitsani, 2013). Profits are generally accepted to be a common element in business operations and are viewed as part of the organisational culture in the business world (Adrignola & Levinson, 2010). Individuals have different perspectives and approaches as to how they apportion and use time (Caliskan, 2010). The variations in how people handle time are associated with underlying beliefs and values regarding the timely performance of tasks (Peterson, 2012).

According to Zhang (2009), people who are monochronic are very time-conscious, and their work behaviour and approaches are regulated according to time. The behaviour and approaches of people from the polychronic group are based mainly on their relationships and they are able to perform different activities concurrently and believe in being flexible rather than adopting a rigid structure (Quy, 2011). According to Zhang (2009), because of people's relationships with cultural backgrounds and their links with time, their values affect the way they consider time in relation to what they want to do at any given moment. According to Quy (2011), various societies consider time and values differently.

The people from North America and Europe, for instance, are described as having a monochronic view of time (Zhang, 2009). Unlike their counter parts from the Mediterranean, South America, Africa, and Asia, the North American and

Europeans have a polychronic time orientation (Chin, 2010). Consequently, the monochronic perspective is well exemplified in the phrases 'now is not the time for that' or 'do one thing at a time' (Zhang, 2009). Culture can influence an individual's perception or orientation towards the monochronic or polychronic behaviours. Chin (2010) found out that, in Japan, most students had more monochronic traits than those in America. In most Latin American countries, people with polychronic tendencies conduct their business meetings and could extend the time, if they so wish (Quy, 2011).

Movahedi, Lavassani and Kumar (2009) and Pirayeh et al. (2011) argue that SOEs tend to be short-term oriented and they focus on the immediate results, which is why some of them continuously make losses. According to Biti (2011), some SOEs in Zimbabwe were established specifically to meet social obligations and may not necessarily be profit-driven.

#### **2.4.2 Flexibility and delivery**

Flexibility and delivery relate to responding to customer needs and in order to satisfy customers, an organisation has to be responsive to their needs (Johnson and Scholes, 2010). The organisation should prioritise customer needs and provision of quality services (Chin, 2010). Traditionally, in a market-oriented culture, the customer is the primary focus of any organisation (Awadh & Saad, 2013). There has been a paradigm shift within the market orientation domain, and proponents of market orientation have moved towards a broader perspective and a more flexible culture that includes variables influencing customer demands such as, competitors and the regulatory framework of the state (Thompson, Strickland & Gamble, 2007). Market orientation is one of the faces of organisational culture, and has a major, long-term effect on this culture. Customer needs take centre stage during the strategic planning and routine decision-making processes of a market-oriented firm (Chin, 2010).

Every individual within an organisation needs to recognise customer needs and each department and every line manager should strategise, placing customer needs at the centre of decision-making (Grant, 2008). It is a rule of thumb that all the employees should value the client's needs (Thompson et al., 2007). Adebisi (2006) stipulates that the fundamental part of organisational culture is a market orientation perception. When an organisation has adopted a market-oriented culture, there is a need for effective management (Bloom, 2010). Senior managers direct the planning process, taking calculated risks in order to satisfy their customers, and senior managers are the pathfinders who spearhead the formulation of the organisational vision and carry the responsibility of aligning the organisational vision and strategy with customer needs (Chin, 2010). Grant (2008) argues that a diversified environment warrants a comprehensive style of leadership, and a flexible or accommodating leader who must be able to communicate effectively, share ideas and keep the workforce abreast of critical information.

In order for an organisational culture to be market-oriented, managers have to follow a number of steps with an evaluation of customer needs being undertaken on each stage, as it is a continuous and on-going process (Adebisi, 2006). Chin (2010) presents an outline of four stages that any organisation should follow in order to become market-oriented and by which organisations can disseminate information about their customers.

The first stage is initiation. The first and most essential stage is the problem identification stage. Managers perform a situational analysis in which all the problems that the business is facing are identified. These problems may be changes in government regulations, in client needs, seasonal variations, and the state of the economy. A plan is then drafted of all the possible strategies the organisation could employ to address the identified problems (Afshan, 2013).

The plan should incorporate the values and goals of the organisation and the methods the organisation needs in order to achieve organisational goals.

The second stage is reconstitution, which is also very crucial. Here, management communicates the plan to the entire workforce, in the hope that they will understand and embrace the strategy. Thereafter, the organisation has to conduct a follow-up. During this stage, employees should be empowered and prepared to implement the plan (Flack, 2010). If there happens to be resistance, the manager can even replace the resisting employees with new ones who are prepared to work under the new requirements.

The third stage is institutionalisation. During the third stage, managers and all the employees implement the strategies developed in the first two stages. Every plan is aligned with the organisational vision. Managers then implement the plan effectively by orienting workers, intensive training, creating an employee remuneration system, and adjusting the organisational structure to meet customer needs. Change can be rational, depending on the plan (Gupta, 2013). During this important phase of the process, organisational transformation reaches its climax. Management introduces new ideas, new values, and new principles to the organisation. Results are unpredictable and uncertain for most organisations. The stages in the process often fail to deliver the expected results (Gupta, 2013).

The fourth stage is maintenance, where managers consolidate the changes introduced in the third stage. Through a market orientation process, the organisational culture is altered. Management then institutionalises the new culture within the organisation. The new values have to become part of the people who should avoid slipping back into their old ways (Prajogo & Olhager, 2012). This phase may introduce new recruiting methods to induct new



employees into the new organisational culture. It also involves instilling new values into old employees as well.

One can argue that, in order for an organisation to achieve a sustainable competitive advantage over its rivals, managers have to satisfy the customers. A market orientation approach enhances an organisation's ability to satisfy customer needs (Trahant, 2008).

### **2.4.3 Profit and ownership orientation**

The ownership of the organisation has an influence on the way it is managed. The fact that government owns SOEs makes these entities unconcerned about making profit (Omoyefa, 2008). Therefore, the culture or way of doing things in the SOEs is not oriented towards profit making. The making of losses by the SOEs was one of the reasons for the adoption of the structural adjustment programmes (SAPs) by the developing countries like Zimbabwe, which were intended to improve the efficiency of SOEs. Governments of the Third World, that is, developing countries, need to consider privatising all non-performing SOEs (Omoyefa, 2008). In the 1990s most governments embarked on extensive privatisation during the (SAPs) as a strategy of 'rolling back the big arm' of the government in the economy. The major aims of the SAPs and privatisation were to promote economic growth by reducing the role of the state; reduce the budget deficit, and to prevent corruption within the heavily bloated public sector (Rondinelli, 2005). By 1996, most countries had privatised their SOEs despite the fact that the privatisation initiatives produced mixed results (Zhang, 2009).

The maladministration of the public enterprises in Africa was attributable to many factors. Chief amongst them, were excessive government intervention while ministerial interventions in the operations of state enterprises paralysed autonomy (Rondinelli, 2005). Unlike government institutions, the private sector seeks to make profits and the ergonomics in the private sector is better,

employees have better benefits and are efficient since they are motivated (Jerome, 2008). The culture of the private sector entails prioritisation of the stakeholder needs and therefore provides quality products and ensures that clients enjoy value for their money (Omoyefa, 2008). The state controls the operations of the SOEs and there are many protocols, which results in a lack of innovativeness and excessive bureaucracy, making service delivery poor (Larbi, 2006).

## **2.5 Human behaviour as an important aspect of organisational culture**

According to Desller (2005), the most important asset in any organisation is its human capital. The unique nature of each individual affects the culture of the organisation. In similar vein, Armstrong and Stephens (2005) argue that humans differ in their decision-making capabilities, emotions and character, behaviour, attitude, perceptions and working abilities. Management functions, such as planning, organising, leading, and controlling functions are informed by individual and group dynamics (Desller, 2005).

The success or failure of organisations is dependent on the nature of interaction between humans. According to Armstrong and Stephens (2005), organisational behaviour (OB) explains the relationship between individuals within an organisation, how individuals interact, organisational linkages, and environmental factors surrounding the organisation. Every person who joins the organisation brings the culture, behaviours and experiences acquired from his/her previous organisation with him/her (Hassini, Surti, & Searcy, 2012). Therefore, OB must critically analyse or consider every employee's influence on or contribution to the already existing work environment (Michael, Braunscheide, Nallan, Suresh & Alicia, 2010).

Armstrong (2008) argues that employees do not perform their operational activities in a vacuum, since they interact with others within and outside the organisation. For example, employees interact with their suppliers, co-workers, and need to comply with the laid-down rules and regulations of the organisation. After a certain period, the employee adapts to the new changes and environmental organisational practices, such as experience of the organisation (Desller, 2005). On the other hand, the organisation is conversely influenced by the operations of the employee, both when he/she is or is not at work and as a result, research on OB must come up with ways of ensuring that employees and employers get along (Michael et al., 2010).

A labour specialist who examines employee turnover at an organisation may focus on orientation and induction procedures for new employees within an organisation (Robbins, 2005). Movahedi et al. (2009) agrees that this would make it possible to appreciate how new employees joining the organisation adapt to the dynamics of the new organisation. Mzumara (2012) believes that the organisation is a critical aspect from which OB should be viewed given that the organisation exists before an individual joins it and will continue to exist after the individual had left. The appreciation of issues, such as staff turnover the evaluation of performance, and the reward criteria, how decisions are made, the communication process, and the way organisation is structured can clearly reveal why some employees may choose to remain with the organisation while others leave (Grant, 2008). Hence, the discipline of OB can be a mixture of interesting and challenging aspects bearing on the manager's ability to comprehend, acknowledge, and manage employees by adopting different approaches to achieve organisational success (Nyoni, 2012). OB emphasises the need to develop human competences and influences the attitudes of people (Grant, 2008). OB is also about monitoring the attitudes that are not contributing to the overall realisation of the organisational objectives (Organisation for Economic

Corporation and Development [OECD], 2006). Most of the organisational strategic tools relating to behaviour seek to utilise the skills of individuals and groups to achieve the desired organisational objectives (Masuku, 2011). It is also critical that employees are well motivated to fulfil the desired objectives of the organisation (Platts & Tan, 2012).

Most successful organisations maximise on the skills and capabilities of their employees (Masuku, 2011). According to Bartlett and Ghoshal (2011), a manager's appreciation of employee values and practices will enable the leaders to adopt various methods of encouragement and staff motivation.

It is essential to ensure that employees should have a quality sensitive culture. According to Otley (2012), culture is a set of values and beliefs that guide and provide rules of conduct as to how members of the organisation should carry out their business operations. According to Schein (2010), organisational culture is the way in which work is done in a particular organisation. Quay (2011) also defines organisational culture as the way people conduct their daily activities based on their beliefs and attitudes. The definition comprises how the work should be systemised, analysed and rewarded, the perceptions of the employees and their feelings towards the organisations where they work. Jerome (2008) indicates the following components as forming part of organisational culture:

- i. behaviours of people based on their interactions;
- ii. acceptable norms from working groups;
- iii. common values recognised and employed by the organisation;
- iv. appreciation of situational rules in order to perform; and
- v. the environmental situation.

A summation of the foregoing reveals that organisational culture is essentially about the values and systems that hold institutions together. According to Argon

(2005), organisations survive within a certain culture, which helps to make the organisational vision a reality. Allio (2005) observes that total quality organisations appreciate the important role that customer satisfaction plays in organisational performance. Quy (2011) has described a quality culture as a full representation of organisational goals, objectives, requirements, value perceptions, as well as the practices and norms of the organisation. The provision of employee education and training is critical for effectively driving a certain culture within the organisation, rather than just enforcing it (Grobler et al., 2011). Although the values and beliefs of traditional organisations may differ culturally, some of the organisations were developed based on cultural and belief systems that supported red tape and tighter control measures (Allio, 2005). These organisations concentrated on internal system processes at the expense of customers and there was a slow response and risk decision on the process culture (Grant, 2008).

Quy (2011) advocates that TQM be enhanced by developing employee capability through education and training. He defines training as the acquisition of specific skills or knowledge by individuals or employees. Training programmes are implemented in order to familiarise employees on how to perform particular activities or a specific job (Armstrong, 2008).

Grant (2008) views education as a basic element, which is general and upon which any employee can apply the general knowledge acquired to any different setup environment. Flack (2010) further suggests that education requires well-defined approaches and the development of robust education and training systems. It is also essential for management to collect relevant information about the qualities and abilities of employees or organisational training needs. Organisational performance can be assessed by analysing how effectively the organisation is meeting its set targets, the skills required by the employees to

achieve the desired goals and appreciating the strengths and weaknesses of employees (Allio, 2005). A thorough investigation of these items avails critical information to be used to develop effective training programmes (Armstrong, 2008).

Organisations that implement TQM, commit themselves to the training of employees at various levels (Armstrong, 2008). Without training, it is difficult to improve employee performance (Masuku, 2011). Based on the appreciation and consideration of education and training, the present study aimed to adopt this principle to ensure that Zimbabwean SOEs implement the principle of continuous total management. Naturally, the concept of building quality in people begins with management and then cascades down to the rest of the employees. However, when training on the importance of TQM application and adopting it on a continuous basis are conducted effectively for employees and management of the organisation, employees will be motivated to participate in its implementation.

Armstrong (2008) observes that employees are the most valuable asset for any successful developing organisation. Failure to appreciate their existence and the organisation is detrimental to performance (Grant, 2008). Even if they are so demotivated that they fail to perform and work as a team, the organisation will not be recognised as an existing entity. In addition, Armstrong (2008) advocates for people to be positive, innovative, and productive as this could ensure organisational success. The achievements of all TQM objectives are based on the development and appropriate use of employee skills and talents. In view of the foregoing, it is clear that employees must be allowed to participate in running the affairs of the organisation and they should be trained and be well informed about the activities of the organisation. This makes employees more committed and develops positive interest, which will lead to job fulfilment and job satisfaction (Omoyefa, 2008).

Jerome (2008) defines employee participation as the process by which employees of an organisation participate in a variety of quality management processes. By doing so, the employee obtains new knowledge, appreciates the advantages of the quality aspects, and retains a sense of achievement and responsibility by overcoming quality challenges. Otley (2012) explains further that employee involvement is very critical to successful quality management. Employee collaboration, idea sharing and employee loyalty are ways in which employees participate within the organisation (Quy, 2011). Every collaborative team within the organisation aims to perform better in the input and output processes of any stages carried out (Bukh & Malmi, 2005). Cummings and Worley (2005) stated that a collaborative team may be comprised of individuals emanating from various areas, and each individual will be afforded the opportunity to bring up his or her own ideas, plans, or figures. Operational processes within organisations cannot be achieved without teamwork, since the weaknesses of some players can be compensated by the strength of others. Argon (2005) concurs, noting that cohesiveness among individuals is characterised by interactions between managers and employees and between cross-functional units.

Dangago (2005) elaborates that collaboration among employees involves the identification of the needs of all groups and entities involved in decision-making, identifying business solutions that will be beneficial to everyone participating and sharing the business responsibility and the credit earned. Schmidt and Brauer (2006) states that, in order to encourage employees to participate effectively, they must be committed to their jobs and job commitment can be explained as the individual's loyalty to, identification with and participation within the organisation. Grobler et al. (2011) add, furthermore, that if employees have strong job commitment, they will be driven to spend more of their energy providing high process, product and service quality in order to meet the customer

service requirements. Gomes et al. (2013) note that for employee participation to be effective, employees should be free to communicate to senior managers or supervisors the challenges they are facing as well as those being experienced in other parts of the firm. For example, inherited defects on the operating equipment, poor maintenance of machinery and poor tools for production processes could lead to accidents and compromise the quality of products (Otley, 2012).

Employees should ultimately be encouraged to solve the challenges they encounter. Figge et al. (2012) summarise the advantages of employee participation and involvement in TQM in organisations as motivation, commitment, and association of people within the organisation. In addition, TQM entails the desire to innovate and create new developments in order to achieve organisational goals (Figge et al., 2012). Finally, TQM is about ensuring a sense of accountability amongst employees for their actions and performance, motivation to be a team player and to be involved in continuous improvement within the organisation (Otley, 2012).

Gupta (2013) suggests that the delegation of decision-making is a critical way of empowering employees and responding quickly to customer needs. In the light of the foregoing, the researcher examined the relevance of employee empowerment in the SOEs in Zimbabwe to establish whether it would produce a better outcome. In organisations that are fully quality-oriented, empowerment is recognised as critical to achieve efficiency and flexibility (Quy, 2011). Various management scholars who have defined the quality concept support this. Barlow et al. (2013) defined empowerment as allowing freedom of action as to how work is performed. Owoyemi and Ekwoaba (2014) defined empowerment as a way of creating an atmosphere that allows workers to employ their talents and efforts optimally to achieve the overall organisational objectives.



All definitions of empowerment have in common the notion of allowing employees to have the power and authority to make real prompt decisions where it is necessary when challenges arise during their operations. Bartlett and Ghoshal (2011) reiterate that employee empowerment is especially efficient and valuable to organisations whose management lacks the knowledge that is critical for effective work performance. Taylor (2014) further explains empowerment as the process of allowing workers the liberty to exercise their own decisions in relationship to their work environment and processes. Richardson (2014) agrees that employee empowerment means giving subordinates the authority and freedom to make decisions affecting their work. Another form of employee empowerment is financial in nature given the importance of money in one's life. Having adequate financial resources is a form of power (Bartlett and Ghoshal, 2011). Creamer (2012) argues that empowerment creates an atmosphere for employees to exercise freedom and autonomy to monitor their operations, and to be responsible for their actions. It is not easy to ascertain the level of employee empowerment. Qualitative indicators are the most appropriate units to use to measure its success (Richardson, 2014).

It is essential to note that empowerment is a continuous process, which embodies open management, team spirit, and decentralisation (Otley, 2012). According to Kandula (2006), open management entails employees participating actively in meetings, evaluating and analysing challenges faced and proposing solutions. Senior management encourages employees to use their talents and allows them autonomy to monitor and control their own challenges. There is also a high level of team spirit, positive enthusiasm, and morale amongst employees and management. Providing freedom to make decisions, (decentralised control) is another important aspect of empowerment (Armstrong, 2008). However, Nyoni (2012) argues that departments in the public sector have various constitutional roles. Managers in SOEs are vested with additional legal powers when compared

to the usual supervisory roles performed by their counterparts in the private sector and it may be difficult for them to ensure employee empowerment.

Furthermore, Armstrong (2008) suggests that empowering people is the cornerstone of TQM and it allows democracy in the contribution to decision-making. Employees are empowered by management to come up with ways and means of carrying out their work, since the employees are best able to provide the challenges encountered on daily basis (Grant, 2008). Unfortunately, in most state institutions the reality is that lower-level employees do not have the power to make decisions, which should be made by certain officials in line with relevant government regulations (Omoyefa, 2008). Therefore, decision-making tends to be slow in government institutions, which are highly inflexible. This does not mean that managers in these institutions are not effective, but their success is attributable to the organisational culture (Quy, 2011). Employees, who have most contact with the customers of the organisation, do not have the power to make decisions (Omoyefa, 2008). The present study sought to examine whether quality consciousness and employee empowerment in SOEs have an effect on success. Otley (2012) argues that employees who are not empowered are not willing to take responsibility for the outcomes of their job actions. They prefer to be accountable only for actions exercised under their control and with full authority.

## **2.6 Chapter summary**

This chapter presented a review of literature on the concept of organisational culture. The focus was placed on the definition and discussion of organisational culture and cultural dimensions, and the study itself focused on selected dimensions that have a direct influence on SC performance (time orientation, flexibility, delivery, profit and ownership orientation). A discussion on human behaviour as an important element of organisational culture was also presented. The next chapter comprises a review of literature on SCM.

## CHAPTER III

### LITERATURE ON SUPPLY CHAIN MANAGEMENT

#### 3.1 Introduction

This chapter examines the concept of SCM. The chapter starts by presenting the theories that aim to assess SC performance, namely the balance scorecard (BSC) and the SC operations reference (SCOR). SC performance is about delivering quality goods and services to the customers; hence, there is focus on models for examining customer satisfaction like the customer satisfaction index (CSI) and the service quality (SERVQUAL) model. As depicted in the conceptual framework in Figure 1.1, the chapter focus reviews literature on the matrices of SC, which are flexibility, delivery, quality, and their importance.

#### 3.2 Measuring supply chain performance: balanced score card

This section discusses the BSC. It presents the definition of the BSC, its strengths and weaknesses.

##### 3.2.1 Definition of the balanced score card

Figge, Hahn, Schaltegger, and Wagner (2012) emphasise the importance of measuring the performance of the supply chain. According to Mehrjerdi (2009), the BSC could be used to measure the performance of a supply chain. Kaplan and Norton (1992) developed the BSC as a tool for managing the performance of a company from four perspectives: customer, internal business, financial targets, and learning as well as growth. The BSC emerged as a response to loopholes in historical forms of assessment for knowledge-based organisations (Bose & Thomas, 2007).

As part of efforts to curb the inevitable problems associated with the performance management process, Kaplan and Norton (1992) have developed the balanced

scorecard. According to Tayler (2010), more and more organisations are using the BSC in order to enhance performance. A BSC is a theoretical basis for changing an institution's long-term aims, transforming them into a key set of outcomes and indicators grouped under four aspects, namely: monetary, client, in-house company process, and knowledge and development (Kennerley and Neely, 2013). There are various key indicators used in evaluating a company's progress. Management evaluates the organisation's progress towards achieving its goals.

The other indicators on the BSC are used to determine the efforts and motivators driving the organisation towards success (Akkermans & Von Oorschot, 2012). The BSC card is a very useful performance management tool for managers as it adequately assesses the performance and progress of a company based on the economic environment, client satisfaction, organisational process outcomes, and efforts towards business expansion strategies and plans towards business expansion (Bhagwat & Sharma, 2007). It also involves efforts to boost the morale of employees, to enhance communication within the organisation and improve organisational management of information skills. Additionally, the system seeks to improve employees' ability to gain knowledge and self-development (Bhagwat & Sharma, 2007). The BSC was used in this study because it focuses on the most critical measures and limits the number of measures to be used.

### **3.2.2 Advantages of using the balanced score card**

The BSC is an inclusive performance management tool that looks at both financial and non-financial views influencing the performance of organisations. It is however not only a measuring tool, but also an important performance management tool. According to Otley (2012), the BSC started as an important mechanism for evaluating organisational success to make certain that the overall purpose and strategic plans of the organisation are transformed into specific goals, indicators, and targets. These are then translated through other

perspectives like financial performance, customer satisfaction, efficiency in internal business processes, and learning and growth into an integrated system designed to examine and improve organisational performance (Taylor, 2014).

The BSC requires that financial performance measures be put together, taking into consideration customer requirements, business processes and sustainability (Salem, Hasnan & Osman, 2012). Bhagwat & Sharma (2007) argue that the BSC focuses on the core indicators of an organisations past and future performance. In addition, the BSC not only converts strategic plans into operational terms, but it also helps to align the organisation with its strategy (Anand, Sahay & Saha, 2005).

The BSC further matches traditional financial performance measures with three additional aspects, namely customers, internal business processes, and learning and growth (Bhagwat & Sharma, 2007). Thus, when using the BSC, organisations do not simply rely on financial performance indicators. The BSC is used to monitor and evaluate performance associated with the organisational strategy and the correlation between the performance measures and the strategies of the business units is essential (Otley, 2012). The BSC not only seeks to change the organisational strategy to ensure effectiveness, but also centres its attention on the units of the organisation and the duties of its employees in achieving the organisational mission (Kaplan & Norton, 1992).

The BSC organises four strategic objectives (financial performance, customer satisfaction, efficiency in internal business processes, and learning and growth) in hierarchical order (Figge, et al, 2012). This is the management centred rubric used to measure performance in just a small number of steps, and it divides the diverse functional areas (Akkermans & Von Oorschot, 2012). In this way, the BSC provides 'balance' in all aspects of the business, highlighting the

significance of internal procedures in achieving business targets and the outside perceptions of consumers and the prevailing market environment (Othman, 2008).

A well-designed BSC ought to portray the visions and plans of the organisation through the specific objectives and measures that underpin the organisation (Pandey, 2013). It enables employees in any institution to comprehend the broad purpose of the organisation. The BSC also helps in informing the organisational members how to work to achieve the purpose of the institution, and allows for continuous evaluation and feedback to everyone in the organisation (Pandey, 2013).

Like an 'engine', the BSC ensures that the performance of employees is linked to the organisational strategy by shedding light on effective strategies and encouraging communication (Tayler, 2010). The BSC may be applied in all organisations, irrespective of their size, to monitor and assess business policy, examine operations and provide feedback to all employees within the organisation (Figge et al., 2012).

The two-way mode of communication used by the BSC enables executives to appreciate how the measurement of results could be affected by their own behaviour (Atkinson, 2007). When using the BSC, the mission, vision, and organisational strategy should be clearly spelt out to facilitate better communication and implementation (Tayler, 2010).

Nevertheless, in most cases, there is a gap in implementation. Therefore, translating the BSC into tangible action is inherently problematic (Richardson, 2014). Both managers and employees have individual and collective limitations that make it impossible for all performance blueprints to be attained.

The BSC seeks to ensure attainment of the main role of management by ensuring that the goals of the organisation are successfully attained (Atkinson, 2007). It also allows for the assessment of organisational plans, taking into account a number of major indicators (financial performance, customer satisfaction, efficiency of internal business processes, and learning and growth). Everyone inside the organisation must be aware of the different features of the organisational strategy to ensure organisational success (Richardson, 2014).

The BSC symbolises the evolution, over time, of management discourse, which began to crystallise during the post-industrial age. According to Otley (2012), the BSC emerged as a means of balancing the archaic approach of evaluating the financial progress of organisations. Accordingly, while ensuring that organisational strategic plans are transformed into goals, strategic indicators, targets, and initiatives and that there is consideration of the non-financial aspects, to attain long-term success (Boudrias, Gaudreau, Savoie & Morin, 2009).

### **3.2.3 Criticisms of the Balanced Score Card**

According to Otley (2009), albeit widely accepted, the BSC has certain shortcomings, especially in ever-changing contexts. The BSC is not a one-size fits-all approach and therefore needs to be used together with other approaches to maximise their combined potential and minimise their weaknesses (Richardson, 2014). The BSC should be used with other less vertically integrated tools that allow for a participatory approach in drawing up strategic objectives, so that there is commitment and a sense of ownership of the strategies in the whole organisation (Atkinson, 2007). Today's competitive world, which is characterised by innovation and new knowledge, challenges the prevailing business environment (Otley, 2012).

Any frameworks that do not pay heed to these dynamic changes within the business environment may negatively affect the future of an institution, and the

BSC has to take that into consideration (Barnabe, 2011). The following are the key limitations of the BSC:

- i. important stakeholders such as suppliers and public authorities are not taken into account in the BSC (Atkinson, 2007; Norreklit, 2013);
- ii. the BSC is not realistic, as it recommends a linear chain, where better-trained employees lead to better business processes, resulting in greater customer satisfaction and content stakeholders (Otley, 2012);
- iii. the weakness in the process of cause-and-effect association is important, because a wrong hypothesis supplies the control mechanism with invalid data, which distorts the expected outcome of the performance indicators, causing unfavourable OB and poor performance (De Haas & Kleingeld, 2009);
- iv. the BSC results in wrong assumptions being made about underlying relationships among performance indicators, which in turn may lead to underperforming organisational units with effects on overall organisational performance (Norreklit, 2013);
- v. the BSC does not have the means to preserve the significance of the originally defined measures (Platts & Tan, 2012);
- vi. the BSC ignores the HR dimension of organisations (Maltz, Shenhar & Reilly, 2013), which is a major limitation;
- vii. the BSC has a major defect in its make-up as managers may pay attention to the laid-down indicators and instruments and they might fail to answer essential questions, such as 'how do we manage our competitors?' (Kennerley & Neely, 2013);
- viii. the BSC fails to keep up with intense competition and technological developments, ignoring the ever-changing, risk-filled, dynamic environment that could affect the broad organisational strategy negatively. This could consequently affect the control model and result in severe



dysfunctional behaviour and poor implementation of the broad strategy (Norreklit, 2013);

- ix. if organisations come up with indicators before clarifying the meaning of the strategy, such indicators fail to align with the strategic objectives of the organisation (Richardson, 2014);
- x. if establishing important relationships between measures and casual chains was very conspicuous, the logic for strategy would be less important (Bukh & Malmi, 2005);
- xi. owing to the limitations in implementing the strategy, it is inherently complex to strike a balance between financial and non-financial measures (Pandey, 2013);
- xii. the challenge in analysing the BSC causes disagreements as to what the model encompasses as the BSC has yielded diverse meanings on different occasions in the past and this may lead to confusion (Othman, 2008);
- xiii. Davies (2007) states the problem of setting 'narrow goals', not knowing that in order to attain these goals, it is essential to gather sufficient levels of organisational skills and experience; and
- xiv. in most cases, institutions are not actually aware of what the BSC is and how to implement it (Othman, 2008).

Furthermore, the BSC fails to take into account the time aspect of its implementation as a tool for measuring the effectiveness of management (Otley, 2012). Nevertheless, since the BSC is a strategic instrument for organisational management, the time aspect is clearly a crucial element, given that the broad organisational plans consider implementation time (Bhagwat & Sharma, 2007). Davies (2007) states that organisations usually factor the time element into their planned maps and scorecards in straightforward ways.

### **3.3 The supply chain operating reference (SCOR)**

According to Butler (2011), the SC operating reference (SCOR) was established by the Supply Chain Council (SCC) in 2010 as a management tool for strategic SC decision-making with the contribution of 69 of the world's leading manufacturing firms. This was aimed at managing the critical aspects of the supply chain by monitoring the processes, activities and the performance to improve the effectiveness of the supply chain, which comprises suppliers as well as the customers (Zhou, Benton, Schilling & Milligan, 2013).

Zhou et al. (2013) state that the SCC categorised the SCOR model into three main segments, which are the process modelling, performance measurements and SC best practices, in order to improve the supply chain. According to Creamer (2012), process modelling encompasses five management processes. The first process is planning, which is concerned with the predetermining the SC practices in terms of the resources needed to meet the desired requirements through the laid-down rules and regulations aimed at improving and ensuring the SC efficiency (Bartlett & Ghoshal, 2011). The planning process also involves collaboration with other functional areas such as finance and observing the set regulatory standards.

The second process is sourcing. This activity is concerned with strategic issues, which involve supplier market research, supplier identification and networking, supplier agreements as well as monitoring the supplier performance (Barnabe, 2011). It also embraces the whole procurement cycle from the acquisition of materials to receiving and effecting supplier payments.

The third process is making, which involves the transformation of raw materials or conversion of a certain product into another form by adding value to its features through manufacturing, quality testing, and packaging (Owoyemi &

Ekwoaba, 2014). The third process is delivering, which involves the management of finished products in terms of proper storage and handling. It also links up with the management of customer demands by executing the physical distribution of the manufactured product from the factory warehouse to their respective places or destinations (Barlow et al., 2013).

The fourth and last process is returning, which involves the return of containers, packaging, promotional leftover materials, or any defective products to the factory plant. Returning is SCM good practice, which encourages effectiveness of the supply chain (Wieland & Wallenburg, 2011).

In addition to process modelling, performance measurements are the key performance indicators defined or identified to measure the success of the SC activity (Vijayasathy, 2010). The revised SCOR model of 2010 of the SCC identifies five critical performance attributes or measurements as follows:

- i. **Reliability:** This is a customer-oriented measurement in which business entity focuses on the ability of the organisational processes to meet the expected targets of a performed activity in terms of quality, time, and quantity (Figge et al., 2012);
- ii. **Agility:** This is also a customer-oriented attribute, which refers to the ability of the organisation to meet the unexpected business dynamics. Because of environmental challenges, such as natural disasters, changes in demand, shutting down of critical suppliers, wars, or changes in regulations by governments there is a need to adapt to changes (Flynn, Huo & Zhao, 2010);
- iii. **Cost:** The cost attribute is an internally focused measurement, which explains the cost of carrying out an operational function (Flynn et al., 2010). This involves direct issues such as labour costs, material costs and transportation costs; and

- iv. **Assets:** This attribute focuses on the management efficiency of assets within the organisation (internally focused attribute). It elaborates the ability of the business to employ the assets efficiently which involves inventory reduction and in-sourcing against out-sourcing decisions that will result in the achievement of one of the SCOR key performance indicators such as return on fixed assets (Hassini et al., 2012).

The last element of the SCOR model is the SC best practices. According to Richey, Roath, Whipple, and Fawcett (2010), the SCOR model established some four basic standards, which should be the basis for the SC best practices:

- i. **Current:** This explains that adopted practice must be the latest in order to meet the required needs of the business environment (Chandrasekaran, 2010);
- ii. **Structured:** This refers to the goals and procedures of the organisational SC systems, namely that they should be properly defined and clear so that they are easy to execute (Richey et al., 2010);
- iii. **Proven:** The SC practices must be tools that have been proved and tested for success in the real business environment (Otley, 2012); and
- iv. **Repeatable:** The SCOR model emphasises that the SC practices must be flexible to be adopted in different environments or to be used again in another situation (Caemmer & Wilson, 2011).

Consequently, the adoption of the SCOR model has resulted in some benefits for organisations (Otley, 2012). These benefits are the full employment of the capital investment, and the creation of a clear SC road map, providing seamless linkages of the business activities. Another benefit is the provision of valuable information on all areas of the supply chain, which will be used as source of benchmarking itself against other competitors so that precise decisions are taken for further improvement in the organisation.

However adopting these SCOR model techniques will eventually lead organisations to attain a positive return on capital invested in the organisation. On the other hand, the adoption of the SCOR model requires individuals carrying out the process to be well trained and articulate in terms of what they will be doing, because if the SCOR model is not followed properly there will be a risk of providing wrong information to the organisation (Caemmer & Wilson, 2011). The model is quite complex and therefore very time- consuming. Its practices tend to be biased from the United States (US) environments, such that its applicability in other countries might vary on a wide basis by producing different results (Otley, 2012).

The SCC continually up-dates the SCOR model version in order to ensure that it remains an effective strategic management tool, which can be employed in order to achieve corporate objectives through SC (Owoyemi & Ekwoaba, 2014). The SCC maintains the SCOR model is to be guided by three approaches: the process modelling; performance measurements, and SC best practices. This was aimed at ensuring that the processes of implementing the SC strategy were realistic to produce the needed results and in order to control the process activities, it was paramount to bring in some measurements criteria in order to ensure that targets were met. Lastly, the SCC emphasised that the SC processes and measurements should be supported by best SC practices so that the organisation and its customers (Peterson, 2012) obtain value. This study focused on the performance of the supply chain in selected SOEs in Zimbabwe, based on organisational cultural dimensions such as profit orientation, time orientation and no ownership orientation.

### **3.4 Measuring customer satisfaction: Customer satisfaction index and SERVQUAL model**

It is essential to measure the extent of customer satisfaction in any organisation (Chin, 2010). This study used the CSI and SERVQUAL model as foundations for examining customer satisfaction in the Zimbabwean SOEs under study.

#### **3.4.1 Customer satisfaction**

The ability of an organisation to meet the needs of the customers affects customer satisfaction (Denzin, 2008), which helps to keep and draw more clients (Grant, 2008). As Chin (2010) observes, there are several ways of pleasing customers. These include employee empowerment, provision of adequate resources, and the training and development of employees, which promote good employee-customer relations within the organisation. Empowerment of employee should enhance professionalism and enable employees to do their best when serving customers, resulting in customer satisfaction and organisational effectiveness, (Grant, 2008). Customers are vital stakeholders in an organisation, and their satisfaction is one of the ways of ensuring organisational sustainability (Denzin, 2008).

According to Chin (2010), effective human resource management (HRM) is closely linked with customer satisfaction. HRM activities, such as training, guide employees as to how to treat and interact with the clients in a specialised and diligent manner, to ensure that services offered are in the best interests of the customers. Having qualified and committed employees in an organisation is a key instrument towards organisational effectiveness (Grant, 2008).

Additionally, although the need to capacitate employees is very much in agreement with the views of Chin (2010), the empowerment of the shop-floor workers, training, and provision of adequate resources are not in themselves sufficient conditions for ensuring customer satisfaction. According to Armstrong

(2008), every organisation needs to have a hands-on customer service system in place. The customer relationship management (CRM) always has to be positive and proactive. Managers should conduct market surveys regularly. Furthermore, the contents of the suggestion box have to be addressed and follow-ups made on the measures taken to address customer needs (Denzin, 2008). Client satisfaction strategies have to be used on all customers from the different units of the organisation, and both the internal and external clients deserve to be satisfied at all times (Lamikanra, 2013). According to Chin (2010), internal customers are a group of people or individual persons who are part of the organisation.

Otley (2012) acknowledges that any company or institution has to satisfy or meet the needs of its internal customers first. In other words, it has to start by creating work environment acceptable for its internal customers (employees) before it can satisfy its external ones. The role of management is to create positive internal conditions that motivate employees before they contribute towards the delivery of quality services to external customers (Chin, 2010). One can argue that 'charity begins at home' and there is a need to satisfy employees first before the organisation can meet the needs of 'external clients'.

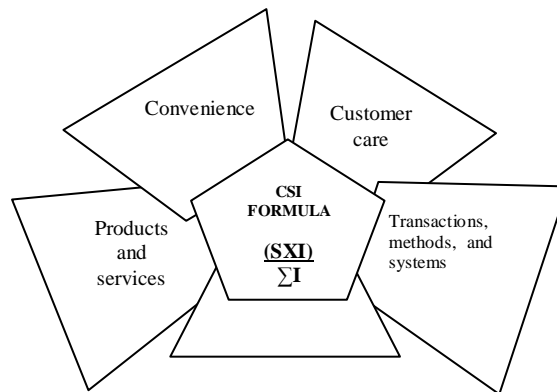
It is also essential to note that organisations need to be aware of the needs of clients first before providing the services or products. Accordingly, since customer behaviour determines the survival of organisations, companies have to conduct market surveys thoroughly (Lamikanra, 2013). Organisations must be able to understand proactively and anticipate the future and current needs and tastes of their customers, and use this knowledge to develop company strategies. More so, Dey, LaGuardia, and Srinivasan (2011) perceive service quality as an antecedent of customer satisfaction. In addition, Drumm (2012) argues that service quality is synonymous with fulfilment or satisfaction, although these words are not the same.

### 3.4.2 Customer satisfaction index (CSI)

This sub-section provides details on the CSI. Focus is on defining the CSI model, the strengths, and limitations.

#### 3.4.2.1 Defining the CSI

One of the methods that have been used by managers for a long time to measure the level of client satisfaction within an organisation is the CSI. The CSI assesses many indicators that relate to customer service, namely those relating to the effectiveness of a service, client care, transactions, methods, systems, pricing mechanisms, and the goods and services provided (Lamikanra, 2013). The client service factors, in the CSI, are indicated in Figure 3.1.



**Figure 3.1: Customer service factors**  
**Source: Lamikanra (2013)**

According to Figure 3.1, customer satisfaction is the result of a combination of several factors as detailed below:

- i. **Convenience:** According to Lamikanra (2013), a product or service should be found at a convenient location. In other words, the customers should not have to spend a lot of time or incur excessive transportation costs in order to access the products or services;



- ii. **Customer care:** An old adage says, 'the customer is a king.' Therefore, it is essential that clients be treated well in the organisation. Without customer care, companies stand to lose their market share (Chin, 2010);
- iii. **Transactions, methods, and systems:** Caemmer and Wilson (2011) argue that the payment method that is used in order for a customer to gain possession of a product should be user-friendly. Therefore, companies should ensure that their methods of transacting are easy for the customers;
- iv. **Pricing:** Price is the amount of money that a customer has to pay in order to access a service or to gain possession of the product (Dey et al., 2011). It is essential that the price of a product is fair; and
- v. **Products and services:** The products and services should be able to meet or exceed the expectations of the customers (Lamikanra, 2013). Therefore, there is a need to ensure that the products and services are of high quality.

It is essential to ensure that products and services are of acceptable quality, that products and services can be found at convenient locations, which the pricing is fair, there is customer care, and the methods of transacting are favourable. Management should therefore be aware that satisfying the needs of clients is a complex process.

#### **3.4.2.2 The importance of the CSI**

One of the advantages of the CSI is that it provides an inclusive approach for assessing client satisfaction (Aboubakr, 2013). The crux of the process is when the expectations, goals, and objectives that were set are compared with the outcome or the actual performance. The first stage in the CSI is when customers form an expectation before the actual purchase of a product. The next stage comes when the customer uses a service and provides his/her view about the

quality of the service or product. The satisfaction experienced is subject to the expectations of the client (Lamikanra, 2013).

Lamikanra (2013) is of the view that the CSI addresses many of the weaknesses associated with standard customer satisfaction measurement, highlighting the following advantages of the CSI, namely that the CSI:

- i. measures customer satisfaction from a variety of perspectives (company image, product and service quality, services);
- ii. identifies the areas that significantly affect customer satisfaction;
- iii. shows the strengths and weaknesses of communication;
- iv. finds easily accessible opportunities enhancing overall customer satisfaction;
- v. enables one to make comparisons between competitive products or companies;
- vi. allows for a comparison between specific groups of customers; and
- vii. recommends suitable tools for enhancing satisfaction.

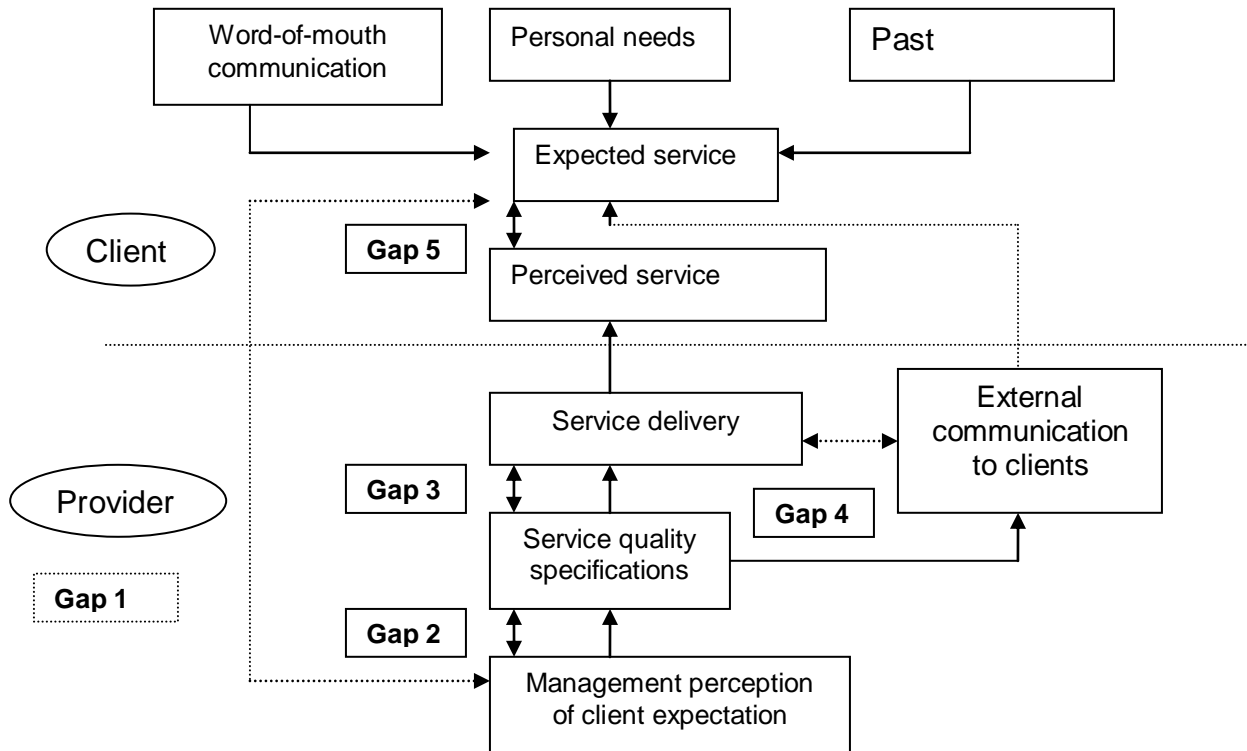
### **3.4.3 SERVQUAL or gap model**

The gap model is a tool that examines the variance between the customer expectations and the actual service quality (Patrick, 2010). The model was applicable in this study because there is usually a gap or a variance between the actual services/products provided by the SOEs and the expectations of the clients. This section provides the definition of the model, the advantages, and the limitations.

#### **3.4.3.1 Defining SERVQUAL Model**

In the quest to ensure customer satisfaction, Parasuraman, et al. (1985) developed the SERVQUAL model as a tool to determine the customer's perception of services and to measure customer satisfaction. Parasuraman et al. (1985) argue that the term 'quality' has no concrete definition and characteristics.

However, the relevance of the term 'quality' is widely accepted by many authorities (Baily et al., 2008; Donnelly, Kerr, Rimmer & Shiu, 2006; Patrick, 2010). Figure 3.2 depicts the gap model.



**Figure 3.2: The gap model**  
**Source: Parasuraman et al. (1985)**

Figure 3.2 shows that there are five possible gaps that may compromise customer satisfaction. The following paragraphs present a discussion of the five gaps as explained by Parasuraman et al. (1985):

**GAP 1: Consumer expectation – management perception gap:** According to Figure 3.2, the first gap occurs when managers fail to deliver quality services as expected by clients. Another reason for the gap is the inability by the company to

plan ways to address the performance deficit adequately or strategically (Baily et al., 2008).

**GAP 2: Management perception – service quality specification gap:** In this stage, many issues that occur relate to the difference between management assumptions about the customer's expectations and the actual conditions stated for the service. The company will strategise, in accordance with the available resources. The strategies will be largely focused on excellence in service provision other than customer expectations (Burman & Evans, 2008).

**GAP 3: Service delivery specifications – service delivery gap:** The actual services that the client receives might differ due to the human factor variable. When humans are handling the services, there are many issues that influence the quality of service (Othman, 2009).

**GAP 4: Service delivery – external communications:** Most companies use long-established marketing methods, which include the, media when marketing the brand of the organisation. The problem comes when employees fail to meet the picture marketed by the company in the media (Othman, 2009).

**GAP 5: Expected service – perceived service group:** This phase is a combination of the four preceding gaps. When an organisation wants to provide quality services, customer expectations and needs should be met or customer expectations should even be exceeded (Othman, 2009). Within the gap model, there are various aspects of quality service (Burke, 2008), such as the touchable items, consistency, receptiveness, assurance and good manners:

- i. **touchable items refer** to the exterior physical setting of an organisation, the tools, and the clothing of the employees, infrastructural hygiene, temperature, and an atmosphere of service delivery;

- ii. **consistency refers** to the ability to deliver as promised, effectively and efficiently;
- iii. **service quality** is evaluated based on the ability of the organisation to fulfil its mandate and client charters;
- iv. **receptiveness refers** to eagerness to assist and the ability to make clients feel welcome (Burke, 2008);
- v. **assurance**, meanwhile, is about instilling trust and self-confidence within clients;
- vi. **good manners refer** to the friendliness and courtesy of the staff towards clients; and
- vii. all these aspects of quality service influence how clients feel about the services offered by the organisation (Bose & Thomas, 2007).

#### **3.4.3.2 The merits of the SERVQUAL model**

According to Bose & Thomas (2007), researchers and academic institutions recommend the SERVQUAL model for its apparent ability to promote service quality within organisations. The model advocates a ready-for-use service quality standard, which is established through a standard questionnaire guide utilised by various institutions (Parasuraman et al., 1985). To test the validity of the instrument, the questionnaire has been used by many organisations (Bose & Thomas, 2007). The instrument can be generalised and is relevant in retail organisations, communication service providers, stockbrokers, financial institutions, and manufacturing firms (Burke, 2008). In this study, there was use of the model to examine if gaps exist between the services provided by the SOEs (some of whom are in retail, manufacturing, and service provision). The SERVQUAL model, also referred to as the gap-model, identifies gaps that are attributable to differences between customer expectations and the services actually provided by an organisation (Bose & Thomas, 2007). These gaps help managers to identify the areas that need attention.

The SERVQUAL model or the gap model advocates that clients appraise the quality of a service based on five variables, namely consistency, receptiveness, assurance, good manners, and touchable items. The model contains a questionnaire with up to 22 questions, which are used to assess the views of clients about service delivery. Comprehended service quality comprises client expectations of quality service to their views on the actual services provided (Bose & Thomas, 2007). The essence of providing quality service is being able to satisfy the needs of customers. First-rate quality service is realised when the organisation exceeds the customer's needs. Chemangich (2013) argues that the desires in terms of customers about a service serve as standards used to measure the performance of the organisation.

Parasuraman et al. (1985) acknowledge, furthermore, that client expectations are the services that the client expects to receive at the point of delivery, not what the organisation is offering. Wong, Boonitt, & Wong (2011) propose four variables that determine or influence client expectations, namely word-of-mouth communication, personal needs, experience and external communication. When the services that delivered do not tally with the expectations of the customer, then there is a service gap. Gaps can be addressed by identifying them and then, formulating, and implementing strategies to change the perceptions of clients (Parasuraman et al. 1985). Schoenherr & Swink (2012) further acknowledge that the SERVQUAL model is a one-size fits- all model. It is applicable in different set-ups and is user- friendly, since users of this model can customise it to suit their needs.

The SERVQUAL model can assess the level of service quality within an organisation, and can be used by managers to determine the gap within an organisation. To calculate the gap score, perception statements are compared with expectation statements (Parasuraman et al., 1985). If the gap score is

positive, then the quality of service provided by the organisation is above expectation. If it is negative, managers will have to strategise and address the shortfalls (Schoenherr & Swink, 2012).

#### **3.4.3.3 The disadvantages of the SERVQUAL model**

The SERVQUAL model is not without its critics. Several scholars have noted the loopholes in it. The major criticism levelled at the SERVQUAL model is its five-factor component as proposed by Parasuraman et al. (1985). Many scholars argue that most of the stages are unnecessary (Mbabazize et al., 2014; Richard, 2011). Olughor (2014) recommends an alternative performance-based instrument he terms SERVPERF, which contains the unweighted perceptions indicators of the SERVQUAL model. Based on his extensive research, O’Riordan (2015) concludes that unweighted SERVPERF is a better instrument for measuring performance, and that it produces more accurate results than SERVQUAL.

Notwithstanding the criticism against it, the SERVQUAL model is used to determine the nature of services rendered by different institutions such as hospitals (Bakar, Akgun & Assaf, 2008), universities (Maltz et al., 2013), police services (Donnelly, et al., 2006), banks (Lamikanra, 2013), travel agencies (Kandula, 2006) and public entities (Omoyefa, 2008). Its widespread use indicates that it is one of the tools for measuring quality of service in many organisations. Despite the fact that some researchers were not able to elaborate on its composition, Parasuraman et al. (1985) have established the utility of various dimensions.

Parasuraman et al. (1985) argue that the SERVQUAL scale works in different types of businesses, irrespective of the names given to some of its items. Nevertheless, Parasuraman et al. (1985) note that the integrity of the scale could

be lost in an attempt to modify it. In addition, it is clear that on its own, the SERVQUAL model, although essential to business, might not be able to reveal the status quo of the organisation. As Argon (2005:31) has points out:

*“because of the complex nature of service quality, it is of great importance to discover even the smallest needs of clients. Equally essential is the need to come up with sound marketing plans and ensuring accountability in the utilisation of resources in an organisation”.*

Organisations providing services should be accountable to their consumers and the community at large in everything that they do (Lamikanra, 2013). There are other missions of service providing institutions besides service quality such as ensuring that services are delivered without any discrimination in the most required manner, taking into account limitations such as resources and politics (Lamikanra, 2013).

### **3.5 The concept of supply chain management**

This section discusses the concept of supply chain management. Focus is on the definition and classification of supply chain activities, dimensions of supply chain management, and supply chain metrics.

#### **3.5.1 Defining supply chain management**

Supply chain management (SCM) is a process comprising all the activities involved in the transformation of raw materials to a finished product or service to be used by an end user (Johnson & Scholes, 2010). Along similar lines, Lambert (2008) describes SCM as “the systematic and strategic coordination of the business functions in order to ensure delivery of quality goods and services to customers”. Chandrasekaran (2010) is also in agreement with Johnson and Scholes (2010) and Lambert (2008) that SCM involves business functions of procurement, logistics (outbound and inbound transportation), inventory management, and information management. Bose and Thomas (2007) point out

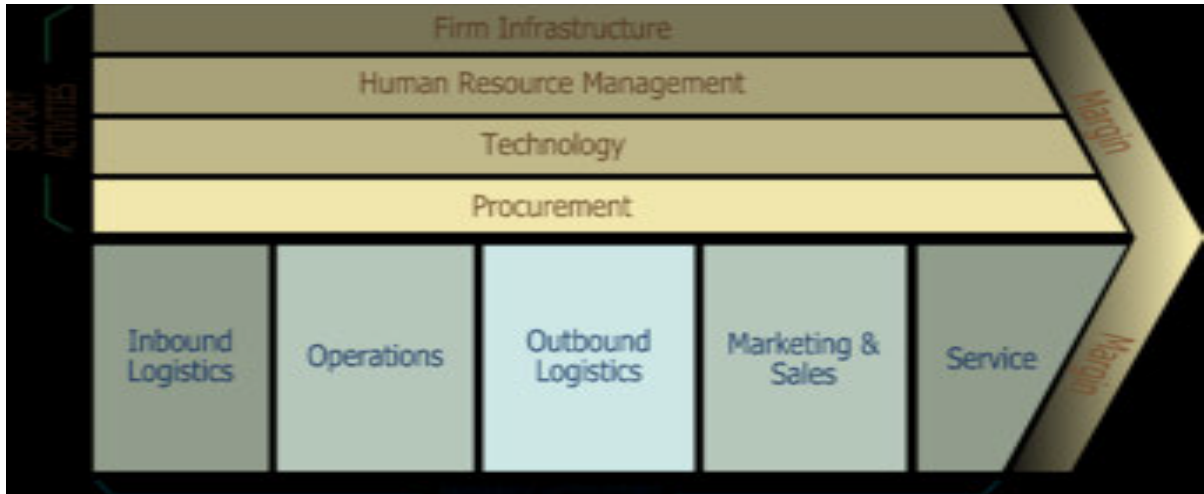


that SCM is the integration of key business processes across the supply chain in order to create value for customers and stakeholders.

### **3.5.2 Classification of supply chain activities**

According to Anand et al. (2005), activities in the supply chain can be classified as strategic, tactical, and operational. At the **strategic** level, there is focus on the development of strategic plans, which involves the site and design of the warehouse, drop off-points and other related facilities. This level also involves the in-sourcing or outsourcing decisions linking the supply strategic plans with the overall strategic plan of the organisation (Bhagwat & Sharma, 2007).

At the **tactical** level, the focus is on sourcing agreements and purchasing decisions, production process decisions, stores and inventory considerations, transportation strategy, and responding to customer demands (Mehrjerdi, 2009). Finally, at the **operational** level is about the day-to-day activities such as estimating demand and forecasting, source planning and inbound logistics, which involve transportation from suppliers and receiving inventory, production processes and scheduling and the distribution of the final products to the end user (Bhagwat & Sharma, 2007). Figure 3.3 shows the basic elements of a typical supply chain.



**Figure 3.3: Typical activities in a supply chain**  
**Source: Nambirijan and Kumar (2010)**

According to Nambirijan and Kumar (2010), the fundamental objective of the value chain in SC is to ‘*add value.*’ SCM becomes a tool to help accomplish corporate strategic objectives. In a similar view, Chandrasekaran (2010) argue that the organisations in any SC must make decisions individually and collectively regarding their actions in five areas. These key areas are:

- i. *Production/operations*: There is a need to answer a number of questions, for instance, what products does the market want? How much of which products should be produced and by when? This activity includes the creation of master production schedules that take into account plant capacities, workload balancing, quality control, and equipment maintenance (Michael et al., 2010);
- ii. *Inventory*: *The questions to ask include*; what inventory should be stocked at each stage in a supply chain? How much inventory should be held as raw materials, semi-finished, or finished goods? The primary purpose of inventory is to act as a buffer against uncertainty in the supply chain. However, holding inventory can be expensive, so what are the optimal inventory levels and reorder points? (Chandrasekaran, 2010);

- iii. *Location: The questions to ask include;* where should facilities for production and inventory storage be located? Where are the most cost efficient locations for production and for storage of inventory? Should existing facilities be used or new ones built? Once these decisions are made, they determine the possible paths available for product to flow through for delivery to the final consumer (Chapman, 2010);
- iv. *Transportation: There is a need to ask the following questions;* how should inventory be moved from one supply chain location to another? Air freight and truck delivery are generally fast and reliable but they are expensive. Shipping by sea or rail is much less expensive but usually involves longer transit times and more uncertainty. This uncertainty must be compensated for by stocking higher levels of inventory. When is it better to use which mode of transportation? (Michael et al., 2010); and
- v. *Information: The questions to ask include;* how much data should be collected and how much information should be shared? (Kuratko, Hornsby, & Bishop, 2005). Timely and accurate information holds the promise of better coordination and better decision making (Chapman, 2010). Where efficiency is more the focus, less information about fewer activities can be collected (Kuratko et al., 2005). It is can also be said that companies involved in the supply chain may also elect to share less information among them so as not to risk having that information used against them (Michael et al., 2010). However, these information efficiencies are only efficiencies in the short term and they become less efficient over time because the cost of information continues to drop and the cost of the other four drivers usually continues to rise. Over the longer term, those companies and supply chains that learn how to maximise the use of information to get optimal performance from the other drivers will gain the most market share and be the most profitable (Nambirijan and Kumar, 2010).

### 3.5.3 Dimensions of supply chain management

Boudrias, Gaudreau, Savoie, and Morin (2009) reflects on the research, which found out that organisations rarely achieve organisational success through SCM techniques if there is a gap in the SCM measures and organisational performance. For instance, cost, time, customer responsiveness, and flexibility have been identified as the basis of measuring performance of the supply chain towards the overall performance of the organisation (Wong et al., 2011).

SCM performance was defined as series of standards of performance identified by the business entity to determine the possibility of the supply chain to meet organisational long-term and short-term objectives (Wong et al., 2011). In order to enhance competitiveness for business organisations, Quy (2011) further identifies three critical SCM, namely:

- i. **Long-term relationships:** Refers to the cooperation between two or more organisations aimed at achieving maximum benefits. The relationship benefits can foster the sharing of information, maintenance of trust and the attainment of superior knowledge management between the organisations (Abushaia & Zainuddin, 2012);
- ii. **Concurrent engineering:** This involves the early participation of suppliers, the buying organisations and clients as well as other cross-functional members in the development of specifications for products. This is aimed at sharing ideas in order to enhance operational processes, which will result in more customer satisfaction (Abushaia & Zainuddin, 2012);
- iii. **Strategic purchasing:** This is a functional activity, which involves the long-term acquisition of organisational needs. The needs include material items through critical supplier market research to select the most appropriate supplier who can enable the organisation to achieve its corporate objectives (Chemangich, 2013). This dimension is also viewed

- as part of the strategic plans of the organisation as its contribution is significant and valuable to the attainment of organisational objectives; and
- iv. **Organisational performance measures:** The adoption of SCM performance measures (dimensions)-cost, time flexibility and customer responsiveness-have resulted in the achievement of organisational objectives, such as increased profits through increased annual sales, retention of customer loyalty by maintaining quality standards and bigger market share by aligning the organisational objectives with the customer perception (Chemangich, 2013).

In addition, Wong et al. (2011) notes that there is a critical relationship between the extra SC dimensions (long-term relationships, concurrent engineering, and strategic purchasing) and organisational performance measures. For instance, long-term relationships have a positive influence on customer responsive time, reducing inventory cost and delivery is on time and flexibility. Concurrent engineering would lead to a reduction in inventory costs and operational cycle times and enhancing quality levels (Boudrias et al., 2009). The strategic purchasing dimension was found to be very critical, as it is the major key function, which links the internal cross-functional teams and the suppliers in the provisioning of material requirements. However, this can only be achieved by considering strategic purchasing as a one of the long-term priorities of corporate management (Bukh & Malmi, 2005).

SC performance can be measured by considering the discussed dimensions (flexibility, delivery, and quality), which would have an effect on the performance of the organisation in terms of profit, market share growth, and customer retention. Nevertheless, Burke and Bradford (2005) provide a generalised view or approach in trying to measure the performance in supply chain and they identify three major SCM performance measures, namely SC delivery flexibility, inventory

cost and customer responsiveness time and the way these affect or influence organisational performance. In the present study, the researcher focused on how the dimensions of organisational culture have affected the SC performance of the selected SOEs in Zimbabwe.

#### **3.5.4 Supply chain metrics**

There are several supply metrics but this study focuses on the metrics of delivery, flexibility and quality. The succeeding sub-sections discuss these dimensions.

##### **3.5.4.1 The supply chain metrics of delivery**

Delivery is an important aspect of SCM. Delivery can be measured in terms of lead and cycle time (Clarke, 2007). Fast, reliable delivery requires shorter lead times and the achievement of variety reduction (Larbi, 2006). By nature, delivery capability is cross-functional, regarding the areas of sourcing, operations and logistics (Nambirijan & Kumar, 2010).

According to Clark (2007), delivery is about ensuring that products and services reach the customers at the right time. Effective delivery is a critical aspect of customer satisfaction and organisations should eliminate bottlenecks that comprise the process.

##### **3.5.4.2 The supply chain metrics of flexibility**

According to Allio (2005), flexibility is the capability to adapt to new, different, or changing requirements, and an openness to new ideas and changes, which can be measured by the ability to respond to different needs of clients. A flexible organisation operates with shorter lead times and is very responsive to customer requests (Ralston, Tong, Terpstra, Wang, & Egri, 2008). Allio (2005) identifies the following steps for creating a flexible culture:

- i. reducing the lead times throughout the organisation;

- ii. outlining processes to make them clear;
- iii. elaborating on key time-related activities/decisions;
- iv. setting standards for-customer service levels;
- v. establishing collaboration of workers in cross-functional teams;
- vi. determining metrics to consider fast cycle operatives;
- vii. installing electronic devices to monitor operations and make information available; and
- viii. building learning loops into every process throughout the organisation.

Trade liberalisation, innovation, and increased demand by well-informed customers, besides other enablers, result in high levels of unpredictability in businesses. Flexible supply chains have been encouraged as a means of achieving a competitive advantage in a dynamic environment with the agility to deal with high levels of unpredictability (Chemangich, 2013). Agile systems in manufacturing have been highlighted well in the context of the liberalised system (Gaa, 2009; Gackowski, 2005), but increased dynamism in SC flexibility has not been recognised much by the researchers. Zhang (2009) argues that the matter of flexibility could be very difficult to understand and the amount of research on agility has given rise to many contributions and ideas. There is some lack of clarity with regard to terminology, although the basic ideas seem to be the same (Engida & Bardhill, 2013).

Flexibility is viewed as a reactive response to environmental uncertainties (Mehrerjerdi, 2009). Realistically, flexibility shows the degree of ability for a system to match or respond to any changes within a short period, with less effort and cost incurred or without compromise on performance (Engida & Bardhill, 2013). According to Mehrerjerdi (2009), an agile supply chain is generally known to be composed of two critical elements: vendor flexibility and sourcing flexibility. **Vendor flexibility** relates to individual vendors who support an organisation

while **sourcing flexibility** is the ability to incorporate a SC process by considering the most appropriate suppliers (Engida & Bardhill, 2013).

Organisations now realise that they must be part of an effective supply chain or network in order to be competitive on the world market and in networked economies (Johnson and Scholes, 2010). The concept of business relationships goes beyond the traditional business boundaries, which are aimed at organising business processes within a value chain of multiple business organisations (Ravasi & Schultz, 2006). With the challenges experienced by players in interacting among themselves, the network system fits into neither 'market' nor 'hierarchy' categories (Rusvingo, 2014). Historically, organisations involved in the supply chain would emphasise the input and outputs of the engaged processes, without particular attention to the management of the employees working internally. As a result, it was realised that the identification and use of an internal management control tool that would have a positive effect on the performance of the firm is essential (Schuler & Jackson, 2007).

The current competition faced on the international market because of new products with limited life cycle times and numerous customer expectations have prompted business organisations to invest in and focus their attention on supply chains. It is against this background that Nambirajan and Kumar (2010) carried out a study to assess the metrics relating to the SC performance and its effectiveness on the competitive position of manufacturing organisations. The research results showed that as competition on the global market intensified in the 1990s, organisations realised that it was not enough to improve organisational efficiency; it was also imperative to improve and make the whole supply chain competitive in order to enhance profitability. The SCM has become a strategic tool to achieve competitive advantage and improve performance of



the organisation, since competition now exists amongst supply chains rather than organisations (Zhang, 2009).

### **3.6 Metrics for quality: Determinant of customer satisfaction**

According to Flack (2010), effective SC management results in customer satisfaction. Several strategies can be used to ensure customer satisfaction and these include total quality management (TQM), customer orientation, CRM, and service quality.

#### **3.6.1 Total quality management**

Total quality management (TQM) is a vital tool that can be adopted to guarantee the quality of goods and services. Flack (2010) observes that TQM comprises 'total', 'quality', and 'management'. The word 'quality' may be interpreted from diverse perspectives and Grant (2008) defines quality in terms of functionality, conformance, and reliability. 'Management' refers to planning, organising, coordinating, leading and controlling organisational resources in order to achieve the set goals of the organisation (Flack, 2010). Johnson and Scholes (2010) define TQM as a strategic tool for enhancing business performance by working with other people in order to meet customer requirements at minimum cost, while maintaining improved product, services and business processes the employees of the organisation (Grant, 2008).

Flack (2010) and Johnson and Scholes (2010) concur with previous researchers, such as Kuratko et al. (2005), Lissak, Geller, Dimarzio, & Neo, (2009) and Movahedi, et al. (2009) in defining TQM as a managed process involving people, systems, and supporting tools and techniques. Moreover, TQM can be viewed as revolutionising the management system with a view to creating continuous value to customers through the adoption of new designs and organisational technologies, systems and processes. Mathis and Jackson (2008) argue that TQM refers to OB aimed at continuously increasing customer satisfaction

through the active participation of all employees. Majlinda (2005) also defines TQM as a means of achieving continuous business performance through the participation of dedicated employees to satisfy expected customer requirements at minimum cost, while continuously improving goods and services, business processes and employees within the organisation. According to Erasmus-Kritzinger, Bowler, and Goliath (2009), TQM can be implemented effectively through a number of approaches, namely:

- i. TQM model;
- ii. HRM approach;
- iii. customer focus and satisfaction;
- iv. management commitment;
- v. employee commitment;
- vi. continuous improvement;
- vii. building a service quality-sensitive culture;
- viii. building employee capability;
- ix. employee involvement and participation; and
- x. Customer service, satisfaction, and retention.

Furthermore, Boudrias et al. (2009) view the TQM concept as the set of activities aimed at delighting customers, empowering employees, providing higher incomes and minimising costs. In summary, the achievement of quality requires the total integration of all organisational activities, critical analysis of quality management by the supplier, customer needs, information systems, and benchmarking with the best products or services (Grant, 2008).

Davies (2007) shares the same view as regards management's commitment to quality, but considers positive commitment to total quality to be based on the belief of what quality contributes to the world in terms of creating quality. TQM is considered the only effective tool to achieve success in business, obtain greater

profits, and maintain a dedicated and motivated workforce, which give rise to a more competitive business (Meyer, 2010).

Davies (2007) argues that the art of quality is not a technique but rather a positive commitment by management towards people and products over a long time, which has persisted unrecognised and unacknowledged by many organisations over the years. In reviewing the preceding literature, the researcher observed that commitment refers to a complete belief, with a positive understanding and vision, which enhances the organisation's opportunity of achieving success. Nevertheless, in organisations where TQM was affected but resulted in poor or marginal achievement, senior management may have sent out different signals. Besides the positive commitment by management, the achievement of TQM implementation should be based on the overall participation and total commitment of the whole workforce. Grant (2008) argues that management's commitment to TQM is concerned with facilitating co-ordination between various departments and listening to ideas from motivated people, rather than just delegation of tasks within departmental hierarchies.

Schein (2009) is also of the opinion that besides management commitment towards quality, middle management has a particular positive contribution to make to ensure quality. It is not expected just to understand TQM principles but also to share the information with their colleagues to ensure that they in agreement. This is the only way by which TQM can be guaranteed to reach out to the whole business entity. Johnson and Scholes (2010) identify the following key elements of management's commitment to TQM:

- i. Employees appreciate and are motivated to uphold organisational objectives and defined goals. Operational activities are critically evaluated and properly aligned into the mainstream to minimise misunderstandings between various levels within the organisation;

- ii. The needs of all stakeholders such as clients, workers, vendors, local residents and society are appreciated;
- iii. Long-term, organisational objectives are clearly defined, challenges relating to defined goals and targets are identified, shared values are created and maintained; and
- iv. Fairness and ethical values are upheld at all levels of the organisation; trust is maintained and fear is eliminated, provision is made for the necessary resources and training, people are allowed freedom to act with responsibility and accountability, and people's contributions and efforts are recognised and encouraged.

### **3.6.2 Customer orientation**

Adebisi (2006) argues that customer service is the only factor distinguishing one organisation from another. Satisfaction of employees and meeting customer needs are the foundations of any successful organisation (Armstrong and Stephens, 2005). Armstrong (2008) points out that for an organisation to offer exceptional service, it has to follow the guidelines provided by the service management model, namely:

- i. Establishing a clear customer service: Employees should have a clear client service charter. Customer service has to be institutionalised within the organisation and employees should be aware of it. The charter should be clear and in line with the vision of the organisation;
- ii. Recruiting and retaining competent staff: Recruited employees should be sufficiently competent to deliver the service. Professionalism should be maintained and customer care training and regular customer care refresher courses should be conducted in order to retain staff. Good reward systems must be in place to motivate staff;
- iii. Managing material service delivery: According to Burman and Evans (2008), every employee within an organisation has the potential to create a good customer service reputation and make a significant impression on

the goodwill of the company. The concept of the internal customer has to be introduced and reinforced and there is need to create service level agreements;

- iv. Instituting continuous improvement processes: Reinforcing and adapting both personal and material delivery processes on an ongoing basis; and
- v. The manager's role: The manager must help to draw up strategy and he or she should understand key skills required for delivery of personal and material service. Establishing, monitoring, and updating service delivery processes (Armstrong, 2008).

Burke (2008) argues that leadership, communication and employee motivation are the most important variables that contributes towards TQM. In order for customer service to improve, managers should devolve the power to the teams, since self-managed employees who have the autonomy to make their own decisions, have the potential to improve customer service (Armstrong, 2008). Front-line staff has to be empowered, as well, to follow responsibly through the customers and initiate strategies to enhance service delivery (Burke & Bradford, 2005). In some instances, managers, especially middle line managers, resist the idea of empowering lower-level staff, and would choose to dictate to employees because of fear of losing their power and authority over lower level staff (Armstrong & Stephens, 2008). Ironically, lower-level employees tend know customers better, since they have closer relationships with customers and therefore would understand customer needs better (Desller, 2005).

In addition, for any business organisation to meet the service requirements of its customers, it is critical to have an appreciation of customer expectations. Yang et al. (2008) argue that customer needs and values should have an influence on the operations of any firm. In similar vein, Mafumbe (2011) suggests that since customers are the most critical element, production, processes, and goods or

services must be focused at satisfying their needs. Therefore, it can be argued that customer complaints provide an opportunity to improve the quality of the products and services provided. Otley (2012) concurs, sees customer perception as the most critical element of TQM, and defines quality as the ability to meet or exceed customer expectations. The intended organisational goal is firstly to identify and then to meet the needs of the customer. TQM recognises that producing a perfect product can be valueless to the customer if it is not what he or she was expecting.

The customer focus applied to internal customers should be the same as that applied to external customers (Grant, 2008). Chin (2010) defines internal customers as individuals within the business. Before a company can meet the needs and wants of external customers, it is paramount to deal firstly with those of the internal customers and create an atmosphere conducive to which delivering the required services. In other words, the delivery of quality services to external clients depends on the satisfaction of internal clients.

### **3.6.3 Customer relationship management (CRM)**

Quality is about meeting the needs of clients, which also entail having sound relationships. Otley (2012) views CRM as the willingness to change one's behaviour towards an individual customer, based on what one is told by and any other information known concerning that customer. Several definitions of CRM have been outlined in literature, and they vary based on technological and relationship aspects of CRM. Farlam (2005) and Meyer (2010) who are from a marketing background, present the significance of the technological side of CRM. Other scholars, like Gackowski (2005) and Trahant (2008), consider CRM from an information technology perspective (IT). In continued pursuit of the scholarly review of the subject matter, Nyoni (2012) highlights that a successful firm recognises the need to put the customer first in every decision that is made.

According to Grant (2008), senior managers are expected to define the existence and direction of the business organisation by creating and ensuring an internal environment, which allows individuals to participate fully in realising organisational objectives, which include commitment towards quality. Jerome (2008) argues that management's commitment to a quality management system must be positive in order for it to succeed. Conversely, as Biti (2012) observes, negative commitment by individuals within the company can adversely affect the management of quality within the organisation.

Meyer (2010) asserts that management is expected to be at the forefront of the entire quality process, motivating other employees to follow and demonstrating management's commitment to achieving quality standards. Chin (2010) shares this view, stating that effective leadership is essential and senior managers' involvement in quality issues should be proactive rather than reactive. Otley (2012) reiterates that this participation would lead to an improvement in the project, taking control of a business process and becoming a representative of various customers on a wider basis.

#### **3.6.4 Continuous improvement**

Meyer (2010) argues that continuous improvement is a process aimed at deriving total customer delight, giving value for money at minimum cost to the business organisation. Everyone within the organisation is expected to follow the well-defined process aimed to ensure quality delivery and should continuously identify opportunities for improvement. Focus is also placed on enhancing improvement through properly defined structures for solving challenges, identifying, and using error prevention and corrective feedback mechanisms. Continuous improvement also involves the design of processes, reduction in variability, assurance of capability, and the development of management for cross-functional process units (Armstrong, 2008). Continuous improvement, according to Otley (2012), is the continuous innovation and betterment of products and services, including the

organisational systems, to improve value for customers. Organisations benefit significantly from the adoption of continuous improvement on the quality of goods and services to minimise customer complaints and any future challenges (Meyer, 2010). In the words of Gackowski (2005: 30), "TQM is a necessity, it is a journey, and it will never end".

Competition has become international due to globalisation (Grant, 2008). Changes in the demands of customers have also given rise to new quality requirements (Johnson & Scholes, 2010). The continued dynamics and changes in the global world further account for increased customer expectations and desires. Therefore, organisations are continuously benchmarking each other in order to unfold the secrets behind their success. Quy (2011) indicates that organisations face the serious challenge of attracting customers, retaining them, building relationships, and adding value to them in order to attain the organisational competitive position. This means that organisations are challenged to adopt continuous improvement strategies for their goods and services and their processes and employees.

Chapman (2010) is of the opinion that innovation and maintenance are the pillars for continuous improvement, systematically leading to radical breakthroughs. Historically, organisations believed in traditional practice, based on the notion 'if it is not broken do not fix it'. However, in the contemporary dynamic and flexible business environment, which is also very competitive, customers are well informed about their demands (Quy, 2011). This means that continuous improvement should be a proactive rather than reactive approach when addressing emerging challenges (Otley, 2012). In view of the stated ideas, the researcher proposes that, in order to achieve the goal of continuous improvement, several approaches are required appreciating the differences in a certain process based on a proactive rather than a reactive mind-set (Grant,



2008). According to Chapman (2010), to achieve continuous improvement, employees need to possess a positive attitude as regards their personal performance and the desire to excel. Organisations should focus on continuous improvement in a number of functional areas (Grant, 2008). To do this, adequately trained people need to be identified and employed to implement the necessary changes.

Everyone in the business organisation is expected to work towards continuous improvement through the designed systems established by management (Flack, 2010). According to Chapman (2010), employees within the organisation are responsible for identifying and removing unwanted materials from a product and process. They should be empowered to employ their skills and talents to contribute to the success of the organisation. Over and above achieving organisational quality objectives through continuous improvement, Johnson and Scholes (2010) point out that the training and development process for employees should not be considered a once-off process but rather an ongoing one. Nowadays, most organisations are realising the urgent need to enhance employee training and development, so that employees may acquire the required skills to initiate improved strategies that would add value to customers (Flack, 2010). Nyoni (2012) suggests that organisations should consider the continuous enhancement of all organisational processes. Nyoni (2012) further outlines the outcome of applying the concept of continuous improvement in an organisation as follows:

- i. adoption of a systematic, organisation-wide approach to continuous improvement of organisational performance;
- ii. provision of the necessary training methods and tools for continuous improvement to people;
- iii. recognition by individuals in the organisation of continuous improvement of products, processes and systems as a permanent objective;

- iv. determining the goals to guide and the metrics to track continuous improvement; and
- v. identification and appreciation of improvements made.

### **3.7 Chapter summary**

The focus of this chapter was on the concept of supply chain management (SCM). It presented the theories that aim to assess SC performance, namely the balanced scorecard (BSC) the SC operations reference (SCOR), the (CSI) and the service quality model (SERVQUAL). The chapter also presented a discussion on the issues of flexibility, delivery, and quality as important dimensions of SCM. The next chapter reviews literature on organisational culture and performance in SOEs in various countries.

## CHAPTER IV

### LITERATURE REVIEW ON STATE-OWNED ENTERPRISES

#### 4.1 Introduction

In this chapter, the researcher reviews studies on the importance of organisational culture in SOEs. Examples are drawn from Asian countries (China, South Korea, and Vietnam) and Africa (Namibia and Nigeria). The case studies were expected to be lessons for the SOEs in Zimbabwe. The countries were selected because their economic environments have similarities to Zimbabwe.

#### 4.2 Importance of cultural change: Examples from Asian countries

This study referred to cultural change in the SOEs in China and South Korea. The two Asian case studies provided key lessons for Zimbabwean SOEs.

##### 4.2.1 SOEs in China

In China, the absence of strong and performance-oriented cultures resulted in the government making a paradigm shift on how to deal with SOEs (Woetzel, 2008). The move to privatise SOEs in China has complicated the operations of former government entities and SOEs (Quy, 2011). The government retained SOEs for strategic industries and where there was a reasonable ROI, the government retains major shares (Woetzel, 2008). However, in other sectors, which were non-strategic and not profiteering the government has given up the whole entity to the private sector (Woetzel, 2008). In the 1990s, the Chinese government successfully merged some of the SOEs into combined stock entities (Quy, 2011).

Research conducted in 1998 by the State Statistical Bureau (SSB) of China revealed that out of the 40 238 SOEs surveyed, restructuring was successful in 6 840 enterprises (Quy, 2011). The SSB indicated that 55% of the restructured SOEs became limited liability entities, 16% adopted employee shareholding cooperatives, and 7% fully privatised. Many enterprises have a large number of private players but in the majority of enterprises, government is still a major stakeholder. However, entities that were fully privatised were small entities and the main owner has major control of the firm (Quy, 2011).

Woetzel (2008) argues that the Chinese government privatised and commercialised most SOEs and the directors of SOEs were held accountable for their successes and failures. In addition, Ralston, et al. (2008) studied SOEs in China and concluded that there has been a transformation in the culture of these institutions and that organisational culture has been the indicator of change in SOEs. In addition, due to cultural change, there has been a marked improvement in SCM in SOEs in China. In fact, corporations outside China are increasingly seeing the country's open SOEs as partners in global markets (Quy, 2011).

Ralston et al. (2008) concluded that Chinese enterprises have successfully transformed and they have become competitive in the local and international market. Enterprises in China show development and there has been a major cut in government expenditure towards SOEs. SOEs in China have developed a new organisational culture. The SOEs upholds transparency within the organisation, personal and interpersonal communication, team building, talent management, and HR development (Woetzel, 2008).

#### **4.2.2 SOEs in South Korea**

Since the 1980s, the Korean government has been hesitant to privatise SOEs but the government policy makers had no option but to privatise as the SOEs

were draining government resources whilst they were posing a political threat to the politicians (Kim, 2007). Most enterprises were underperforming and privatisation was the only way out (Kim, 2007). The underperformance of SOEs resulted in privatisation especially during the economic meltdown of 1998. The Korean government had to give up its major shares in most of the enterprises (Quy, 2011). The initial arrangement had been to reduce the total number of SOEs of which there were 108 in 1998 (Quy, 2011). The results were positive and by 2002, some SOEs, which include Korea Telecom (KT) and Korea Tobacco and Ginseng Corporation (KT&G), were privatised (Kim, 2007). The privatised firms experienced effective SC performance within of period of five years after change of ownership (Quy, 2011). One of the reasons why performance of the institutions improved was a shift in the culture of the organisations. The new private owners brought a new philosophy of doing things that emphasised profits, a move away from the traditional way of doing things (Kim, 2007). In short, public sector management reforms, such as liberalisation, privatisation, civil service reforms, and performance management entail a change in the culture of institutions (Quy, 2011).

#### **4.2.3 SOEs in Vietnam**

According to Quy (2011), SOEs in Vietnam used to have a weak culture because they were operating as monopolies, in areas such as the energy sector, sanitation and health welfare. Customer needs were not prioritised and the enterprises made their service plans without incorporating the views of the consumers (Quy, 2011). However, in 2005, Vietnam joined the World Trade Organisation (WTO) and there was 'opening of borders' and privatisation of some of the SOEs. The deregulation process resulted in the SOEs being able to recognise the importance of customer loyalty as the Vietnamese government allowed private companies to enter the former monopolised markets (Kim, 2007).

Thus, the SOEs had to change their internal environment to adapt to the new situation (Quy, 2011).

### **4.3 Culture and the performance of SOEs in Africa**

The study examined the performance of SOEs in Namibia and Nigeria. The two African case studies provided vital lessons for the SOEs in Zimbabwe.

#### **4.3.1 SOEs in Namibia**

Schlettwein (2010) believes that culture was largely to blame for SCM challenges in SOEs in Namibia. Schlettwein (2010) highlights that between the year 2000 and 2010, the government of Namibia received not more than 1% of the revenue from the SOEs. For instance, in the 2008/9 accounting year, revenues collected amounted to N\$173.4 million in dividends. This amount was only 0.7% of the total revenues collected in that fiscal year. This was against an investment of 9% of the government expenditure on SOEs. The expenditure amounted to N\$1.9 billion (Schlettwein, 2010).

Schlettwein (2010) states that the Namibian government resolved that all the leaders of SOEs-including the chief executives and top management-had to sign performance contracts of five years. In order to enhance performance, it was resolved that board members be selected based on merit, the recruitment process had to be transparent and nepotism was not tolerated. The Namibian government saw the importance of improving the values and norms and the efficiency of SOEs. Organisational culture was enhanced through cultivating an innovative mentality, promoting cost-cutting measures, service quality, and risk-management and innovativeness in the sector (Schlettwein, 2010).

### **4.3.2 SOEs in Nigeria**

The 'no-owner company' culture of SOEs or the principle 'what belongs to the state belongs to nobody' attitude accounted for challenges in the Nigerian SOEs (Omoyefa, 2008). Before the movement towards the privatisation, government enterprises had failed to deliver quality services and by 1985, the SOEs had accrued heavy deficit and the burden was heavy on the economy of Nigeria (Jerome, 2008). The enterprises amassed about US\$35 billion consisting of equity and government loans and grants while the returns consisted of only about US\$1.5 billion from around- 1980 to 1987 (Jerome, 2008).

According to Omoyefa (2008), what contributes to inefficiency and the bad performance within the SOEs in Africa is uniform for all African countries. In many African countries, the major contributing factors for poor performance are political interests, inadequate resources, corruption, budget deficit, and heavily bloated enterprises with unskilled workforce. Most African countries are suffering from maladministration because of corruption within the industries.

### **4.4 Options for enhancing performance in the SOEs**

Nyoni (2012) opines that most of the Zimbabwean parastatals (SOEs) in all sectors are facing serious challenges, namely a lack of capital, heavy wage bills, low productivity, and unsustainable debt. This has a serious effect on the provisioning of service delivery to the firms down the line and to the consumers. In order to avert this anomaly the government decided to take some corrective measures in order to improve the parastatal sector performance, to reduce the continued burden of costs to the treasury, to improve service delivery, and to restore confidence and accountability.

The Zimbabwean government embarked on an audit exercise prioritising only ten parastatals to ascertain their balance sheets as well as their corporate

governance practices. However, it was suggested to engage some strategic and technical partners who could bail out Air Zimbabwe and the National Railways of Zimbabwe (Biti, 2011). It was also suggested to unbundle some SOEs into single business units and to establish some joint venture partnerships so that they could improve on their performance. In addition to these initiatives, the World Bank also availed financial support to the government of Zimbabwe in preparing a new Bill, which will legally guide the new National Code for Corporate Governance (NCCG) to parastatals (Nyoni, 2012). Some ways for enhancing the performance of SOEs are elaborated in the succeeding sub-sections.

#### **4.4.1 Effective HRM as an option for enhancing SC performance in SOEs**

Quy (2011) opines that, for SOEs to be productive, management should ensure that human resource (HR) objectives and strategies are perfectly matched and that anticipated organisational strengths and weaknesses are balanced. Using a well-calculated approach is useful as it allows for successful HR management (Armstrong & Stephens, 2005). With the turbulent economic conditions from the 1990s, with the development and introduction of new technologies such as Internet services, and intense competition, changing business strategies became the only way to survive. The most recent strategies are retrenchment, cutting the huge wage bill, eliminating bureaucratic constipation, and outsourcing (Mathis & Jackson, 2008).

SOEs should embrace strategic human resource management (SHRM) and create an environment conducive to developing employees' requisite skills and knowledge needed to achieve long-term comparative advantage (Masuku, 2011). Since the human asset is the only form of asset that is unique to a particular organisation, the HRM function has emerged as the most influential tool that an organisation can ever possess (Grant, 2008). There is a need to attract, retain, and manage the best talent. According to Becker and Huselid (2006), technological advancement has given an impetus to the formation of the HRM



scorecard. Moreover, ROI of the personnel function has gained wide acceptance (Trahant, 2008).

Fulmer (2005) argues that technological developments have transformed the HRM function. The importance that management in contemporary organisations attaches to SHRM continues to increase. SHRM draws its importance from the assumption that the organisation should take the employees as the human capital essential for changing the performance of the organisation and increasing its chances of achieving its long-term goals and objectives (Becker and Huselid, 2006). Becker and Huselid (2006) argue that HRM involves looking at the complete internal system that shows the advancement and administration of the strategic human resources of the organisation to help increase organisational performance. There is no one-size fits-all approach but SOEs should develop the best-fit approach depending on the prevailing situation or context.

Becker and Huselid (2006) note the need for a balance between the HR design, long-term plans, and the processes used by the organisation. It is also essential to take into account what happens when implementing the strategy in the interests of greater competitive advantage and the researcher agrees that when applying SHRM, SOEs should consider a number of factors such as national organisational traditions and the type of business strategy.

Globalisation is one of the dynamics that has led to the amalgamation of markets all over the world, especially through trade and financial flows (Masuku, 2011). It has caused SHRM to gain recognition, since labour markets continue to spread beyond national boundaries. The global mobility of workers has fuelled brain drain in most less developed countries such as Zimbabwe (Biti, 2011). Becker and Huselid (2006) established that in this ever-changing global environment, the human resources of the SOES emerged as a powerful force in terms of

competitive advantage. The employees of an organisation can help to build and maintain a competitive edge by possessing unique and specific skills, knowledge, and abilities (SKAs).

SHRM aims to establish a connection between the broad organisational strategy and the HR strategy as well as the execution of these strategies. Quy (2011) notes that in order for SOEs to continue to survive and make profits, there should be balance between their strategic plans and the resources available. Flack (2010), amongst other scholars, argues that proper management of the personnel in the organisation is crucial to gain a strong competitive edge on local and international markets. Grant (2008) argues that organisations have shifted their focus to the human resources as a basis of competitive advantage and posits that a unique and skilled workforce is not difficult to acquire if there are conditions conducive to working conditions in the organisation, namely good HRM methods, a pleasant organisational culture, and smooth-running internal systems.

Bartlett and Ghoshal (2010) state that the building block for organisational success is the human capital of the organisation. People have now become the strategic resources of the organisation, although in some quarters, it is still held that finance is the major resource requiring more attention and management (Grant, 2008). Caliskan (2010) has established that resources other than financial ones also affect the expansion of an organisation. In line with this argument, a study by Masuku (2011) found that the absence of human participation in management strategies hinder SOE performance. For the business to be successful, the employees of the organisation should be viewed as partners rather than mere employees. Using the HR and talent retention strategy ensures that the organisation has the required personnel in terms of both quantity and quality (Armstrong, 2008). Schuler and Jackson (2007) note

that strategic HRM appreciates human resources as the most vital asset within the organisation.

The root of competitive advantage has gradually transformed in a bid to extend attention to matters concerning management of personnel and strategy adopted in the SOEs (Quy, 2011). Historically, areas of key concentration included different forms of technology, confined markets, and economies of scale, but the firm did not realise that human resources are crucial for long-term functioning of the organisation, since organisational goals are only attainable through human power and commitment (Masuku, 2011). The resource-based theory holds that people are an indispensable part of the organisation as subordinates are the means through which superiors can achieve organisational goals, and employees of the organisation become the basis for continued competitive advantage (Armstrong, 2008).

SHRM values the monitoring of HR performance, while performance management systems, such as the (BSC), ensure that employees within the organisation work hard for the effectiveness of the organisation, allowing for the assessment of employees' commitment from four perspectives: financial performance, customer satisfaction, efficiency in internal business processes, and learning and growth (Bhagwat & Sharma, 2007). A human resource and knowledge management strategy should therefore seek to transform human resources through training and development. Transforming human resources involves the alignment of the personnel function with the required approach and goals of the organisation to allow the personnel to work as partners within the organisation (Carpenter & Wyman, 2008). Grobler et al. (2011) define HR transformation as a process of shifting HR roles from one form to another to ensure that the organisation continues to gain competitive advantage.

Grobler et al. (2011) argue that when the organisation begins transforming its human resources, change would be visible in the provision of the services by the employees. Carpenter and Wayman (2008) note that the main aim of HR transformation, apart from improving the efficiency of processes associated with the HR function, is to develop the effectiveness of the function. Many organisations have started to introduce a number of HR transformation plans (Grant, 2008), and the adverse economic climate in Zimbabwe has resulted in inevitably urgent need for change in SOEs (Biti, 2011). Traditionally, organisational structures were exceptionally complex and reactive, and they were operated on a sustainable budget (Carpenter & Wyman, 2008). The researcher believes that flexible approaches that are proactive rather than reactive are required.

According to Grobler et al. (2011), although HR transformation varies from place to place, there are commonalities, in that the HR function is integrated with the broad business strategy to allow line managers to deal with HR issues also. It should be noted, however, that embarking on resource transformation is never easy, since there are major impediments to the process. Grobler et al. (2011) highlight the challenges of transforming human resources with the most prevalent limitation being realising the aims of HR change. The objective of innovating employees in an institution is theoretically sound but practically challenging (Grant, 2008). Other limitations are the absence of skilled HR experts, poor technology, resistance to change, reluctance, and failure to use a participatory approach in HR transformation (Masuku, 2011).

Similarly, Lissak et al. (2009) point out that other challenges could relate to the capabilities and experience of personnel business partners. HR managers may be viewed as unwilling to help line managers grasp HR skills or convincing people about the need for change (KPMG, 2012), since people usually wish to

maintain the status quo and oppose change. As a result, process of making stakeholders appreciate and support transformation is an important one for SOEs. Furthermore, constant changes in the environment could also put pressure on employees (Armstrong, 2008). For example, in SOEs, bad economic conditions might affect the morale of employees if they do not receive adequate salaries. Although HR transformation faces numerous limitations, it remains indispensable for SOEs to embrace change.

Peters and Waterman (1982) in Grant (2008) also argue that obtaining the commitment of staff is essential. The leader not only creates the rational and tangible aspects of organisations, such as structure and technology, but is also the creator of symbols, ideologies, language, beliefs, rituals, and myths (Schein, 2009; Zhang, 2009). Pappas (2009) argues that good leadership should work hand in hand with the subordinates and cultivate the potential of employees. Grobler et al. (2011) echo the view that an excellent leader motivates workers to surpass their own potential. A strong sense of purpose needs to exist between management and the workers (Grant, 2008). The researcher agrees that employees need to be viewed as assets rather than as cogs in a machine. It is the duty of managers to ensure that the internal and external processes of the organisation run smoothly where workers are able to air their views freely (Armstrong, 2008). As Drucker (1970) observes, attracting and retaining talented employees implies that there is less work for management- as they can give employees a platform to make decisions (Carpenter & Wayman, 2008).

#### **4.4.2 Effective communication**

SOEs ought to use well-defined and clear channels of communication to enhance the coordination of employee activities. Forman and Argenti (2010) state that without proper channels of communication, organisations would not achieve significant levels of success. According to Chapman (2010) the

availability of particular communication techniques could determine how decision-making functions.

Communication networks are central phenomena in organisations, since communication aids the development and maintenance of organisational purposes, and it motivates, and inspires corporate members towards goal accomplishments (Grant, 2008). Communication systems serve as a vehicle by which organisations are 'embedded' in their environments and through which the inputs, processes, and outputs of organisations are 'mediated' (Masuku, 2011). According to Barnard (1938), organisational communication is paramount, since it allows for the sharing and giving of ideas, orders, and directives through communication. A lack of effective communication could lead to the collapse of organisations (Chapman, 2010).

Although effective communication is necessary for the SOEs, it is negatively 'affected' by noise (Armstrong, 2008). In this regard, noise is 'defined' as any unwanted information or anything that disturbs the flow of information from the sender to the receiver. It can take the form of distortions of information, availability of the receiver to read the message, and use of wrong types of channels (Chapman, 2010). Distortions are central to communication and affect any stage of the interaction process (Grant, 2008). Business communication is structured, well organised and formal because it focuses on getting things done rather than exchanging pleasantries and must therefore be clear, concise, direct, useful, quick and business-like (Chapman, 2010). Communication is significant in that it can create opportunities for business and increase profit margins (Gant, 2008). Active communication systems allow customers to provide feedback on the nature of company service, to ask any questions, and to make complaints (Otley, 2012). Communication can be a tool for marketing, damage control, creating a good image for the organisation and facilitating the sharing of ideas.

According to Johnson and Scholes (2010), an idea, no matter how great, is of no use to an organisation if it has not been 'transmitted' in a clear way. Communication helps organisational members to share ideas and establish common goals and objectives.

Communication also ensures the attainment of corporate goals because it enables managers to provide instructions to subordinates (Chapman, 2010). It is an essential tool for good management as it ensures that employees receive appropriate information. Managers can give instructions verbally (one-on-one interactions or during telephone conversations and meetings) or through written communication (circulars and memoranda). Communication helps in conflict resolution among members of staff and between management and workers, and it helps to remove all the 'rough edges' in an organisation by clarifying issues. According to Grant (2008), conflict in organisations is both inevitable and desirable, and there is a need to manage it. There is no better means of handling disagreements than through communicating, as all conflict management approaches entail some element of communication.

#### **4.4.3 Management of change**

The management of change is also essential in SOEs (Omoyefa, 2008). Chapman (2010) generalises the meaning of change, arguing that change is an alteration or moderation of something or the modification of the status quo. Johnson and Scholes (2010) are of the view that change is an alteration in people, structure, or technology. Examples of structural changes in Zimbabwe are the restructuring of SOEs, where entities like ZESA have been unbundled into several strategic business units, such as ZESA Enterprises (ZENT), the Zimbabwe Power Company (ZPC) and the Zimbabwe Electricity Transmission and Distribution Company (ZETDC). Within organisations, the organisational structure, people, the environment, and the attitude of the people and technology can change (Chapman, 2010). Nyoni (2012) further maintains that change is an

alteration or a movement away from the existing state of things towards a desired state. It implies transformation innovation and modification. Additionally, change is necessary and inevitable, and an organisation adopts change to improve organisational effectiveness and efficiency (Nyoni, 2012).

According to Biti (2012), when organisational transformation is taking place, management should lead the entire change process, initiating and guiding employees throughout. A manager is a change agent and role model, pushing for change and ensuring that the process meets with little resistance, neutralising forces against change to ensure success (Chapman, 2010). According to the social learning theory, people learn by observing what others are doing, especially their superiors (Grant, 2008). As such, every manager has to be positive about the change that is introduced so that employees embrace the change easily when they are motivated and see the need for change. This approach reduces resistance of staff to change laying the foundation for the change process (Chapman, 2010). When forces against change remain higher than the forces for change, the change process will yield lukewarm results; therefore, a manager needs to counter resistance by motivating staff (Chapman, 2010).

Robbins (2005) further acknowledges that for a manager to produce positive change results especially as regards work behaviour, positive reinforcement is crucial. Effective change agents utilise positive reinforcement strategies, and know the kind of strategy to use in a given situation (Chapman, 2010). Verbal reinforcement is one of the easiest and cheapest strategies to employ in a change process, when the manager verbally reinforces good behaviours. Old, negative behaviour eventually falls away as managers institutionalise new behaviour (Grant, 2008). The magnitude of change determines the type of reinforcement to adopt, and when employers are implementing revolutionary



changes, there is a need for large reinforcements to avoid insecurity and resistance, but if they are minor and incremental changes, managers do not have to utilise big incentives (Grant, 2008). Any form of reinforcement is a vital element of the change process (Chapman, 2010). When management introduces a new change, such as a change in the organisational structure, for instance, most employees resist such change. The manager then has to use reinforcement, whether negative or positive. Failure to do so means that the change process will die a premature death (Robbins, 2005).

Furthermore, Chapman (2010) argues that the process of managing change is essential and crucial and involves managing the people who are implementing the change process as well as those whom the change is affecting. According to Chapman (2010), two elements influence change management. Firstly, there is a people strategy, where change agents have to involve the employees. They need to have good communication skills in place, promote team building and a well-motivated staff. The employees should be empowered to participate in the change process. Secondly, there is line manager personal expertise, in which institutions need line managers who possess interpersonal abilities and attributes when communicating the changes within an organisation.

In addition, employers need to communicate the change to employees. Grant (2008) states that in every organisation, employees complain that the employers hardly communicate to them any decisions that concern them. The researcher agrees that the neglect of the communication requirement is a major shortcoming in most organisations, and inadequate communication may give rise to considerable misunderstanding in an organisation. Effective communication improves employee acceptance of the change process as it helps to clarify any doubts and confusions about the nature of change and the reasons behind it and helps to prevent resistance to change (Grant, 2008). Change has to be a

participatory process, so employers need to involve employees from the beginning (Chapman, 2010). Change does not have to be imposed upon the workforce; everyone should understand it (Grant, 2008). The change process has to be smoothed by communication, and to ensure that change is effective, there is a need for participation, empowerment, enforcement, and motivation (Grant, 2008).

According to Chapman (2010), managers should not 'sell' change to the employees, since this is not sustainable but should rather be able to influence employees to adopt change willingly, ensuring that they understand the change process (Grant, 2008). The people affected by the change process should agree on the change and should be willing to meet the consequences of the process (Chapman, 2010). Rapid and dynamic changes are taking place every day within the macro environment of organisations and to ensure that the company maintains a competitive advantage over its competitors (Chapman, 2010). Organisational change is inevitable (Grant, 2008). Allio (2005) argues that the major challenge in an organisation is that of implementing initiatives that will lead to the change process. Change affects every aspect and area of an organisation and, as such, a holistic approach has to be adopted when the necessary changes are implemented within an organisation (Chapman, 2010).

#### **4.4 Chapter summary**

The focus of this chapter was to review experiences on the organisational culture in SOEs in different countries. There were case studies in SOEs in Asian and African countries. The chapter wound up by providing suggestions on how to enhance performance in the SOEs. The next chapter discusses the research methodology.

## **CHAPTER V**

### **RESEARCH METHODOLOGY**

#### **5.1 Introduction**

Each research requires a specific methodology that is best suited to answer the questions under study. The major thrust of the present enquiry was on exploring the effect of selected dimensions of organisational culture on SC performance in selected SOEs in Zimbabwe. This chapter comprises the methodology used during the research process. The focus of this section was on the research philosophy, research design, the population, sampling procedures, the research instruments and data collection procedures. Validity and reliability, ethical considerations, and data analysis and presentation procedures are also part of the chapter.

#### **5.2 Research philosophy**

Research philosophy is the structure, method, and road map that the researcher uses in order to achieve the desired objectives. The philosophy is grounded in the theories that influence the type of research. According to Saunders, Lewis, and Thornhill (2012), there are three main approaches in research, namely positivism, interpretive and critical social science.

Simon (2011) describes positivism as the epistemic method that uses natural sciences to understand society. According to Creswell (2014), interpretivism considers the subjective nature of research. The present study had both subjective and objective elements, and positivist (quantitative) and interpretive (qualitative) thinking guided this study.

### **5.3 Research design**

The study used two major research methods, namely the quantitative and qualitative designs. Simon (2011) states that studies often depend on more than one approach, and Taylor, Bogdan and DeVault (2016) observe that business research is often a mixture of the quantitative and qualitative approaches. The researcher therefore adopted both approaches to optimise the benefits of mixed methods, which is a combination of both designs, making use of both qualitative and quantitative data (Creswell, 2014).

The researcher recognised the epistemological chasm between the qualitative and quantitative methods and therefore made no assumptions regarding the convergence of data. The researcher adopted the view that the multi-method approach enables the generation of a more complete set of data. The survey was cross-sectional and data was collected between December 2014 and August 2015.

### **5.4 Research population**

Marczyk, Dematteo, and Festinger (2005) describe a population as a collection of individuals, with relevant items of interest that the researcher is interested in studying. The present enquiry comprised the managers, employees, and clients of eight SOEs in Zimbabwe.

The population sizes for managers, employees and clients were 1724, 12953, and 16.8 million respectively. The population was determined by visiting the head offices of the eight SOEs participating in the study, and the number of managers and employees was ascertained from HR records of each SOE visited, while public relations departments provided the population of clients.

The researcher noted that there were multiple counts when it came to clients. For instance, one person could be a client in all of the eight SOEs, which means that the contribution of that person to the population was eight. Since the population size was so large, in the order of millions, multiple counts were deemed to have relatively little effect on the sample size, as the sample size would be almost the same whether there were a few million or several millions of people.

## **5.5 Sampling design**

A sampling design is a definite plan for obtaining a representation from a given population (Markzyk et al., 2005). The researcher analysed a variety of sampling strategies in order to come up with the appropriate design that would be reliable and appropriate for the study. The many sampling methods can be broadly categorised into two groups namely, probability sampling and non-probability sampling (Creswell, 2014).

Probability sampling techniques enable all the elements of the population to have an equal chance of selection and comprise simple random sampling, stratified random sampling and cluster sampling. Probability sampling is most appropriate when there is a high need for representativeness to enable findings to be generalised (Saunders et al., 2012). When there are many factors to be considered then **non-probability**, sampling becomes essential. In this case, the sample is determined to reflect particular features of groups within the population (Taylor et al., 2016).

The researcher used a combination of sampling strategies. Judgmental sampling was used to select the SOEs. Participants were grouped into three categories comprising managers, employees, and clients. Managers and employees were selected using random sampling, while clients were selected through convenience sampling.

The researcher obtained a database of managers and employees in the SOEs from the HR departments. Codes were assigned to each individual and the 'fish bowl' (lottery) method was used to select the required number of participants in each SOE. To select clients, the researcher visited the main 'stations' (branches, banking halls, or booking offices) where the clients accessed or paid for services of the SOEs. Data from clients was collected using an interviewer-administered questionnaire. The researcher targeted the clients he encountered first, until the sample size for the particular SOE was reached.

The sample sizes for each SOE were established in line with Research Advisory Council (2006) guidelines for determining sample size. The sample size pertaining to each SOE was proportioned using the population to sample ratios. The proportion of the sample size as compared to the population size was 10% for managers and 5% for employees. The sample size for clients was about 0.0025% of the population or one in every 40000 individuals. Table 5.1 shows the population and sample. The sample sizes for managers, employees, and clients were determined to be 176, 470, and 421, respectively.

**Table 5.1: Population and sample sizes**

Name of SOE	Justification for inclusion in the study	Managers			Employees		Clients	
		Population	Sample		Population	Sample	Population	Sample
			Questionnaires	Interviews				
Air Zimbabwe	This SOE is vital for facilitating travelling of tourists, especially to local tourist destinations.	234	24	3	1400	70	500 000	13
GMB	The GMB is vital for ensuring food security in Zimbabwe, and needs to be efficient.	198	20	3	1600	80	7 million	175
NOIC	Fuel is vital in any economy, and determines the price of basic commodities. Efficiency in SC performance of NOIC is vital.	172	18	3	450	23	300000	8
NRZ	This SOE is vital for cheap and efficient transportation of bulk goods. In the light of fuel price increases, SC performance of NRZ is vital.	231	24	3	710	36	1 million	25
ZESA	Electricity is one of the major sources of power for both industrial and domestic clients. This SOE is vital for economic development.	600	60	3	3700	185	4.1 million	102
ZINWA	ZINWA has the mandate of regulating the use and provision water. Climate change has resulted in scarcity of water, which calls for efficiency and effectiveness in ZINWA's operations.	148	15	3	810	41	2 million	50
ZMDC	Mining is becoming one of the largest contributors to Zimbabwe's GDP. Efficiency and effectiveness in the operations of ZMDC are vital.	38	4	3	194	10	1 million	25
ZUPCO	ZUPCO is vital for the transportation of passengers. ZUPCO could also be instrumental in the provision of affordable and reliable urban transport; hence, it needs it to be efficient.	103	11	3	489	25	900000	23
<b>TOTAL</b>		<b>1724</b>	<b>176</b>	<b>24</b>	<b>7953</b>	<b>470</b>	<b>16.8 million</b>	<b>421</b>
<b>Sample size at 95% confidence level</b>			<b>176</b>	<b>24</b>		<b>470</b>		<b>421</b>

According to Table 5.1, the sample comprised of 176 managers, 470 employees and 421 clients, a total of 1067 elements. The sample sizes were manageable and deemed adequate to yield the required data because they exceeded the minimum samples sizes for the respective population sizes, if the confidence level is at 95%. According to Research Advisory Council (2006), the minimum sample size for a population of up to 300 million at 95% confidence level and 5% margin of error is 384. This assertion is supported by Sekeran and Bourgie (2010), who state that any sample size above 384 is acceptable for very large populations.

## **5.6 Research Instruments**

Research instruments are the tools or instruments used when collecting data from participants. The researcher used questionnaires and interviews as data collection tools. The researcher designed the questionnaire and interview guide, whose sections were in line with the research objectives. The data collection tools were developed from the important issues that arose from the literature review.

Data from managers and employees in SOEs was collected through questionnaires. The researcher used closed-ended questionnaires as well as a five-point Likert-type Scale ranging from 'Strongly agree to 'Agree', 'Disagree', 'Strongly disagree' and 'Unsure' and all the data from clients was collected through interviewer-administered questionnaires in order to prevent follow-up challenges. Discussions with clients were mainly focused on capturing their perceptions of customer satisfaction.

The questionnaire for managers and employees included a section containing items relating to dimensions of organisational culture and a section containing items relating to SC performance metrics. In addition, selected managers were,



interviewed and the discussions allowed the researcher to generate detailed responses about the issue being investigated. During the administration of the questionnaires, the researcher identified the managers who were best suited to be candidates for an interview. Availability and knowledge about organisational culture were the major determinants for identifying the managers who were interviewed. The rationale for using interviews was based on the premise that respondents can provide detailed answers. However, the interviews tended to consume more time than questionnaires; therefore, interviews with managers were limited to 24, that is, three in each SOE. The researcher interviewed the managers responsible for corporate affairs, finance, and marketing in each of the eight SOEs. The data from the interviews was captured using an audio recording device.

## **5.7 Validity and reliability**

This section discusses the validity and reliability of the research instruments used by the researcher during his study.

### **5.7.1 Validity**

Validity ensures that the research instruments achieve their purpose. Validity is about the truthfulness of a research or the extent to which the idea fits reality (Creswell, 2014). Validity in research is essential to establish whether the research tools practically measure the variables that are in the research (Saunders et al., 2012). There are several types of validity and the first two are content validity and construct validity (Taylor et al., 2016). There is also internal validity that refers to the extent to which the research instrument produces results that show the relationship between the independent and the dependent variable (Saunders et al., 2012). Accordingly, if the outcome of the study shows that the independent variable produces or influences the dependent variable, it means that there is internal validity (Creswell, 2014). Internal validity is the extent to which the independent variable influences dependent variables, while external

validity is the extent to which results of study can be generalised (Saunders et al., 2012). There are other various forms of validity, namely face validity, criterion validity, content validity, and construct validity (Saunders et al., 2012).

The researcher noted that it is hard to attain 100% validity and this stance is also supported by Creswell (2014) and Taylor et al. (2016). Nevertheless, researchers use several methods to enhance the validity of the study. The ways of increasing validity that were used are triangulation, adequate length of the research, and member checking. The other methods are peer review, negative case sampling, reflexivity, audit trail and ensuring that the sample is representative. Enhancing of validity was also through collecting data from knowledgeable participants and respecting the research ethics.

#### **5.7.1.1 Mixed methods**

The approach involves the cross-checking of information using different methods (Simon, 2011). There are various approaches to mixed methods, namely use of multiple sources of data, use of multiple methods, using more than one investigator, and use of multiple theories. According to Saunders et al. (2012), the mixed methods approach is about enhancing the truthfulness of the study through combining methods. Accordingly, mixed methods approach is a validity procedure where the researcher searches for convergence among multiple and different sources of information to form themes or categories in the study. In this study, the use of both quantitative and qualitative approaches entailed the use of mixed methods. In addition, there was use of questionnaires and the interviews to collect data, which is another dimension of mixed methods. Finally, the data was collected from managers and employees in the SOEs as well as from clients.

Mixed methods may include multiple methods of data collection and data analysis, but does not suggest a fixed approach for all the researchers. Creswell

(2014) argues that the use of mixed methods approach to test the validity and reliability of the study depend on the criterion of the research.

#### **5.7.1.2 Length of research**

Taylor et al. (2016) point out that there should be adequate time to conduct a study. The researcher requires enough time to obtain a holistic picture of the situation prevailing on the ground. In this study, the data collection of process was spread over a period of nine months, meaning that there was adequate time.

#### **5.7.1.3 Member checking**

It is important to verify the data from the research participants. Member checking occurs when the researcher returns to the subjects who were interviewed to check whether the data agrees with what the individuals had said. The aim of member checking is to establish whether the data was captured correctly. Sometimes, researchers can make mistakes in the recording of the answers. Member checking was done in this study. Member checking was done about a week after the interviews were conducted, after the data was transcribed. The respondents were provided with a summary of their responses for perusal and confirmation.

#### **5.7.1.4 Peer review**

Quality control is necessary when one is conducting research. In the present study, quality control entailed asking colleagues or peers to give comments on the research instruments and the data collected. Peer review was done during the collection and the capturing of the data.

#### **5.7.1.5 Negative case sampling**

There were exceptional cases during the data collection process. Some participants had 'a lot of detail' while others seemed not to be sure of the answers. Therefore, the researcher had to conduct a thorough analysis of the extreme cases (those with too much detail and those who were not sure of the answers). The aim was to generate answers to the differences between people, which could be useful when answering some of the research questions and in providing recommendations.

#### **5.7.1.6 Reflexivity**

It is important for a researcher to reduce the likelihood of personal values creeping into the research. According to Taylor et al. (2016), investigators should be as objective as possible. An account of the situation, such as notes, transcripts, or official documents, is the only source of research findings. However, the truth in a social setting is relative to the information provider (Saunders et al., 2012). The principle of reflective criticism ensures people reflect on issues and processes and make explicit the interpretations basing on the research data. In this study, the researcher used the data collected through questionnaires, interviews, and documentary analysis as the sources of findings. There was no interference by personal values, perceptions, and judgements in the study.

#### **5.7.1.7 Audit trail**

Saunders et al. (2012) state that keeping a detailed and accurate record of everything the researcher did during data collection is important. Accordingly, there was a record of the steps followed during the data collection process. The records of data were also kept in a secure place and will be destroyed after two years of examination of this doctoral thesis.

#### **5.7.1.8 Ensuring that the sample is representative**

The findings of the research come from a sample of the population. Therefore, the truthfulness of a study depends on the representativeness of the sample. In this research, there was use of stratified random sampling, which ensured that there was representation of all categories of the participants. For the managerial employees who were interviewed, there was use of purposive sampling to select the managers to be interviewed, but there general guideline was that each organisation provides three managers from three different departments.

#### **5.7.1.9 Use of knowledgeable participants**

According to Creswell (2014), selecting knowledgeable members enhances the validity of the research. The researcher ensured the participants had adequate knowledge about the organisational culture and SC performance in the SOEs through soliciting data about their working experience and knowledge about the SOEs before detailed data collection.

#### **5.7.1.10 Respecting research ethics**

Ethics denotes the right and the wrong conduct of research, and are the values that investigators should uphold. Saunders et al (2012) state that the acceptability of a research report is dependent on whether the researcher followed the appropriate procedures. In this study, the researcher upheld ethical principles of informed consent, protection of participants from harm, and confidentiality.

#### **5.7.2 Reliability**

According to Saunders et al. (2012), reliability is the extent to which an instrument produces the same results in repeated trials. According to Simon (2011), if the results of a study can be reproduced under a similar methodology, then the research instrument is considered reliable. Moreover, reliability is defined as the extent to which a questionnaire, test, observation or any

measurement procedure produces the same results on repeated trials (Saunders et al, 2012). The researcher used five ways to improve reliability. The methods were the use of Cronbach's alpha, clear conceptualisation of the concepts of organisational culture and SC performance, and the use of precise levels of measurement. Moreover, there was use of multiple indicators, and the conduct of a pilot study.

#### **5.7.2.1 Cronbach's alpha**

The researcher used Cronbach's Alpha to test the reliability of the research questionnaire and the alpha value was 0.76. Cronbach's alpha measures how well a set of items measures a latent construct (Saunders et al., 2012). Alpha is a measure of reliability of an instrument and its value ranges from 0 to 1. According to Taylor et al. (2016), a research instrument should have an alpha value of at least 0.7 for it to be viewed as reliable; therefore, at alpha value 0.76 alpha values, was reliable.

#### **5.7.2.2 Clear conceptualisation of organisational culture and supply chain management**

The design of the questionnaire was finalised after a detailed review of the literature on organisational culture and SCM. The literature review helped in identifying the gaps in knowledge. The loopholes provided the researcher with an idea of the areas where new knowledge was sought.

#### **5.7.2.3 Use of precise levels of measurement**

The research questionnaire consisted of questions. Most closed questions had figures as possible responses. Therefore, there were no questions that were not clear. Reliability was also enhanced using precise measurements, like the percentage of the ability of the SOEs to meet financial targets and the percentage in terms of meeting equipment requirements.

#### **5.7.2.4 Use of multiple indicators**

Using multiple indicators to assess the situation is important. The use of multiple indicators to assess SC performance, that is, the four perspectives of the BSC (financial performance, customer satisfaction, efficiency in internal business processes, and learning and growth) also ensured reliability in assessing the performance of the SOEs under study.

#### **5.7.2.5 Pilot study**

The pilot study is one of the critical stages of a research exercise. The aim of a pilot study is to identify potential problem areas and deficiencies in the research instruments. It can also help members of the research team to be familiar with the procedures of the protocol. A pilot study can help the researcher to decide between two competing research methods, such as using interviews rather than a self-administered questionnaire (Creswell, 2014).

After a pilot study, a researcher can improve reliability by clarifying items, and making test instructions easier to understand. Alternatively, the researcher can make the instrument longer. According to Saunders et al. (2012), the principal method to make tests more reliable is to make them long, thus adding more items. However, the longer the test, the more likely that boredom, and fatigue could produce attenuation (reduction) in the consistency of responses (Taylor et al., 2016). All the instruments for this study were pilot tested at the GMB Head Office in Harare and the senior managers in the SOE helped in refining the questionnaire and interview guides.

### **5.8 Data collection procedures**

Data collection procedures are the steps that a researcher follows when collecting the data (Simon, 2011). In the present study, these steps comprised the seeking of admission to do research, setting appointments and administration

of the instruments. Firstly, the researcher had to seek clearance from the directors of the eight selected SOEs to do the research. A letter, which explained the purpose of the study, was sent to the directors.

Secondly, the researcher made appointments with the participants. Participants were not easily accessible because they had regular duties to perform at their workstations. Therefore, the researcher made appointments, and the instruments were administered once participants had confirmed availability.

In addition, the researcher visited the workplaces of members to administer the questionnaires and conduct interviews. The respondents were informed about the purpose of the study, the confidentiality of the information, and they gave written consent. Data from the managers and employees in the SOEs was collected using self-administered questionnaires while interviewer-administered questionnaires were used to collect data from the clients. Interviews were conducted with selected managers in the SOEs and the plan was to target a maximum of 24 interviewees. Appointments were made before conducting the interviews.

## **5.9 Ethical considerations**

The researcher sought the consent of SOEs and the participants before collecting data from them. Participants were informed that they could withdraw from the research anytime they felt it was necessary. For confidentiality purposes, respondents did not divulge their names during the data collection procedures.

## **5.10 Data analysis and presentation procedure**

There was both quantitative and qualitative data analysis. Quantitative data was analysed using the Statistical Package for Social Sciences (SPSS), version 19. SPSS made it possible for the researcher to compute statistics like mean,



ANOVA (to show relationship between variables), and regression analysis (to show the relationship between independent and dependent variables). There were t-tests, to establish if there were differences between the responses from the managers and employees in the SOEs. In addition, tabular and graphical illustrations were used when presenting the findings.

The overall aim of the study was to examine the influence of dimensions of organisational culture on SC performance in the Zimbabwean SOEs under investigation. Accordingly, quantitative data analysis also involved the computation of correlations on the influence of organisational cultural variables on SC performance, which was expressed in terms of the four elements of the BSC, which are financial performance, customer satisfaction, internal business processes, and learning and growth. The four elements were the dependent variables, the following formula was used:

$$Y = X^0 + X^1 + X^2 + X^3 + X^4 + X^5 + X^6 + X^7 + X^8 + X^9 + X^{10} + X^{11} + X^{12} + X^{13} + X^{14}$$

where:

- Y= dependent variable
- $X^0$ = model constant
- $X^1 - X^{14}$  = independent variables

The independent variables were organisational cultural factors. Table 5.2 reflects a summary of the dependent variables and the causal factors that were tested in the research.

**Table 5.2: Dependent and independent variables**

Dependent variables	Independent variables
Financial performance	<ul style="list-style-type: none"> <li>• punctuality is a problem in the SOE and the is SOE individual innovation;</li> <li>• organisational members make efforts to be punctual when attending meetings;</li> <li>• the SOE uses Gantt charts as management tool;</li> <li>• there is a lag between SOE delivery capacity and customers' preferred time;</li> <li>• SOE resource allocation of employee training is adequate;</li> <li>• employees put effort to ensure that deadlines are met;</li> <li>• poor time orientation causes late delivery of products and services;</li> <li>• organisational members make efforts to be punctual when returning from lunch;</li> <li>• employees devote time on attaining organisational goals;</li> <li>• organisational members make efforts to be punctual when coming to work;</li> <li>• the SOE uses network analysis as management tools; and</li> <li>• SOE resource allocation for management training is adequate</li> </ul>
Customer satisfaction	<ul style="list-style-type: none"> <li>• The SOE uses flexitime;</li> <li>• organisational members make efforts to be punctual when coming to work;</li> <li>• there is a lag between SOE delivery capacity and-customers' preferred time;</li> <li>• there is consultation with clients before making decisions that affect them;</li> <li>• employees could work overtime even if there is no overtime allowance;</li> <li>• SOE individual innovation;</li> <li>• SOE resource allocation of employee training is adequate;</li> <li>• punctuality is a problem in the SOE;</li> <li>• the SOE encourages creativity;</li> <li>• the SOE has openness and changes and adaptability;</li> <li>• poor time orientation causes late delivery of products and services;</li> <li>• SOE management is able to make timely decisions;</li> <li>• organisational members make efforts to be punctual when returning from lunch; and</li> <li>• there is employee participation in decision-making.</li> </ul>
Internal business process improvement	<ul style="list-style-type: none"> <li>• poor time orientation causes late delivery of products and services;</li> <li>• the SOE has openness and changes and adaptability;</li> <li>• there is employee participation in decision-making;</li> <li>• the extent of SOE meeting its equipment requirements;</li> <li>• the SOE uses flexitime;</li> <li>• the SOE encourages creativity;</li> <li>• SOE management is able to make timely decisions;</li> <li>• the SOE uses efficient technologies to minimise wastages; and</li> <li>• there is consultation with clients before making decisions that affect them</li> </ul>
Learning and growth	<ul style="list-style-type: none"> <li>• the SOE has openness and changes and adaptability;</li> <li>• poor time orientation causes late delivery of products and services;</li> <li>• SOE resource allocation of employee training is adequate;</li> <li>• the SOE uses network analysis as management tool;</li> <li>• the SOE encourages creativity;</li> <li>• organisational members make efforts to be punctual when coming to work;</li> <li>• SOE individual innovation;</li> <li>• employees put effort to ensure that deadlines are met;</li> <li>• employees devote time on attaining organisational goals;</li> <li>• the SOE uses Gantt charts as management tool;</li> <li>• SOE individual initiation; and</li> <li>• SOE resource allocation for management training is adequate.</li> </ul>

Qualitative data analysis was conducted using thematic analysis. Thematic analysis is a qualitative data analysis technique, which collects data from various sources and classifies it into themes (Creswell, 2014). The method is a qualitative analytical method for identifying, analysing, and reporting patterns (themes) within the data. Thematic analysis organises and describes the data into sets. A theme captures something important about the data in relation to the research question and represents some level of patterned response or meaning within the dataset (Taylor et al., 2016).

### **5.11 Chapter summary**

This chapter focused on research methodology. It outlined the population size, sample sizes, sampling procedures and methods. The chapter presented specific tools used, namely the research instruments that were used, i.e. the questionnaire and interview guide. The section concluded with the data analysis techniques used. The following section focuses on data presentation, analysis, and discussion.

## CHAPTER VI

### DATA PRESENTATION, ANALYSIS AND DISCUSSION: RESPONSE RATE AND PROFILE OF PARTICIPANTS

#### 6.1 Introduction

This chapter presents the response rate and the profile of the respondents. The study collected data on tenure of employment for managers and employees and the number of years the clients had been getting products and services from the SOEs.

#### 6.2 Response rate

The researcher obtained responses from 139 managers, 353 employees, and 317 clients in the SOEs. In addition, from the intended plan to interview 24 managers, the researcher managed to conduct 15 detailed interviews. Table 6.1 shows the response rate.

**Table 6.1: Response rate**

Name of SOE	Response Rate								
	Managers			Employees			Clients		
	Sample target	Response	Response rate (%)	Sample target	Response	Response rate (%)	Sample target	Response	Response rate (%)
Air Zim	24	12	50%	70	55	79%	13	18	138%
GMB	20	26	130%	80	20	25%	175	25	14%
NOIC	18	6	33%	23	17	74%	8	21	263%
NRZ	24	19	79%	36	36	100%	25	47	188%
ZESA	60	44	73%	185	178	96%	102	132	129%
ZINWA	15	16	106%	41	19	46%	50	41	82%
ZMDC	4	4	100%	10	8	80%	25	13	52%
ZUPCO	11	12	109%	25	23	92%	23	20	87%
<b>Total</b>	<b>176</b>	<b>139</b>	<b>79%</b>	<b>470</b>	<b>353</b>	<b>75%</b>	<b>421</b>	<b>317</b>	<b>75%</b>

Table 6.1 shows that there were high response rates from the managers of GMB, NRZ, ZINWA, ZMDC, and ZUPCO. Air Zimbabwe and NOIC had lower response rates because most of the managers were not readily available for various

reasons, including 'forced leave'. The average response rate for the managers in all the eight SOEs was 79%. The response rates for employees were high in all SOEs save for GMB and ZINWA. Most GMB employees were on 'forced leave' because capacity utilisation was very low. For ZINWA, most employees were engaged in dam projects and therefore not readily available. Nevertheless, an average response rate of 75% was obtained from the employees in the eight SOEs.

High response rates were also obtained from clients in all the SOEs, save for GMB and ZMDC. The products of GMB had 'disappeared' from the shelves in recent years, and it was difficult to identify clients who were very familiar with their products. Clients of ZMDC were mining companies and some of them had busy schedules. For other SOEs, the sample target was actually exceeded because it was very easy to locate clients. The average response rate for clients was 75%. Table 6.1 indicates that the response rate for all the participants was above 76%, which was acceptable, since Saunders et al. (2012) recommend a minimum response rate of 67%.

### **6.3 Profile of the respondents**

A number of questions were posed pertaining to the personal details of participants. The study collected data on gender, qualifications, and tenure of relationship with the SOEs. However, the question on tenure was most relevant for the study, since the tenure of employment and the number of years as a client of SOE indicated the degree of knowledge that a respondent had about the organisation. The questions about other personal details like gender, age, and qualifications were intended to establish a rapport with the respondents. Table 6.2 shows the tenure of employment for the managers and employees.

**Table 6.2: Tenure of employment in the SOE**

Name of SOE			Number of Years in the SOE					Total	
			<2	2-5	6-10	11-15	>15		
Air Zim	Managerial	Count	0	0	0	0	12	12	
		% within current occupation	0.0%	0	0.0%	0.0%	100.0%	100.0%	
	Non-managerial	Count	3	0	13	11	25	52	
		% within current occupation	5.8%	0	25.0%	21.2%	48.1%	100.0%	
	Not Specified	Count	0	0	0	1	2	3	
		% within current occupation	0.0%	0	0.0%	33.3%	66.7%	100.0%	
<b>Total</b>		<b>Count</b>	<b>3</b>	<b>0</b>	<b>13</b>	<b>12</b>	<b>39</b>	<b>67</b>	
		<b>% within current occupation</b>	<b>4.5%</b>	<b>0</b>	<b>19.4%</b>	<b>17.9%</b>	<b>58.2%</b>	<b>100.0%</b>	
GMB	Managerial	Count	0	0	5	17	4	26	
		% within current occupation	0.0%	0	19.2%	65.4%	15.4%	100.0%	
	Non-managerial	Count	5	0	7	2	6	20	
		% within current occupation	25.0%	0	35.0%	10.0%	30.0%	100.0%	
	<b>Total</b>		<b>Count</b>	<b>5</b>	<b>0</b>	<b>12</b>	<b>19</b>	<b>10</b>	<b>46</b>
			<b>% within current occupation</b>	<b>10.9%</b>	<b>0</b>	<b>26.1%</b>	<b>41.3%</b>	<b>21.7%</b>	<b>100.0%</b>
NOIC	Managerial	Count	0	0	3	1	2	6	
		% within current occupation	0.0%	0.0%	50.0%	16.7%	33.3%	100.0%	
	Non-managerial	Count	8	3	2	2	2	17	
		% within current occupation	47.1%	17.6%	11.8%	11.8%	11.8%	100.0%	
	<b>Total</b>		<b>Count</b>	<b>8</b>	<b>3</b>	<b>5</b>	<b>3</b>	<b>4</b>	<b>23</b>
			<b>% within current occupation</b>	<b>34.8%</b>	<b>13.0%</b>	<b>21.7%</b>	<b>13.0%</b>	<b>17.4%</b>	<b>100.0%</b>
NRZ	Managerial	Count	0	0	4	0	15	19	
		% within current occupation	0.0%	0.0%	21.1%	0.0%	78.9%	100.0%	
	Non-managerial	Count	1	5	8	7	15	36	
		% within current occupation	2.8%	13.9%	22.2%	19.4%	41.7%	100.0%	
	<b>Total</b>		<b>Count</b>	<b>1</b>	<b>5</b>	<b>12</b>	<b>7</b>	<b>30</b>	<b>55</b>
			<b>% within current occupation</b>	<b>1.8%</b>	<b>9.1%</b>	<b>21.8%</b>	<b>12.7%</b>	<b>54.5%</b>	<b>100.0%</b>
ZESA	Managerial	Count	9	0	7	7	21	44	
		% within current occupation	20.5%	0.0%	15.9%	15.9%	47.7%	100.0%	
	Non-managerial	Count	76	22	23	13	44	178	
		% within current occupation	42.7%	12.4%	12.9%	7.3%	24.7%	100.0%	
	<b>Total</b>		<b>Count</b>	<b>85</b>	<b>22</b>	<b>30</b>	<b>20</b>	<b>65</b>	<b>222</b>
			<b>% within current occupation</b>	<b>38.3%</b>	<b>9.9%</b>	<b>13.5%</b>	<b>9.0%</b>	<b>29.3%</b>	<b>100.0%</b>
ZINWA	Managerial	Count	2	2	4	2	6	16	
		% within current occupation	12.5%	12.5%	25.0%	12.5%	37.5%	100.0%	
	Non-managerial	Count	0	4	5	7	3	19	
		% within current occupation	0.0%	21.1%	26.3%	36.8%	15.8%	100.0%	
	<b>Total</b>		<b>Count</b>	<b>2</b>	<b>6</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>35</b>
			<b>% within current occupation</b>	<b>5.7%</b>	<b>17.1%</b>	<b>25.7%</b>	<b>25.7%</b>	<b>25.7%</b>	<b>100.0%</b>
ZMDC	Managerial	Count	1	2	1	0	0	4	
		% within current occupation	25.0%	50.0%	25.0%	0	0	100.0%	
	Non-managerial	Count	1	3	4	0	0	8	
		% within current occupation	12.5%	37.5%	50.0%	0	0	100.0%	
	<b>Total</b>		<b>Count</b>	<b>2</b>	<b>5</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>12</b>
			<b>% within current occupation</b>	<b>16.7%</b>	<b>41.7%</b>	<b>41.7%</b>	<b>0</b>	<b>0</b>	<b>100.0%</b>
ZUPCO	Managerial	Count	3	2	6	0	1	12	
		% within current occupation	25.0%	16.7%	50.0%	0.0%	8.3%	100.0%	
	Non-managerial	Count	6	2	7	2	6	23	
		% within current occupation	26.1%	8.7%	30.4%	8.7%	26.1%	100.0%	
	<b>Total</b>		<b>Count</b>	<b>9</b>	<b>4</b>	<b>13</b>	<b>2</b>	<b>7</b>	<b>35</b>
			<b>% within current occupation</b>	<b>25.7%</b>	<b>11.4%</b>	<b>37.1%</b>	<b>5.7%</b>	<b>20.0%</b>	<b>100.0%</b>
<b>Total</b>	<b>Managerial</b>	<b>Count</b>	<b>15</b>	<b>6</b>	<b>30</b>	<b>27</b>	<b>61</b>	<b>139</b>	
		<b>% within current occupation</b>	<b>10.8%</b>	<b>4.3%</b>	<b>21.6%</b>	<b>19.4%</b>	<b>43.9%</b>	<b>100.0%</b>	
	<b>Non-managerial</b>	<b>Count</b>	<b>100</b>	<b>39</b>	<b>69</b>	<b>44</b>	<b>101</b>	<b>353</b>	
		<b>% within current occupation</b>	<b>28.3%</b>	<b>11.0%</b>	<b>19.5%</b>	<b>12.5%</b>	<b>28.6%</b>	<b>100.0%</b>	
	<b>Not Specified</b>	<b>Count</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>3</b>	
		<b>% within current occupation</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>33.3%</b>	<b>66.7%</b>	<b>100.0%</b>	
<b>Total</b>		<b>Count</b>	<b>115</b>	<b>45</b>	<b>99</b>	<b>72</b>	<b>164</b>	<b>495</b>	
		<b>% within current occupation</b>	<b>23.2%</b>	<b>9.1%</b>	<b>20.0%</b>	<b>14.5%</b>	<b>33.1%</b>	<b>100.0%</b>	

Table 6.2 shows that more than 89% of the managers and 71% of the employees had tenure of employment of at least two years in the SOEs. Therefore, this shows that most of the internal stakeholders had adequate knowledge about the organisational culture in the SOEs.

Clients were also asked to specify the number of years they had been obtaining services from the SOEs. Table 6.3 shows the tenure of relationship with the SOEs.

**Table 6.3: Number of years as a client of an SOE**

Name of SOE		Number of years as an SOE client					Total
		<2	2-5	6-10	11-15	>15	
AIR ZIM	Count	1	11	6	0	0	18
	%	5.6%	61.1%	33.3%	.0%	.0%	100.0%
GMB	Count	13	12	0	0	0	25
	%	52.0%	48.0%	.0%	.0%	.0%	100.0%
NOIC	Count	1	9	11	0	0	21
	%	4.8%	42.9%	52.4%	.0%	.0%	100.0%
NRZ	Count	15	28	4	0	0	47
	%	31.9%	59.6%	8.5%	.0%	.0%	100.0%
ZESA	Count	46	34	8	12	32	132
	%	34.8%	25.8%	6.1%	9.1%	24.2%	100.0%
ZINWA	Count	6	20	0	15	0	41
	%	14.6%	48.8%	.0%	36.6%	.0%	100.0%
ZMDC	Count	2	4	7	0	0	13
	%	15.4%	30.8%	53.8%	.0%	.0%	100.0%
ZUPCO	Count	8	8	4	0	0	20
	%	40.0%	40.0%	20.0%	.0%	.0%	100.0%
<b>Total</b>	<b>Count</b>	<b>92</b>	<b>126</b>	<b>40</b>	<b>27</b>	<b>32</b>	<b>317</b>
	<b>%</b>	<b>29.0%</b>	<b>39.7%</b>	<b>12.6%</b>	<b>8.5%</b>	<b>10.1%</b>	<b>100.0%</b>

Table 6.3 shows that more than 70% of clients had relationships of at least two years with the SOEs. Therefore, the clients had adequate knowledge about the nature of services provided by the SOEs.

#### **6.4 Chapter summary**

The overall response rate was above 76%, which was acceptable because Saunders et al. (2012) recommend a minimum response rate of 67%. In addition, data was collected from knowledgeable participants because more than 89% of the managers. This means that the findings are valid given that there is a high chance that, by virtue of their qualifications, the respondents have knowledge about organisational culture. In addition, 71% of the employees had tenure of employment of at least two years in the SOEs. The long tenure implies that the respondents had adequate institutional memory to be able to comment about organisational culture and performance in the SOEs under study. The next chapter examines SC performance in the SOEs under the study.



## CHAPTER VII

### DATA PRESENTATION, ANALYSIS AND DISCUSSION: SUPPLY CHAIN PERFORMANCE IN STATE OWNED ENTERPRISES

#### 7.1 Introduction

This chapter presents the findings on SC performance in the SOEs. The data originates from the managers, employees, and clients in the organisations under study. The findings are presented in line with the four elements of the balanced scorecard (BSC), namely financial targets, customer satisfaction, internal business processes, and learning and growth.

#### 7.2 Financial targets

In order to understand the influence of profit orientation on cost reduction on SC activities in SOEs in Zimbabwe, the study collected data on financial performance of the SOEs. The focus was on the ability of SOEs to meet financial targets, the adoption of cost-saving strategies, recommendations on cost cutting, and debt management strategies. The study collected data on the extent to which the SOEs managed to meet financial targets from the year 2009 (after adoption of the multi-currency system) and 2014. The extent to which a company is able to meet financial targets is essential as financial resources (money) affects the organisation's ability to acquire efficient technology, remunerate employees, and provide a good ROI to its shareholders. Table 7.1 shows the findings from the managers and employees who responded to the question on the ability of the SOEs to meet financial targets. It should be noted that some participants did not answer some questions and the researcher used the available data. Hence, the totals in Table 7.1 and other tables do not correspond in terms of overall number of respondents.

**Table 7.1: Ability of the SOE to meet financial targets**

Name of SOE			Level of meeting targets by SOE						Total
			<20%	20-40%	41-60%	61-80%	81-100%	Mean*	
Air Zim	Management	Count	4	4	0	0	2	40%	10
		%	40.0%	40.0%	0.0%	0	20.0%	40%	100.0%
	Non-managerial	Count	15	14	2	0	5	39%	36
		%	41.7%	38.9%	5.6%	0	13.9%	39%	100.0%
	Unspecified	Count	1	2	0	0	0	40%	3
		%	33.3%	66.7%	0.0%	0	0.0%	40%	100.0%
<b>Total</b>	<b>Count</b>	<b>20</b>	<b>20</b>	<b>2</b>	<b>0</b>	<b>7</b>	<b>42%</b>	<b>49</b>	
	<b>%</b>	<b>40.8%</b>	<b>40.8%</b>	<b>4.1%</b>	<b>0</b>	<b>14.3%</b>	<b>42%</b>	<b>100.0%</b>	
GMB	Management	Count	7	5	8	1	0	43%	21
		%	33.3%	23.8%	38.1%	4.8%	0.0%	43%	100.0%
	Non-managerial	Count	5	1	3	6	2	41%	17
		%	29.4%	5.9%	17.6%	35.3%	11.8%	41%	100.0%
	<b>Total</b>	<b>Count</b>	<b>12</b>	<b>6</b>	<b>11</b>	<b>7</b>	<b>2</b>	<b>41%</b>	<b>38</b>
		<b>%</b>	<b>31.6%</b>	<b>15.8%</b>	<b>28.9%</b>	<b>18.4%</b>	<b>5.3%</b>	<b>41%</b>	<b>100.0%</b>
NOIC	Management	Count	2	0	1	1	2	47%	6
		%	33.3%	0	16.7%	16.7%	33.3%	47%	100.0%
	Non-managerial	Count	0	0	4	4	7	47%	15
		%	0.0%	0	26.7%	26.7%	46.7%	47%	100.0%
	<b>Total</b>	<b>Count</b>	<b>2</b>	<b>0</b>	<b>5</b>	<b>5</b>	<b>9</b>	<b>47%</b>	<b>21</b>
		<b>%</b>	<b>9.5%</b>	<b>0</b>	<b>23.8%</b>	<b>23.8%</b>	<b>42.9%</b>	<b>47%</b>	<b>100.0%</b>
NRZ	Management	Count	6	7	4	2	0	40%	19
		%	31.6%	36.8%	21.1%	10.5%	0.0%	40%	100.0%
	Non-managerial	Count	5	9	12	3	2	39%	31
		%	16.1%	29.0%	38.7%	9.7%	6.5%	39%	100.0%
	<b>Total</b>	<b>Count</b>	<b>11</b>	<b>16</b>	<b>16</b>	<b>5</b>	<b>2</b>	<b>39%</b>	<b>50</b>
		<b>%</b>	<b>22.0%</b>	<b>32.0%</b>	<b>32.0%</b>	<b>10.0%</b>	<b>4.0%</b>	<b>39%</b>	<b>100.0%</b>
ZESA	Managerial	Count	5	12	15	6	3	42%	41
		%	12.2%	29.3%	36.6%	14.6%	7.3%	42%	100.0%
	Non-managerial	Count	15	22	39	28	3	45%	107
		%	14.0%	20.6%	36.4%	26.2%	2.8%	45%	100.0%
	<b>Total</b>	<b>Count</b>	<b>20</b>	<b>34</b>	<b>54</b>	<b>34</b>	<b>6</b>	<b>44%</b>	<b>148</b>
		<b>%</b>	<b>13.5%</b>	<b>23.0%</b>	<b>36.5%</b>	<b>23.0%</b>	<b>4.1%</b>	<b>44%</b>	<b>100.0%</b>
ZINWA	Managerial	Count	2	10	4	0	0	34%	16
		%	12.5%	62.5%	25.0%	0.0%	0	34%	100.0%
	Non-managerial	Count	2	3	9	2	0	39%	16
		%	12.5%	18.8%	56.2%	12.5%	0	39%	100.0%
	<b>Total</b>	<b>Count</b>	<b>4</b>	<b>13</b>	<b>13</b>	<b>2</b>	<b>0</b>	<b>36%</b>	<b>32</b>
		<b>%</b>	<b>12.5%</b>	<b>40.6%</b>	<b>40.6%</b>	<b>6.2%</b>	<b>0</b>	<b>36%</b>	<b>100.0%</b>
ZMDC	Managerial	Count	1	2	1	0	0	35%	4
		%	25.0%	50.0%	25.0%	0.0%	0.0%	35%	100.0%
	Non-managerial	Count	3	0	2	2	1	36%	8
		%	37.5%	0.0%	25.0%	25.0%	12.5%	36%	100.0%
	<b>Total</b>	<b>Count</b>	<b>4</b>	<b>2</b>	<b>3</b>	<b>2</b>	<b>1</b>	<b>36%</b>	<b>12</b>
		<b>%</b>	<b>33.3%</b>	<b>16.7%</b>	<b>25.0%</b>	<b>16.7%</b>	<b>8.3%</b>	<b>36%</b>	<b>100.0%</b>
ZUPCO	Managerial	Count	3	0	7	2	0	46%	12
		%	25.0%	0.0%	58.3%	16.7%	0.0%	46%	100.0%
	Non-managerial	Count	0	4	9	3	3	45%	19
		%	0.0%	21.1%	47.4%	15.8%	15.8%	45%	100.0%
	<b>Total</b>	<b>Count</b>	<b>3</b>	<b>4</b>	<b>16</b>	<b>5</b>	<b>3</b>	<b>45%</b>	<b>31</b>
		<b>%</b>	<b>9.7%</b>	<b>12.9%</b>	<b>51.6%</b>	<b>16.1%</b>	<b>9.7%</b>	<b>45%</b>	<b>100.0%</b>
<b>Total</b>	Managerial	<b>Count</b>	<b>30</b>	<b>40</b>	<b>40</b>	<b>12</b>	<b>7</b>	<b>39%</b>	<b>129</b>
		<b>%</b>	<b>23.3%</b>	<b>31.0%</b>	<b>31.0%</b>	<b>9.3%</b>	<b>5.4%</b>	<b>39%</b>	<b>100.0%</b>
	Non-managerial	<b>Count</b>	<b>45</b>	<b>53</b>	<b>80</b>	<b>48</b>	<b>23</b>	<b>40%</b>	<b>249</b>
		<b>%</b>	<b>18.1%</b>	<b>21.3%</b>	<b>32.1%</b>	<b>19.3%</b>	<b>9.2%</b>	<b>40%</b>	<b>100.0%</b>
	Unspecified	<b>Count</b>	<b>1</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>40%</b>	<b>3</b>
		<b>%</b>	<b>33.3%</b>	<b>66.7%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>40%</b>	<b>100.0%</b>
<b>Total</b>	<b>Count</b>	<b>76</b>	<b>95</b>	<b>120</b>	<b>60</b>	<b>30</b>	<b>40%</b>	<b>381</b>	
	<b>%</b>	<b>19.9%</b>	<b>24.9%</b>	<b>31.5%</b>	<b>15.7%</b>	<b>7.9%</b>	<b>40%</b>	<b>100.0%</b>	

\* Mean rounded off to the nearest whole number.

Table 7.1 shows that the managers indicated that, on average, the extent to which SOEs were meeting financial targets were 39%. On the other hand, response from the employees showed that the SOEs were meeting 40% of the financial targets. Financial resources are essential for sound business operations and help an organisation to acquire inputs, conduct effective operations, and deliver expected services to clients. The extent to which a company is able to meet financial targets is essential as it affects the ability of the organisation to acquire efficient technology, remunerate employees, and provide a good ROI to its shareholders. Without adequate financial resources, organisations fail to meet their obligations, such as salaries. The inability of some of the SOEs to pay salaries resulted in government intervention. For example, in 2010, Treasury forked out more than \$20 million to Air Zimbabwe so that the entity could pay employees who were on industrial action (Biti, 2011). Interviews with managers showed that SOEs were making losses and 'draining' the national purse. When referring to Air Zimbabwe, one manager was asked to what extent his SOE had managed to meet targets for 2013 (financial targets, customer satisfaction internal business processes, and learning and growth). The manager outlined that the government was actually doing fire fighting to save the SOE from total collapse, as the national airline needed substantial financial resources to keep its aircraft flying.

The study established that a syndrome of problems was affecting Air Zimbabwe. Another Air Zimbabwe manager highlighted that from 2010-2014, the airline was making huge losses of about 50% and they were expecting that towards 2015 the losses should be reduced by about 35%. However, the losses started to reappear again from 2013 and 2014 because the airline was operating on a restricted route network, which could not allow the SOE to realise much sales. When the manager was asked to comment on how the SOE was making efforts to reduce costs, such as operating expenses like fuel, he advised that costs

could only be reduced by increasing revenue through higher sales by increasing the route networks. When asked to comment about the profitability and liquidity performance of the organisation, the manager said that the SOE was getting some financial assistance from the parent Ministry of Transport that only enabled them to survive from hand to mouth. On the question concerning the expansion of routes, the manager explained that they had targeted an expansionary budget of about 8% from the initial one with the assistance of the government. They were expecting an increase of about \$81 million dollars in revenue and this was to be achieved through the addition of three routes, namely Harare-Dar es Salaam, Harare-Lusaka, and Harare-Lilongwe. The organisation had also targeted to revive the Harare-London route as the fourth one but failed and this automatically meant a reduction of the projected revenue target from \$86 million to \$46 million dollars. The revised projection was based on the servicing of the domestic routes, Harare-Victoria Falls, Harare-Bulawayo, Harare-Kariba and Harare-Bulawayo-Victoria Falls and internationally Harare-Johannesburg (daily), Bulawayo-Johannesburg (four times a week) and Johannesburg-Victoria Falls (3 days a week). As a result, the expansion of routes was not achieved as expected and this caused the SOE not to meet its financial targets.

Air Zimbabwe was also failing to meet operating expenses. It was established that the available funds could only cater for recurrent expenditure, such as fuel. One manager stated that Air Zimbabwe was failing to pay other costs, such as retrenchment packages for workers and other international statutory obligations. For this reason, in 2011 and 2012, the airline had to face sanctions from the International Air Transport Association (IATA). Moreover, just like Air Zimbabwe, the other SOEs were also making losses. For instance, the managers interviewed said that GMB has been making losses for a number of years. One GMB manager, when responding to the question as to what extent had his SOE managed to meet financial targets for 2013, stated that the organisation had

made a loss of \$6 million in 2011 but it was an improvement from the \$18 million loss made in 2010. There was some improvement in 2012 and 2013, when GMB recorded profits of \$25 000 and \$0.9 million, respectively. On the question of profitability and liquidity, the manager confirmed that in 2014, the organisation recorded a loss of \$51 million because of lower trading stocks and the same operational costs, which had to be met. The liquidity challenges affected the organisation negatively so that it did not perform well and made huge losses.

Another GMB manager confirmed that the financial performance was the poorest in the past six years starting from 2010. The organisation started at a very low position at dollarization, and growth in terms of liquidity was not convincing although the situation had started to improve. However, from 2014, the situation deteriorated further and in June 2014, the organisation could not even pay workers. The SOE is in a serious predicament due to overdue unpaid salaries. There was some internal restructuring, but the benefits of the exercise are yet to be realised.

The situation at Air Zimbabwe and GMB is similar to that of the other SOEs. When responding to meeting of revenue targets one ZESA manager revealed that, the organisation could not meet its financial targets because of load shedding. When there was load shedding it meant there was no power to sell and no revenue was being generated to meet targets. The organisation could not import or make prepayments for power from Mozambique, like institutions in South Africa and Namibia. Consequently, the manager further said that the organisation managed to exceed revenue targets for domestic connections but industrial connections and sales were much lower than the target. In winter, the organisation realised more sales but the figures declined in summer. According to a GMB manager who was interviewed, in August 2015, the budget was \$17 million for electricity sales, and \$12.4 million was made from sales. Budgeted

income was \$136.7 million for the year, and the income realised was \$102 million giving a negative variance of 25%. For July, the SOE had \$17 million but debts were \$13 million. The revenue collection from January to June 2015 was \$90 million and yet the organisation had budgeted \$113.7 million and the target was off by 21%, signifying a rise of 4% in deficits.

The economic situation in Zimbabwe is making it difficult for clients to pay their bills. One manager said that ZESA is owed an excess of \$200 million in debts by both household and institutional clients. On the question of meeting financial targets, another ZESA manager said that bad debts were a problem, and the organisation could not make profits because of bad debts. For example in 2014, the organisation had an allowance of \$101 million for bad debts against \$150 million being owed by debtors. The manager explained that the organisation is making frantic efforts to reduce the provision for bad debts by making sure that they collect what they bill. Although in some cases, it would take nine years for some customers to pay off their debts due to the switch over to pre-paid meters. On the other hand, the manager highlighted that there has been an improvement over the past couple of years since the SOE has managed to buy trucks for operational staff and it is now possible to plan because cash flows have improved with the US dollar. The SOE is also managing to buy the day-to-day items they need like poles, electrical spares, and safety clothing.

Financial challenges were also witnessed in the NRZ. When asked about how the organisation had performed between 2009 and 2013 in terms of profitability and liquidity, one manager revealed that NRZ failed to meet financial targets because of low traffic volumes. For instance, the manager argued that the SOE only managed to achieve \$3.7 million out of a target of \$6 million dollars, and it also failed to pay salaries, medical aid, and statutory obligations for more than twelve months. NRZ was also failing to meet its operating expenses. For

example, at the time of this study, employees had not been paid their salaries for a period of more than 12 months. In this regard, another NRZ official corroborated the foregoing statement about the organisation's financial performance, and explained that because the organisation is not using its own domestic currency it is finding it difficult to import foreign currency. The foreign currency, which is being used, is very costly in terms of high interest rates, and cost transfers, and the organisation has even failed to pay its loans in full in time.

On the question of meeting financial targets from 2009 to 2013, the Zimbabwe National Water Authority (ZINWA) also had some challenges in meeting financial targets. One manager commented that the organisation is dealing with a product, which is very difficult to sell since most of the people are of the opinion that water is God given and it should be free. They do not understand the costs incurred in making water potable, for example, there is need to renovate and capacitate the dams but the organisation has failed to do this because people have not been paying for the water. The manager also commented on the liquidity crisis highlighting that it was a serious issue since 30% of the clients of the organisation are farmers, and if they are not paid in time, they end up not paying for the water. On the issue of profitability, the manager revealed that the financial performance improved greatly between 2009 and 2014 because of the US dollar. He indicated that there was a slight growth of between 3 and 5% in terms of revenues for both clear and raw water, even though the SOE was not meeting the targets for the budget. As a result, the SOE was at least breaking even and the only things that may lead to losses were the provisions for bad debts. The financials were fine and the organisation was realising an operating profit. However, the manager reiterated that the organisation still incurred losses due to the provisions. For instance in 2013, the SOE wrote off a debt of about \$32 million following a directive from the central government.

Another ZINWA manager corroborated the preceding statement, pointing out that in 2014, the organisation failed to meet its financial targets. This was because the organisation depended on the selling of raw and clear water as well as offering some consultancy services. However, because of a depressed economy there was low demand for raw water despite some small financials obtained from selling clear water to the households, councils and other government departments. Therefore, the total revenue target achieved for clear water in 2014 was \$34.3 million out of a budgeted figure of \$40.2, million and for raw water, \$13.9 million was achieved against a budgeted figure of \$15.3 million. The manager went on to highlight that on the expenditure side, the SOE had a budgeted figure of \$57.5 million, and it had spent \$55.4 million. Although the spend was within the budget it was restrained by the cash flow problems as some suppliers and creditors required cash up front for their goods and services. For instance, not much repairs and maintenance could be conducted on works stations because of the cash flow challenges.

The preceding findings showed that, at the time of this research, SOEs were perennial loss makers and were draining the Zimbabwean Treasury. The common themes that emerged were the decreased revenues, increased debts, and restricted cash flow. These results from the qualitative data triangulated well with the quantitative data regarding the extent to which SOEs are meeting their financial targets. The respondents indicated the strategies being implemented by some of the SOEs, stating that the sustainability of the institutions was dependent on the establishment of alliances or partnerships with other stakeholders. However, interviews with some senior managers in the SOEs revealed that it was difficult to get partners owing to the negative balance sheets of some of the SOEs. The present study found that alliances are crucial for the survival of SOEs. Air Zimbabwe, for instance, whose operations are affected by international factors, requires a strategic partner. Significantly, in the new global



environment, with greater competition from more airlines, including new budget carriers, collaborations are not just a planning option but also a strategic necessity. Alliances are crucial because no one organisation can build markets using its own resources and strengths.

There are many reasons why SOEs should form strategic partnerships or alliances. One reason is the need to fill gaps in the current market and technology, and another is to transform operations and technical capacity for profit and long-term survival. According to Omoyefa (2008), achieving economies of scale, overcoming legal and trade barriers and the desire to extend the scope of existing operations are other reasons for partnerships. Further reasons include the desire to accelerate new service introductions and reducing the risk and entry costs associated with new markets (Biti, 2011). For SOEs, strategic alliances are also a way of working together with others towards a common goal while not losing their individuality. Therefore, the profitability and sustainability of SOEs are strongly dependent on partnerships. SOEs are failing to meet financial targets also because operating costs are high. Respondents indicated that equipment in use was not efficient and there were operational losses. Interviews with managers in the SOEs under study showed that cost-saving strategies included salary cutting. However, the remuneration was not based on performance, and management was accused of receiving 'mega' salaries. The SOEs did not have sound debt management strategies, save for those that had implemented prepaid systems for services. The study also found that most SOEs under study did not have adequate machinery and equipment for their operations. For example, a manager with Air Zimbabwe said that the lead-time in procurement of spares was inefficient because of the non-availability of suppliers in Zimbabwe. Essential spare parts for specialised equipment are 'sourced' in the United States, Europe, and Asia.

At the time of this study, some SOEs, for instance, Air Zimbabwe, was not able to pay creditors who supplied the spares. In addition, Air Zimbabwe was not placing emphasis on the availability of critical spare parts. The managers from Air Zimbabwe, who were interviewed, said that the organisation, which is Zimbabwe's national carrier, failed to maintain an inventory of spare parts to support the 'ageing' fleet of Boeing 737-200 aeroplanes. Air Zimbabwe, whose plane fleet size is less than 10, has three B737-200 planes that have 'passed' their 20-year life span. The present study found that there were allegations of 'robbing' spares from one B737-200 to assist another. The exchange of spares resulted in a 'fleet-wide' cross-contamination of defective systems and components, implying that one defect would appear on all the B737-200 planes. The 'circulation' of spares resulted in the loss of an aeroplane engine in 2013. The engine was stolen because of weak control systems and the exchange of the spares parts among the planes. In addition, Air Zimbabwe is failing to pay for spare parts, resulting in creditors losing patience. For example, in 2011, one of Air Zimbabwe's planes was 'impounded' at Gatwick Airport. Air Zimbabwe had failed to keep up to date with payments for spare parts sourced from the US-based company.

The present study also sought to establish the extent to which SOEs have adopted cost-saving strategies. The findings are presented in Table 7.2, which shows the opinions of respondents on the adoption of cost-saving strategies. Participants were required to indicate whether they strongly agreed, agreed, disagreed, or strongly disagreed with the assertion that SOEs were buying goods and services from least-cost suppliers. Some participants did not answer certain questions, and the researcher used the available data. The totals in Table 7.2 therefore do not correspond with the overall number of respondents.

**Table 7.2: Adoption of cost savings strategies**

Name of SOE			SOE makes an effort to identify least cost suppliers						Total
			Strongly agree 1	Agree 2	Disagree 3	Strongly disagree 4	Unsure 5	Mean	
Air Zim	Managerial	Count	4	4	0	0	2	2.20	10
		%	40.0%	40.0%	0.0%	0	20.0%		100.0%
	Non-managerial	Count	15	14	2	0	5	1.64	36
		%	41.7%	38.9%	5.6%	0	13.9%		100.0%
	Unspecified	Count	1	2	0	0	0	2.33	3
		%	33.3%	66.7%	0.0%	0	0.0%		100.0%
<b>Total</b>	<b>Count</b>	<b>20</b>	<b>20</b>	<b>2</b>	<b>0</b>	<b>7</b>	<b>2.47</b>	<b>49</b>	
	<b>%</b>	<b>40.8%</b>	<b>40.8%</b>	<b>4.1%</b>	<b>0</b>	<b>14.3%</b>		<b>100.0%</b>	
GMB	Managerial	Count	2	1	1	1	0	2.10	5
		%	40.0%	20.0%	20.0%	20.0%	0		100.0%
	Non-managerial	Count	2	2	1	0	0	1.8	5
		%	40.0%	40.0%	20.0%	0.0%	0		100.0%
	<b>Total</b>	<b>Count</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>	<b>0</b>	<b>2.00</b>	<b>10</b>
		<b>%</b>	<b>40.0%</b>	<b>30.0%</b>	<b>20.0%</b>	<b>10.0%</b>	<b>0</b>		<b>100.0%</b>
NOIC	Managerial	Count	4	1	0	0	1	1.83	6
		%	66.7%	16.7%	0	0	16.7%		100.0%
	Non-managerial	Count	10	5	0	0	2	1.76	17
		%	58.8%	29.4%	0	0	11.8%		100.0%
	<b>Total</b>	<b>Count</b>	<b>14</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>1.78</b>	<b>23</b>
		<b>%</b>	<b>60.9%</b>	<b>26.1%</b>	<b>0</b>	<b>0</b>	<b>13.0%</b>		<b>100.0%</b>
NRZ	Managerial	Count	14	3	2	0	0	1.04	19
		%	73.7%	15.8%	10.5%	0.0%	0.0%		100.0%
	Non-managerial	Count	23	9	0	1	2	1.03	35
		%	65.7%	25.7%	0.0%	2.9%	5.7%		100.0%
	<b>Total</b>	<b>Count</b>	<b>37</b>	<b>12</b>	<b>2</b>	<b>1</b>	<b>2</b>	<b>1.03</b>	<b>54</b>
		<b>%</b>	<b>68.5%</b>	<b>22.2%</b>	<b>3.7%</b>	<b>1.9%</b>	<b>3.7%</b>		<b>100.0%</b>
ZESA	Managerial	Count	20	13	5	1	1	1.54	40
		%	50.0%	32.5%	12.5%	2.5%	2.5%		100.0%
	Non-managerial	Count	22	15	1	4	3	1.62	45
		%	48.9%	33.3%	2.2%	8.9%	6.7%		100.0%
	<b>Total</b>	<b>Count</b>	<b>42</b>	<b>28</b>	<b>6</b>	<b>5</b>	<b>4</b>	<b>1.60</b>	<b>85</b>
		<b>%</b>	<b>49.4%</b>	<b>32.9%</b>	<b>7.1%</b>	<b>5.9%</b>	<b>4.7%</b>		<b>100.0%</b>
ZINWA	Managerial	Count	8	4	0	2	2	1.95	16
		%	50.0%	25.0%	0.0%	12.5%	12.5%		100.0%
	Non-managerial	Count	10	5	4	0	0	1.53	19
		%	52.6%	26.3%	21.1%	0.0%	0.0%		100.0%
	<b>Total</b>	<b>Count</b>	<b>18</b>	<b>9</b>	<b>4</b>	<b>2</b>	<b>2</b>	<b>1.76</b>	<b>35</b>
		<b>%</b>	<b>51.4%</b>	<b>25.7%</b>	<b>11.4%</b>	<b>5.7%</b>	<b>5.7%</b>		<b>100.0%</b>
ZMDC	Managerial	Count	2	1	1	0	0	1.85	4
		%	50.0%	25.0%	25.0%	0.0%	0		100.0%
	Non-managerial	Count	3	3	1	1	0	2.01	8
		%	37.5%	37.5%	12.5%	12.5%	0		100.0%
	<b>Total</b>	<b>Count</b>	<b>5</b>	<b>4</b>	<b>2</b>	<b>1</b>	<b>0</b>	<b>1.98</b>	<b>12</b>
		<b>%</b>	<b>41.7%</b>	<b>33.3%</b>	<b>16.7%</b>	<b>8.3%</b>	<b>0</b>		<b>100.0%</b>
ZUPCO	Managerial	Count	5	3	1	0	3	1.65	12
		%	41.7%	25.0%	8.3%	0.0%	25.0%		100.0%
	Non-managerial	Count	11	7	2	1	2	1.98	23
		%	47.8%	30.4%	8.7%	4.3%	8.7%		100.0%
	<b>Total</b>	<b>Count</b>	<b>16</b>	<b>10</b>	<b>3</b>	<b>1</b>	<b>5</b>	<b>1.86</b>	<b>35</b>
		<b>%</b>	<b>45.7%</b>	<b>28.6%</b>	<b>8.6%</b>	<b>2.9%</b>	<b>14.3%</b>		<b>100.0%</b>
<b>Total</b>	<b>Managerial</b>	<b>Count</b>	<b>55</b>	<b>26</b>	<b>10</b>	<b>4</b>	<b>7</b>	<b>1.88</b>	<b>102</b>
		<b>%</b>	<b>53.9%</b>	<b>25.5%</b>	<b>9.8%</b>	<b>3.9%</b>	<b>6.9%</b>		<b>100.0%</b>
	<b>Non-managerial</b>	<b>Count</b>	<b>81</b>	<b>46</b>	<b>9</b>	<b>7</b>	<b>9</b>	<b>1.92</b>	<b>152</b>
		<b>%</b>	<b>53.3%</b>	<b>30.3%</b>	<b>5.9%</b>	<b>4.6%</b>	<b>5.9%</b>		<b>100.0%</b>
	<b>Total</b>	<b>Count</b>	<b>136</b>	<b>72</b>	<b>19</b>	<b>11</b>	<b>16</b>	<b>1.86</b>	<b>254</b>
		<b>%</b>	<b>53.5%</b>	<b>28.3%</b>	<b>7.5%</b>	<b>4.3%</b>	<b>6.3%</b>		<b>100.0%</b>

Table 7.2 shows that more than 78% of the managers either strongly agreed or agreed that SOEs were procuring resources from low-cost suppliers. In addition, more than 80% of the employees agreed that cost-saving strategies were adopted by the SOEs. Statistical tests (t-tests) to establish the variations in the responses from the managers and employees were also conducted. Table 7.3 shows the results.

**Table 7.3: T-tests on cost savings strategies**

	Levene's test for equality of variances		t-test for equality of means						
	F	Sig.	T	Df	Sig. (2-tailed)	Mean diff	Std. error diff	95% confidence interval of the diff	
								Lower	Upper
Equal variances assumed	.035	.853	-1.041	209	.299	-.12450	.11960	-.36028	.11129
Equal variances not assumed			-1.075	208.996	.284	-.12450	.11584	-.35286	.10387

According to Table 7.3, the SPSS output of a t-test on managers and employees regarding the procurement of resources from low-cost suppliers was  $t(209) = -0.299$ . The significant value being higher than 0.05 suggests that this is not a significant difference between the mean responses of the managers and employees. Therefore, managers and employees concurred that SOEs were concerned about high costs on the question of implementing cost-saving strategies. One of the managers revealed that the SOE had outlined the issue of reducing costs to be a strategic goal, and measures would be taken in order to minimise them. For example, the manager suggested a reduction procurement costs by not buying from third parties but to procure directly from the manufactures and the idea was paying dividends. The organisation also seriously considered the issue of selling a product, which, it will be in a position to collect what it is owed. In addition, NRZ had adopted a number of cost-reduction measures. A manager from NRZ indicated that they embarked on salary cutting, retrenchments, and voluntary retirement. Relief allowances were scrapped and NRZ have reduced consumables such as stationary and fuel.

Furthermore, just like other SOEs, ZUPCO also introduced cost-cutting measures, and one manager revealed the organisation implemented short work time to cut costs on staff. ZUPCO implemented six months' unpaid leave and introduced a 30% contribution, from the bus ticket sales (passenger fares), to fuel costs for a bus. If the bus ticket sales cannot contribute then it would be better for the SOE not to ply the route. ZUPCO also reduced the costs of insurance and instead of insuring a bus for the whole year, the company now insures on a term-to-term basis. If the bus was not on the road, the company did not have to insure it. The organisation also has training schools for female drivers because it was realised that women seem to take more care of vehicles than their male counterparts do.

The study further established that ZESA had adopted cost-saving measures. As outlined by one manager, from 2013, the general manager (GM) appealed to the finance manager to reduce payroll costs, which were totalling 60% of ZESA's budget. The organisation is no longer engaging contract workers but is now outsourcing, and the organisation is now paying less in maintenance fees. The organisation has also launched social media platforms and encourages the use of emails to reduce telephone bills. ZESA further introduced a new policy on overtime, limiting overtime pay to a maximum of 10% of the pay roll. This is working very well. In 2015, for instance, the over time bill on basic salaries was 80% but with the introduction of the new policy, the target was to reduced it to 25% by December 2015. In terms of other costs related with operations, the organisation suggested combining journeys to cut transport costs. This also includes issues as cash collections and meter reading.

The present study further collected data on whether employees are encouraged to make suggestions on ways to reduce costs. The findings are presented in Table 7.4.

**Table 7.4: Employees make recommendations on cost Reduction**

Name of SOE			SOE employees are encouraged to make recommendations on cost reduction and revenue maximization						Total
			Strongly agree 1	Agree 2	Disagree 3	Strongly disagree 4	Unsure 5	Mean	
Air Zim	Managerial	Count	0	7	2	3	0	2.48	12
		%	0	58.3%	16.7%	25.0%	0		100.0%
	Non-managerial	Count	0	23	7	8	0	2.15	38
		%	0	60.5%	18.4%	21.1%	0		100.0%
	Unspecified	Count	0	3	0	0	0	2.00	3
		%	0	100.0%	0.0%	0.0%	0		100.0%
<b>Total</b>	<b>Count</b>	<b>0</b>	<b>33</b>	<b>9</b>	<b>11</b>	<b>0</b>	<b>2.38</b>	<b>53</b>	
	<b>%</b>	<b>0</b>	<b>62.3%</b>	<b>17.0%</b>	<b>20.8%</b>	<b>0</b>		<b>100.0%</b>	
GMB	Managerial	Count	2	2	1	0	0	2.01	5
		%	40.0%	40.0%	20.0%	0.0%	0		100.0%
	Non-managerial	Count	1	1	1	2	0	2.95	5
		%	20.0%	20.0%	20.0%	40.0%	0		100.0%
	<b>Total</b>	<b>Count</b>	<b>3</b>	<b>3</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>2.98</b>	<b>10</b>
		<b>%</b>	<b>30.0%</b>	<b>30.0%</b>	<b>20.0%</b>	<b>20.0%</b>	<b>0</b>		<b>100.0%</b>
NOIC	Managerial	Count	1	4	1	0	0	2.34	6
		%	16.7%	66.7%	16.7%	0.0%	0.0%		100.0%
	Non-managerial	Count	4	9	1	1	2	2.45	17
		%	23.5%	52.9%	5.9%	5.9%	11.8%		100.0%
	<b>Total</b>	<b>Count</b>	<b>5</b>	<b>13</b>	<b>2</b>	<b>1</b>	<b>2</b>	<b>2.40</b>	<b>23</b>
		<b>%</b>	<b>21.7%</b>	<b>56.5%</b>	<b>8.7%</b>	<b>4.3%</b>	<b>8.7%</b>		<b>100.0%</b>
NRZ	Managerial	Count	4	13	2	0	0	2.09	19
		%	21.1%	68.4%	10.5%	0	0.0%		100.0%
	Non-managerial	Count	9	18	7	0	1	2.10	35
		%	25.7%	51.4%	20.0%	0	2.9%		100.0%
	<b>Total</b>	<b>Count</b>	<b>13</b>	<b>31</b>	<b>9</b>	<b>0</b>	<b>1</b>	<b>2.09</b>	<b>54</b>
		<b>%</b>	<b>24.1%</b>	<b>57.4%</b>	<b>16.7%</b>	<b>0</b>	<b>1.9%</b>		<b>100.0%</b>
ZESA	Managerial	Count	8	19	10	2	1	2.09	40
		%	20.0%	47.5%	25.0%	5.0%	2.5%		100.0%
	Non-managerial	Count	8	17	12	3	5	2.79	45
		%	17.8%	37.8%	26.7%	6.7%	11.1%		100.0%
	<b>Total</b>	<b>Count</b>	<b>16</b>	<b>36</b>	<b>22</b>	<b>5</b>	<b>6</b>	<b>2.67</b>	<b>85</b>
		<b>%</b>	<b>18.8%</b>	<b>42.4%</b>	<b>25.9%</b>	<b>5.9%</b>	<b>7.1%</b>		<b>100.0%</b>
ZINWA	Managerial	Count	2	10	2	2	0	2.14	16
		%	12.5%	62.5%	12.5%	12.5%	0.0%		100.0%
	Non-managerial	Count	4	10	2	0	3	2.15	19
		%	21.1%	52.6%	10.5%	0.0%	15.8%		100.0%
	<b>Total</b>	<b>Count</b>	<b>6</b>	<b>20</b>	<b>4</b>	<b>2</b>	<b>3</b>	<b>2.15</b>	<b>35</b>
		<b>%</b>	<b>17.1%</b>	<b>57.1%</b>	<b>11.4%</b>	<b>5.7%</b>	<b>8.6%</b>		<b>100.0%</b>
ZMDC	Managerial	Count	1	3	0	0	0	1.98	4
		%	25.0%	75.0%	0.0%	0.0%	0		100.0%
	Non-managerial	Count	2	2	2	2	0	2.36	8
		%	25.0%	25.0%	25.0%	25.0%	0		100.0%
	<b>Total</b>	<b>Count</b>	<b>3</b>	<b>5</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>2.09</b>	<b>12</b>
		<b>%</b>	<b>25.0%</b>	<b>41.7%</b>	<b>16.7%</b>	<b>16.7%</b>	<b>0</b>		<b>100.0%</b>
ZUPCO	Managerial	Count	3	5	1	3	0	2.15	12
		%	25.0%	41.7%	8.3%	25.0%	0.0%		100.0%
	Non-managerial	Count	5	6	10	1	1	2.05	23
		%	21.7%	26.1%	43.5%	4.3%	4.3%		100.0%
	<b>Total</b>	<b>Count</b>	<b>8</b>	<b>11</b>	<b>11</b>	<b>4</b>	<b>1</b>	<b>2.64</b>	<b>35</b>
		<b>%</b>	<b>22.9%</b>	<b>31.4%</b>	<b>31.4%</b>	<b>11.4%</b>	<b>2.9%</b>		<b>100.0%</b>
<b>Total</b>	<b>Managerial</b>	<b>Count</b>	<b>21</b>	<b>56</b>	<b>17</b>	<b>7</b>	<b>1</b>	<b>2.48</b>	<b>102</b>
		<b>%</b>	<b>20.6%</b>	<b>54.9%</b>	<b>16.7%</b>	<b>6.9%</b>	<b>1.0%</b>		<b>100.0%</b>
	<b>Non-managerial</b>	<b>Count</b>	<b>33</b>	<b>63</b>	<b>35</b>	<b>9</b>	<b>12</b>	<b>2.38</b>	<b>152</b>
		<b>%</b>	<b>21.7%</b>	<b>41.4%</b>	<b>23.0%</b>	<b>5.9%</b>	<b>7.9%</b>		<b>100.0%</b>
	<b>Total</b>	<b>Count</b>	<b>54</b>	<b>119</b>	<b>52</b>	<b>16</b>	<b>13</b>	<b>2.39</b>	<b>254</b>
		<b>%</b>	<b>21.3%</b>	<b>46.9%</b>	<b>20.5%</b>	<b>6.3%</b>	<b>5.1%</b>		<b>100.0%</b>

According to Table 7.4, more than 70% of the managers were in agreement with the assertion that employees should participate in decision-making. Additionally, Table 7.5 shows that 63% of the employee respondents either strongly agreed or agreed that they were allowed to participate in the making of decisions. The researcher also conducted t-tests in order to establish any differences between the responses from the managers and employees. Table 7.5 shows the results of the t-tests.

**Table 7.5: T-tests on employee participation in decision-making**

	Levene's test for equality of variances		t-test for equality of means							
	F	Sig.	T	Df	Sig. (2-tailed)	Mean diff	Std. error diff	95% confidence interval of the diff		
								Lower	Upper	
Equal variances assumed	15.014	.913	-1.512	209	.132	-.21410	.14156	-.49317	.06496	
Equal variances not assumed			-1.583	206.561	.115	-.21410	.13526	-.48076	.05255	

According to Table 7.5, the significant value was 0.132, which is higher than 0.05, meaning that there were no significant differences in the mean responses by the managers and employees. Therefore, most respondents agreed that employees were allowed to make suggestions pertaining to cost reduction. In addition, there were no variations on the views of both managers and employees about the issue of employee participation in decisions on cost reduction.

The efforts by SOEs to reduce costs are commendable, since cost reduction is essential to ensuring that SOEs are able to meet their financial targets. The researcher established that recurrent expenditures of SOEs are not sustainable and, in most cases, exceeding 85% of revenue collection. Therefore, only about 15% of revenue was left for capital projects at a time when there was a need for huge infrastructural development. One of the costs that are unsustainable is salaries. Most SOEs were urged to rationalise their salaries and benefits. In GMB, although there were cost-cutting measures, salaries continued to be a major expense. One GMB manager said the salaries were the greatest cost,

which accounted for 70% of the revenue generated and positive results were expected from the cost-cutting strategy. In addition, some of the SOEs restructured the procurement function in order to reduce costs. For instance, in GMB, a central procurement structure was adopted whereby consolidation of items was encouraged in order to take advantage of bulk purchases from countries such as South Africa. The motive was also to take advantage of the fall of the South African rand (ZAR) against the US dollar.

The study further established the extent to which SOEs were able to implement debt management strategies. Sound debt management is essential in any institution. Table 7.6 shows the findings on debt management.

**Table 7.6: Debt management strategies are effective**

Name of SOE			Strongly agree 1	Agree 2	Disagree 3	Strongly disagree 4	Unsure 5	Mean	Total
Air Zim	Managerial	Count	0	2	7	3	0	3.01	12
		%	0.0%	16.7%	58.3%	25.0%	0	100.0%	
	Non-managerial	Count	0	7	23	8	0	3.21	38
		%	0	18.4%	60.5%	21.1%	0	100.0%	
	Unspecified	Count	0	0	3	0	0	3	3
		%	0.0%	0.0%	100.0%	0.0%	0	100.0%	
<b>Total</b>	<b>Count</b>	<b>0</b>	<b>9</b>	<b>33</b>	<b>11</b>	<b>0</b>	<b>2.15</b>	<b>53</b>	
	<b>%</b>	<b>0.0%</b>	<b>17.0%</b>	<b>62.3%</b>	<b>20.8%</b>	<b>0</b>	<b>100.0%</b>		
GMB	Managerial	Count	0	0	1	3	0	3.0	5
		%	0.0%	0.0%	20.0%	60.0%	0	100.0%	
	Non-managerial	Count	0	1	4	0	0	2.69	5
		%	0.0%	20.0%	80.0%	0.0%	0	100.0%	
	<b>Total</b>	<b>Count</b>	<b>0</b>	<b>1</b>	<b>5</b>	<b>3</b>	<b>0</b>	<b>2.90</b>	<b>10</b>
		<b>%</b>	<b>0</b>	<b>10.0%</b>	<b>50.0%</b>	<b>30.0%</b>	<b>0</b>	<b>100.0%</b>	
NOIC	Managerial	Count	0	2	1	1	2	2.98	6
		%	0	33.3%	16.7%	16.7%	33.3%	100.0%	
	Non-managerial	Count	0	4	7	0	6	2.68	17
		%	0	23.5%	41.2%	0.0%	35.3%	100.0%	
	<b>Total</b>	<b>Count</b>	<b>0</b>	<b>6</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>2.71</b>	<b>23</b>
		<b>%</b>	<b>0</b>	<b>26.1%</b>	<b>34.8%</b>	<b>34.8%</b>	<b>34.8%</b>	<b>100.0%</b>	
NRZ	Managerial	Count	2	0	11	6	0	3.34	19
		%	10.5%	0.0%	57.9%	31.6%	0.0%	100.0%	
	Non-managerial	Count	0	5	18	4	9	3.45	36
		%	0.0%	13.9%	50.0%	11.1%	25.0%	100.0%	
	<b>Total</b>	<b>Count</b>	<b>2</b>	<b>5</b>	<b>29</b>	<b>10</b>	<b>9</b>	<b>3.40</b>	<b>55</b>
		<b>%</b>	<b>3.6%</b>	<b>9.1%</b>	<b>52.7%</b>	<b>18.2%</b>	<b>16.4%</b>	<b>100.0%</b>	
ZESA	Managerial	Count	1	10	23	4	2	3.20	40
		%	2.5%	25.0%	57.5%	10.0%	5.0%	100.0%	
	Non-managerial	Count	3	14	15	4	9	3.02	45
		%	6.7%	31.1%	33.3%	8.9%	20.0%	100.0%	
	<b>Total</b>	<b>Count</b>	<b>4</b>	<b>24</b>	<b>38</b>	<b>8</b>	<b>11</b>	<b>3.15</b>	<b>85</b>
		<b>%</b>	<b>4.7%</b>	<b>28.2%</b>	<b>44.7%</b>	<b>9.4%</b>	<b>12.9%</b>	<b>100.0%</b>	



Name of SOE			Strongly agree 1	Agree 2	Disagree 3	Strongly disagree 4	Unsure 5	Mean	Total
ZINWA	Managerial	Count	0	8	4	4	0	3.06	16
		%	0.0%	50.0%	25.0%	25.0%	0		100.0%
	Non-managerial	Count	2	4	13	0	0	2.98	19
		%	10.5%	21.1%	68.4%	0.0%	0		100.0%
	<b>Total</b>	<b>Count</b>	<b>2</b>	<b>12</b>	<b>17</b>	<b>4</b>	<b>0</b>	<b>3.01</b>	<b>35</b>
		<b>%</b>	<b>5.7%</b>	<b>34.3%</b>	<b>48.6%</b>	<b>11.4%</b>	<b>0</b>		<b>100.0%</b>
ZMDC	Managerial	Count	0	0	2	1	1	3.87	4
		%	0	0.0%	50.0%	25.0%	25.0%		100.0%
	Non-managerial	Count	0	2	2	2	2	3.68	8
		%	0	25.0%	25.0%	25.0%	25.0%		100.0%
	<b>Total</b>	<b>Count</b>	<b>0</b>	<b>2</b>	<b>4</b>	<b>3</b>	<b>3</b>	<b>3.55</b>	<b>12</b>
		<b>%</b>	<b>0</b>	<b>16.7%</b>	<b>33.3%</b>	<b>25.0%</b>	<b>25.0%</b>		<b>100.0%</b>
ZUPCO	Managerial	Count	1	1	8	2	0	3.21	12
		%	8.3%	8.3%	66.7%	16.7%	0		100.0%
	Non-managerial	Count	4	4	11	4	0	3.35	23
		%	17.4%	17.4%	47.8%	17.4%	0		100.0%
	<b>Total</b>	<b>Count</b>	<b>5</b>	<b>5</b>	<b>19</b>	<b>6</b>	<b>0</b>	<b>3.26</b>	<b>35</b>
		<b>%</b>	<b>14.3%</b>	<b>14.3%</b>	<b>54.3%</b>	<b>17.1%</b>	<b>0</b>		<b>100.0%</b>
<b>Total</b>	<b>Managerial</b>	<b>Count</b>	<b>5</b>	<b>21</b>	<b>49</b>	<b>21</b>	<b>5</b>	<b>3.25</b>	<b>102</b>
		<b>%</b>	<b>4.9%</b>	<b>20.6%</b>	<b>48.0%</b>	<b>20.6%</b>	<b>4.9%</b>		<b>100.0%</b>
	<b>Non-managerial</b>	<b>Count</b>	<b>16</b>	<b>34</b>	<b>63</b>	<b>14</b>	<b>26</b>	<b>3.43</b>	<b>153</b>
		<b>%</b>	<b>10.5%</b>	<b>22.2%</b>	<b>41.2%</b>	<b>9.2%</b>	<b>17.0%</b>		<b>100.0%</b>
	<b>Total</b>	<b>Count</b>	<b>21</b>	<b>55</b>	<b>112</b>	<b>35</b>	<b>31</b>		<b>255</b>
		<b>%</b>	<b>8.2%</b>	<b>21.6%</b>	<b>43.9%</b>	<b>13.7%</b>	<b>12.2%</b>	<b>3.81</b>	<b>100.0%</b>

According to Table 7.6, only 26% of the managers said that there were effective debt management strategies. More so, only 33% of the employees agreed that SOEs were efficient in collecting debts. The researcher conducted t-tests in order to establish the similarity between the responses from the managers and employees. The t-tests results are displayed in Table 7.7.

**Table 7.7: T-test results on debt management**

	Levene's test for equality of variances		t-test for equality of means						
	F	Sig.	T	Df	Sig. (2-tailed)	Mean diff	Std. error diff	95% confidence interval of the diff	
								Lower	Upper
Equal variances assumed	7.257	.814	-.049	209	.961	-.00740	.14995	-.30300	.28821
Equal variances not assumed			-.051	208.714	.959	-.00740	.14450	-.29227	.27747

According to Table 7.7, the SPSS result on a t-test on managers and employees regarding debt management was  $t(209) = 0.961$ . The significant value being higher than 0.05 suggests that there was no significant difference between the mean responses of the managers and employees. Therefore, there was consensus between the managers and employees that debt management

strategies in the SOEs were not effective. It is therefore not surprising that financial targets are not being met. Since clients are the sources of income in any business, SOEs need to collect all potential revenue from them. Some SOEs, such as ZESA, have implemented debt management strategies in the form of prepaid systems.

The study found that remuneration is one of the major costs in SOEs. It therefore sought to establish the extent to which there is a link between remuneration and performance. Both the managers and the employees were of the view that there was no relationship between remuneration and performance. The managers interviewed said that the salaries and bonuses are paid irrespective of whether the organisations make profits or losses.

The fact that salaries and bonuses were not related to performance seemed to negatively affect the performance of the SOEs under study. The managers and employees were not motivated to 'perform' well, because they are always paid their bonuses even when their performance is not acceptable. In addition, the Zimbabwean SOEs are known for paying 'large' salaries to management, which are not related to profits. Still on the question of cutting costs, one manager from ZESA commented that the organisation suspended the payment of other issues, such as incentives for worker of the month and worker of the year because of hyperinflation. The organisation only committed itself to the payment of its enforceable obligations of paying wages and bonuses according to the annual gazetted dates.

The findings of the study show that SOEs were placing importance on the payment of salaries at the expense of service delivery. One of the causes of this state of affairs is a deterioration of the corporate governance system. Accountability is a considerable challenge in the SOEs. This is in contrast with

findings by Omoyefa (2008) who noted there are a variety of dimensions in which accountability is defined. This entails managerial responsibility, political accountability, financial accountability, and public accountability. Nevertheless, in the present study, it was found that the operation of SOEs has been controversial in that SOEs are managed from both a purely administrative spectrum as well as from a political spectrum. Public management cannot be separated from political activities. In developing countries, accountability is a considerable challenge within the management of SOEs.

Interviews with the managers also showed that accountability in the public service, with reference to SOEs like ZUPCO, Air Zimbabwe, and NRZ, requires controls and more accurate definition of tasks. The participants interviewed said that one of the reasons for low accountability is the deterioration in the public service standards. According to Biti (2012), the organisational culture of the SOEs has deteriorated since the year 2000. This refers to values, transparency, and separation of politics and administration. These findings are in line with arguments by Biti (2011), who states that public entities should be pro-customers. Ethics, which are morale behaviours of the individuals within the organisation, have to be upheld, but it seems within the public sector, ethics are no longer being considered. Ethics values customer needs and promotes transparency. Therefore, SC performance within the SOEs could be better if there is a strong organisational culture, worker participation, employee involvement and empowerment of staff (Nyoni, 2012).

Additionally, there was also the challenge of declining social values. According to Omoyefa (2008:13), "one of the significant challenges to public sector management reforms is the declining social value of society itself." Accordingly, the public sector seems to be associated with a lack of integrity, dishonesty and bias (World Bank, 2006).

The preceding sections highlighted that, at the time of this study, SOEs in Zimbabwe were failing to meet financial targets. Qualitative data showed that weak organisational culture was largely responsible for ineffective organisational performance. To validate the findings from the opinions of participants, the researcher conducted statistical tests in order to establish whether organisational culture had an influence on financial performance.

Regression analysis was used to establish relationships between organisational cultural variables (independent variables) and financial performance (dependent variable). The statistical calculations are shown in Tables 7.8, 7.9 and 7.10.

**Table 7.8: Influence of cultural variables on financial performance: model summary**

Model Summary									
Model	R	R square	Adjusted R square	Std. error of the estimate	Change Statistics				
					R square change	F change	df1	df2	Sig.F change
1	.430 <sup>a</sup>	.185	.132	1.05451	.185	3.490	13	200	.000
a. Dependent variable: level of meeting financial targets by SOE									
b. Predictors: (constant), punctuality is a problem in the SOE, SOE individual innovation; members of the organisation make an effort to be punctual when attending meetings. SOE uses Gantt charts as a management tool. There is a lag between SOE delivery capacity and customers' preferred time. SOE resource allocation of employee training was adequate between 2009 and 2013. Employees make an effort to ensure that deadlines are met. Poor time orientation results in the late delivery of products and services. Members of the organisation make an effort to be punctual when returning from lunch. Employees devote time to attaining organisational goals. Members of the organisation make an effort- to be punctual when coming to work. SOE uses network analysis as a management tool. SOE resource allocation for management training was adequate in 2009-2013.									

Table 7.8 shows that the adjusted regression square (R square) was 0.132. This means that 13.5 % of the change in financial performance was attributed to the predictors, which were organisational cultural variables.

**Table 7.9: Influence of cultural variables on financial performance: ANOVA**

ANOVA						
Model		Sum of squares	Df	Mean square	F	Sig.
1	Regression	50.446	13	3.880	3.490	.000 <sup>b</sup>
	Residual	222.400	200	1.112		
	Total	272.846	213			

In Table 7.9, the significant value was 0.000, which meant that there was strong evidence against the null hypothesis (the view that cultural variables do not have

an influence on financial performance in the SOEs). Therefore, this study found that cultural variables have an influence on financial performance, are independent and they have no covariance among themselves. Table 7.10 shows the correlation coefficients on the influence of each of the cultural variables on financial performance in the SOEs.

**Table 7.10: Correlation coefficients: influence of cultural variables on financial performance**

Model		Coefficients <sup>a</sup>			T	Sig.	Correlations		
		Unstandardised coefficients		Standardised coefficients Beta			Zero-order	Partial	Partial
		B	Std. error						
1	(Constant)	4.440	.478		9.296	.000			
	SOE individual innovation	-.107	.086	-.093	-1.251	.213	-.209	-.088	-.080
	SOE resource allocation of employee training was adequate between 2009 and 2013	-.018	.085	-.018	-.210	.834	-.170	-.015	-.013
	SOE resource allocation for management training was adequate in 2009-2013	-.108	.093	-.105	-1.160	.247	-.224	-.082	-.074
	Employees devote time to attaining organisational goals	-.092	.100	-.075	-.913	.363	-.193	-.064	-.058
	Employees put effort in to ensure that deadlines are met	.009	.103	.008	.092	.927	-.164	.007	.006
	Members of the organisation make an effort to be punctual when coming to work	-.157	.130	-.100	-1.204	.230	-.172	-.085	-.077
	Members of the organisation make an effort to be punctual when returning from lunch	.195	.119	.134	1.642	.102	-.080	.115	.105
	Members of the organisation make an effort to be punctual when attending meetings	-.363	.127	-.218	-2.860	.005	-.239	-.198	-.183
	SOE uses Gantt charts as a management tool	.015	.068	.019	.219	.827	-.140	.016	.014
	SOE uses network analysis as a management tool	-.103	.071	-.129	-1.441	.151	-.214	-.101	-.092
	Poor time orientation results in the late delivery of products and services	-.054	.085	-.047	-.638	.524	-.049	-.045	-.041
	There is a lag between SOE delivery capacity and customers' preferred time	.241	.086	.200	2.810	.005	.182	.195	.179
	Punctuality is the problem in the SOE	-.140	.098	-.108	-1.425	.156	-.032	-.100	-.091

Table 7.10 showed that some organisational cultural variables such as innovation have an influence on financial performance. For instance at the time of this study, there was a lack of innovation in the SOEs, and the correlation coefficient is 0.080, implying that absence of innovation led to a decline in financial performance. In addition, the punctuality problem is responsible for the failure to meet financial targets, and the correlation coefficient was 0.91. In addition, time orientation, time management, and timely delivery of products and services had a significant influence on financial performance because the correlation coefficients are 0.092 and 0.041 respectively, which are less than 0.05. Other variables, such

as allocation of adequate resources for management and employee training, innovation and meeting of deadlines have less influence on financial performance. In summary, the ability of an SOE to meet financial targets is dependent on its ability to operate 'on time' and to meet the expectation of clients. The next section provides a detailed discussion on the ability of the SOEs to meet customer needs.

### **7.3 Satisfaction of customer needs in SOEs**

The second element of the balanced scorecard is the customer perspective. In this regard, the study sought to establish the extent to which the SOEs were meeting the needs of clients.

#### **7.3.1 Responses by management and employees of SOEs**

In order to understand the influence of customer satisfaction on SC activities in Zimbabwean SOEs, the study collected data on the ability of SOEs to meet customer satisfaction or expectations, and the adoption of fair labour practices by management for employees as this would affect production efficiencies negatively. Focus was also on the management of relationships with suppliers, distributors and customers, and the responses to customer complaints or fault reports.

This section provides the views of employees and managers within the SOEs. There is also a discussion on customer satisfaction (using the elements of the CSI) and from the perspective of the clients. On the question of the SOE in meeting the needs of customers, one interviewee from Air Zimbabwe highlighted that the organisation had not done very well in meeting customer satisfaction. For example, one manager said that the organisation used to have a domestic market share of about 40% but it now controls about 11%. This is because of an influx of new low-cost airlines and other conglomerates like Emirates. The challenge is that conglomerates such as Fly Emirates have fuel in their country,

which is therefore not a problem for them and they are well resourced in everything, since they are 100% owned by their government and they have managed to spread their 'wings everywhere'. In addition, the interviewee commented that continuity has also been a challenge since there has been a change in management of Air Zimbabwe. There is a lot of red tape and decisions are too hierarchal to meet the dynamic challenges of the industry, which needs quick decisions. This is affecting the internal business operations, which affects growth and affects the ability of the SOE to satisfy the customer negatively.

At the time of this study, GMB and NRZ were also struggling to meet the needs of customers. For GMB, products are always 'disappearing and reappearing on supermarket shelves and one GMB official revealed that the organisation only managed to meet needs of customers on the milling business partly. On imported products like rice, the organisation fails because importers of the product needs cash up front, which the SOE cannot afford. Local suppliers also require cash or 50% deposit and this is affecting the stock levels of the commodities.

An official from NRZ stated that the organisation fails to meet the needs of clients because of low capacity since it has a low number of wagons to carry customers' goods. The SOE also fails to attract many customers, as many clients have switched to the use of the road rather than rail and this resulted in reduced sales.

Moreover, just like Air Zimbabwe and GMB, ZUPCO also fails to meet its targets as far as customer needs are concerned. One manager said the major cause of the failure of the SOE to meet the needs of its customers (a low CSI) is the depleting fleet size of buses. For example in 2014, the organisation reached a target of 63% instead of 65%, and for 2016, the organisation had targeted 75% customer satisfaction. This was to be achieved by reverting back to urban areas and to maintain the required number of buses. Another ZUPCO official indicated

that the company is making efforts to meet client needs. However, the targets are proving elusive, as the official identified that the depressed economy and failure to acquire new buses as the major cause of the organisation not meeting its CSI target. For instance, the organisation wanted to acquire 60 buses but only managed 50. The organisation also failed to rebrand its product in order to give it a positive look because of limited financial resources.

In addition, a ZINWA official indicated that their organisation was facing challenges in meeting client needs when it comes to both raw and clear water. At the time of this study, the official commented that the organisation was operating at 50% capacity and lagging behind in fixing new connections mainly because of a lack of funds to acquire new equipment in order to replace the old infrastructure. The procurement process, which is done through the State Procurement Board, is also blamed as it takes so long that by the time the process is complete the market prices will have changed.

To assess SC performance in ZINWA, which is responsible for provision of water in small towns, cities and rural service centres in Zimbabwe, the researcher interviewed clients. It was pointed out that the SOE had problems in terms of the provision of water. Interviews with ZINWA's clients at a peri-urban rural service centre (Domboshava), which is about 35 km from Harare, showed that the SOE was failing to provide adequate water. It was pointed out that ZINWA also failed to expand its services in line with the population increase in the settlements it serves. Accordingly, one ZINWA manager interviewed said that it is a fact that the Zimbabwean urban population is increasing rapidly and ZINWA cannot meet the demand for water.

Furthermore, in some SOEs, attempts are being made to satisfy customer needs. One Air Zimbabwe official stated that the organisation is in the process of going



back to IATA House where ticket bookings are sold on behalf of other airlines and selling on behalf of the organisation. This arrangement is good, as it gives the organisation more business by selling passengers to other airlines. In addition, the organisation also managed to go live in terms of Internet booking although the process was delayed by about five months due to financial challenges. In its efforts to meet customer needs, the organisation tries to meet other obligations, which are managed by international statutes such as IATA regulations. For example, the training of engineers and pilots the organisation has constantly managed to meet the targets even though the planes are old. The SOE is an internationally certified airline meaning that it is a safe airline that can land at any airport in the world and it has constantly been meeting the minimum safety standards.

Despite the efforts to improve the negative situation, the consensus among the respondents was that the SOEs were failing to meet customer needs. Accordingly, one respondent said, "Once you're not reliable, there is no way you can expect customers to come to you." Consequently, one can argue that the loss of clients by SOEs such as Air Zimbabwe could be the result of low customer satisfaction.

Client satisfaction should be the core feature of any effective organisation. Improvements in customer satisfaction could lead to an increase in revenues and a decrease in promotional expenses. Meyer (2010) argues that companies must priorities on the effective management of relationships with their customers, the distributors, and the suppliers. According to one manager interviewed, the employee is one of the pillars of the company and is instrumental in customer satisfaction. However, since employees and management are sometimes in conflict over working conditions, employees organise themselves into labour unions. Trade unions resort to collective bargaining with the company

management, making employees less vulnerable to exploitation by the employer. The participants said that if there is no exploitation of employees, quality products and services would be produced. In most Zimbabwean SOEs, however, the needs of employees are usually not met. Employees in SOEs such, as NRZ have salary backlogs of over six months, which comprises service quality. Table 7.11 shows the responses of managers and employees in relation to the SOEs' ability to meet quality expectations. Some participants did not answer all the questions. The researcher used the available data, and the totals in the Tables do not correspond with the overall number of respondents.

**Table 7.11: SOEs' ability to meet quality expectations**

Name of SOE			Responses on ability to meet quality expectations						Total
			Exceeded 1	Most 2	Few 3	None 4	Unsure 5	Mean	
Air Zim	Managerial	Count	0	0	2	5	3	4.12	10
		%	0.0%	0.0%	20.0%	50.0%	30.0%		100.0%
	Non-managerial	Count	5	12	9	6	16	3.87	48
		%	10.4%	25.0%	18.8%	12.5%	33.3%		100.0%
	Unspecified	Count	0	2	0	1	0	2.68	3
		%	0.0%	66.7%	0.0%	33.3%	0.0%		100.0%
<b>Total</b>	<b>Count</b>	<b>5</b>	<b>14</b>	<b>11</b>	<b>12</b>	<b>19</b>	<b>3.56</b>	<b>61</b>	
	<b>%</b>	<b>8.2%</b>	<b>23.0%</b>	<b>18.0%</b>	<b>19.7%</b>	<b>31.1%</b>		<b>100.0%</b>	
GMB	Managerial	Count	0	8	3	0	0	2.87	11
		%	0	72.7%	27.3%	0.0%	0		100.0%
	Non-managerial	Count	0	0	5	2	0	3.12	7
		%	0	0.0%	71.4%	28.6%	0		100.0%
	<b>Total</b>	<b>Count</b>	<b>0</b>	<b>8</b>	<b>8</b>	<b>2</b>	<b>0</b>	<b>2.95</b>	<b>18</b>
		<b>%</b>	<b>0</b>	<b>44.4%</b>	<b>44.4%</b>	<b>11.1%</b>	<b>0</b>		<b>100.0%</b>
NOIC	Managerial	Count	1	5	0	0	0	2.00	6
		%	16.7%	83.3%	0.0%	0	0.0%		100.0%
	Non-managerial	Count	4	8	2	0	3	2.56	17
		%	23.5%	47.1%	11.8%	0	17.6%		100.0%
	<b>Total</b>	<b>Count</b>	<b>5</b>	<b>13</b>	<b>2</b>	<b>0</b>	<b>3</b>	<b>2.32</b>	<b>23</b>
		<b>%</b>	<b>21.7%</b>	<b>56.5%</b>	<b>8.7%</b>	<b>0</b>	<b>13.0%</b>		<b>100.0%</b>
NRZ	Managerial	Count	2	6	9	2	0	3.32	19
		%	10.5%	31.6%	47.4%	10.5%	0.0%		100.0%
	Non-managerial	Count	0	15	16	2	3	3.01	36
		%	0.0%	41.7%	44.4%	5.6%	8.3%		100.0%
	<b>Total</b>	<b>Count</b>	<b>2</b>	<b>21</b>	<b>25</b>	<b>4</b>	<b>3</b>	<b>3.15</b>	<b>55</b>
		<b>%</b>	<b>3.6%</b>	<b>38.2%</b>	<b>45.5%</b>	<b>7.3%</b>	<b>5.5%</b>		<b>100.0%</b>
ZESA	Managerial	Count	0	18	15	5	2	3.03	40
		%	0	45.0%	37.5%	12.5%	5.0%		100.0%
	Non-managerial	Count	0	15	18	2	10	3.68	45
		%	0	33.3%	40.0%	4.4%	22.2%		100.0%
	<b>Total</b>	<b>Count</b>	<b>0</b>	<b>33</b>	<b>33</b>	<b>7</b>	<b>12</b>	<b>3.35</b>	<b>85</b>
		<b>%</b>	<b>0</b>	<b>38.8%</b>	<b>38.8%</b>	<b>8.2%</b>	<b>14.1%</b>		<b>100.0%</b>
ZINWA	Managerial	Count	2	12	0	0	2	2.12	16
		%	12.5%	75.0%	0.0%	0	12.5%		100.0%
	Non-managerial	Count	0	18	1	0	0	2.05	19
		%	0.0%	94.7%	5.3%	0	0.0%		100.0%
	<b>Total</b>	<b>Count</b>	<b>2</b>	<b>30</b>	<b>1</b>	<b>0</b>	<b>2</b>	<b>2.07</b>	<b>35</b>
		<b>%</b>	<b>5.7%</b>	<b>85.7%</b>	<b>2.9%</b>	<b>0</b>	<b>5.7%</b>		<b>100.0%</b>

Name of SOE			Responses on ability to meet quality expectations						Total
			Exceeded 1	Most 2	Few 3	None 4	Unsure 5	Mean	
ZMDC	Managerial	Count	0	1	2	0	1	3.01	4
		%	0	25.0%	50.0%	0	25.0%		100.0%
	Non-managerial	Count	0	4	0	0	4	3.50	8
		%	0	50.0%	0.0%	0	50.0%		100.0%
	<b>Total</b>	<b>Count</b>	<b>0</b>	<b>5</b>	<b>2</b>	<b>0</b>	<b>5</b>	<b>3.28</b>	<b>12</b>
		<b>%</b>	<b>0</b>	<b>41.7%</b>	<b>16.7%</b>	<b>0</b>	<b>41.7%</b>		<b>100.0%</b>
ZUPCO	Managerial	Count	1	2	9	0	0	2.12	12
		%	8.3%	16.7%	75.0%	0.0%	0.0%		100.0%
	Non-managerial	Count	1	7	10	3	2	3.14	23
		%	4.3%	30.4%	43.5%	13.0%	8.7%		100.0%
	<b>Total</b>	<b>Count</b>	<b>2</b>	<b>9</b>	<b>19</b>	<b>3</b>	<b>2</b>	<b>3.11</b>	<b>35</b>
		<b>%</b>	<b>5.7%</b>	<b>25.7%</b>	<b>54.3%</b>	<b>8.6%</b>	<b>5.7%</b>		<b>100.0%</b>
<b>Total</b>	<b>Managerial</b>	<b>Count</b>	<b>6</b>	<b>52</b>	<b>38</b>	<b>7</b>	<b>5</b>	<b>2.96</b>	<b>108</b>
		<b>%</b>	<b>5.6%</b>	<b>48.1%</b>	<b>35.2%</b>	<b>6.5%</b>	<b>4.6%</b>		<b>100.0%</b>
	<b>Non-managerial</b>	<b>Count</b>	<b>5</b>	<b>67</b>	<b>52</b>	<b>9</b>	<b>22</b>	<b>2.88</b>	<b>155</b>
		<b>%</b>	<b>3.2%</b>	<b>43.2%</b>	<b>33.5%</b>	<b>5.8%</b>	<b>14.2%</b>		<b>100.0%</b>
	<b>Total</b>	<b>Count</b>	<b>11</b>	<b>119</b>	<b>90</b>	<b>16</b>	<b>27</b>	<b>2.79</b>	<b>263</b>
		<b>%</b>	<b>4.2%</b>	<b>45.2%</b>	<b>34.2%</b>	<b>6.1%</b>	<b>10.3%</b>		<b>100.0%</b>

Table 7.11 shows that the ability of the SOEs to meet quality expectations was debatable, with about 50% of the managerial respondents arguing that expectations were met. However, less than 50% of employees said that the needs of clients were met. The researcher also conducted t-tests in order to establish whether there were significant differences in the responses by the managers and employees. Table 7.12 shows the t-test results.

**Table 7.12: T-Test Results on satisfaction of customer needs**

	Levene's test for equality of variances		t-test for equality of means						
	F	Sig.	T	Df	Sig. (2-tailed)	Mean diff	Std. error diff	95% confidence interval of the diff	
								Lower	Upper
Equal variances assumed	1.824	.178	-3.044	209	.003	-.44182	.14516	-.72797	-.15566
Equal variances not assumed			-3.088	204.606	.002	-.44182	.14308	-.72391	-.15972

According to Table 7.12, the t-test results showed a significant value of 0.003, which is less than 0.05, meaning there were significant differences in the responses from the managers and employees. Moreover, some SOEs performed worse than the others in terms of meeting client expectations did. For instance, responses on some of the administered questionnaires to the clients showed that their concerns were not being addressed in time. This finding is in line with Nyoni

(2012) who argued that customer complaints or fault reports are gathering dust in the Zimbabwe Electricity Transmission and Distribution Company (ZETDC) offices. ZETDC is a subsidiary of ZESA, which is concerned with distribution of electricity to the clients. However, the subsidiary is failing to provide normal electricity to its consumers and in return, customers are billed with excessive figures that are not commensurate with their consumption. According to one ZESA manager, there were several cases where people had lost their lives, while others were maimed after being electrocuted by live electricity cables left idle due to the lack of proper workmanship.

Another manager from ZESA who was interviewed argued that ZETDC is also experiencing vandalism to its infrastructure by its own employees thereby compromising its service to its customers. For example, cases of draining oil from substations have been reported which resulted in depriving the customers of their right to use electricity for months. Load shedding has been the order of the day and there is poor communication to customers (Nyoni, 2012). This has even affected critical institutions, such as hospitals, which are left without power, thereby posing danger to patients. ZETDC also conducts frequent maintenance or repairs but breakdowns are still there. This resulted in some Bulawayo residents demonstrating against poor service delivery (*The Chronicle*, 8 November 2013). Additionally, the present research found that there was no consultation on clients when SOEs made decisions affecting stakeholders. However, there was convenience in terms of SOE products and services, and the prices and quality of the products were acceptable. The next section contains comments from the clients.

### **7.3.2 Responses from clients**

Data from the clients was collected using questionnaires that were administered to the clients. Focus was on examining the extent of customer satisfaction, that

is, convenience of products and services, customer care, transactions, methods, and systems, pricing, and quality.

### 7.3.2.1 Convenience of products/services

The researcher used the elements of the CSI model in order to establish the level of customer satisfaction. The elements of the model are convenience, customer care, affordability, and the nature of the methods of transacting. The first element in the CSI assessed was the convenience of products and services. Clients were asked whether they were sure of getting a product or service when they needed it. The findings are presented in Table 7.13.

**Table 7.13: I am sure to get a product or service when I need it**

Name of SOE		Strongly agree	Agree	Disagree	Strongly disagree	Unsure	Total
AIR	Count	12	6	0	0	0	18
	%	66.7%	33.3%	.0%	.0%	.0%	100.0%
ZIM	Count	7	16	0	1	1	25
	%	28.0%	64.0%	.0%	4.0%	4.0%	100.0%
NOIC	Count	4	16	1	0	0	21
	%	19.0%	76.2%	4.8%	.0%	.0%	100.0%
NRZ	Count	16	25	2	3	1	47
	%	34.0%	53.2%	4.3%	6.4%	2.1%	100.0%
ZESA	Count	29	49	16	29	9	132
	%	22.0%	37.1%	12.1%	22.0%	6.8%	100.0%
ZINWA	Count	1	35	3	0	2	41
	%	2.4%	85.4%	7.3%	.0%	4.9%	100.0%
ZMDC	Count	8	5	0	0	0	13
	%	61.5%	38.5%	.0%	.0%	.0%	100.0%
ZUPCO	Count	5	12	0	3	0	20
	%	25.0%	60.0%	.0%	15.0%	.0%	100.0%
<b>Total</b>	<b>Count</b>	<b>82</b>	<b>164</b>	<b>22</b>	<b>36</b>	<b>13</b>	<b>317</b>
	<b>%</b>	<b>25.9%</b>	<b>51.7%</b>	<b>6.9%</b>	<b>11.4%</b>	<b>4.1%</b>	<b>100.0%</b>

Table 7.13 shows that more than 75% of the clients said they were sure of securing products and services when they wanted them. Therefore, there was an element of convenience and clients were accessing products and services at convenient locations.

### 7.3.2.2 Customer care

The study sought to establish whether there was customer care (courtesy) in the SOEs. Table 7.14 shows the findings.

**Table 7.14: Courtesy**

Name of SOE		There is courtesy for customers					Total
		Strongly agree	Agree	Disagree	Strongly disagree	Unsure	
AIR ZIM	Count	1	6	5	4	2	18
	%	5.6%	33.3%	27.8%	22.2%	11.1%	100.0%
GMB	Count	4	9	7	2	3	25
	%	16.0%	36.0%	28.0%	8.0%	12.0%	100.0%
NOIC	Count	2	2	8	7	2	21
	%	9.5%	9.5%	38.1%	33.3%	9.5%	100.0%
NRZ	Count	4	8	11	13	11	47
	%	8.5%	17.0%	23.4%	27.7%	23.4%	100.0%
ZESA	Count	16	25	47	30	14	132
	%	12.1%	18.9%	35.6%	22.7%	10.6%	100.0%
ZINWA	Count	2	10	13	11	5	41
	%	4.9%	24.4%	31.7%	26.8%	12.2%	100.0%
ZMDC	Count	1	1	4	7	0	13
	%	7.7%	7.7%	30.8%	53.8%	.0%	100.0%
ZUPCO	Count	2	6	3	4	5	20
	%	10.0%	30.0%	15.0%	20.0%	25.0%	100.0%
<b>Total</b>	<b>Count</b>	<b>32</b>	<b>67</b>	<b>98</b>	<b>78</b>	<b>42</b>	<b>317</b>
	<b>%</b>	<b>10.1%</b>	<b>21.1%</b>	<b>30.9%</b>	<b>24.6%</b>	<b>13.2%</b>	<b>100.0%</b>

The findings in Table 7.14 show that about 30% of the respondents indicated that they received courteous service at the SOEs. Therefore, responses from clients implied that SOEs were not able to meet their needs and courtesy was low.

### 7.3.2.3 Transactions, methods, and systems

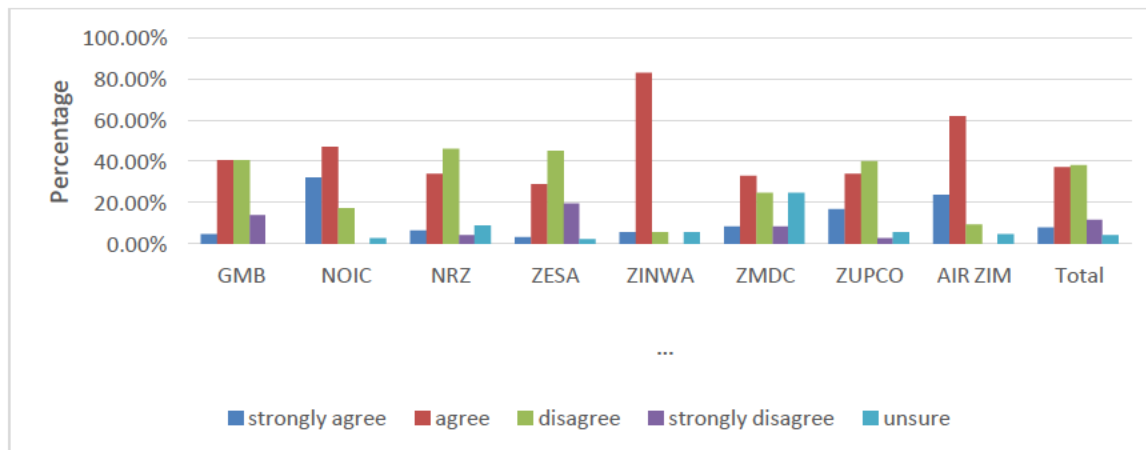
The study also collected data on the nature of transactions, methods, and systems at SOEs. The way in which products and service are paid for has an implication on customer satisfaction. The findings are presented in Table 7.15 and Figure 7.1.

**Table 7.15: Convenience when paying for products**

Name of SOE		There is convenience when paying for goods and services				Total
		Strongly agree	Agree	Strongly disagree	Unsure	
AIR ZIM	Count	11	7	0	0	18
	%	61.1%	38.9%	.0%	.0%	100.0%
GMB	Count	14	8	0	3	25
	%	56.0%	32.0%	.0%	12.0%	100.0%
NOIC	Count	9	11	0	1	21
	%	42.9%	52.4%	.0%	4.8%	100.0%

Name of SOE		There is convenience when paying for goods and services				Total
		Strongly agree	Agree	Strongly disagree	Unsure	
NRZ	Count	30	17	0	0	47
	%	63.8%	36.2%	.0%	.0%	100.0%
ZESA	Count	77	41	1	13	132
	%	58.3%	31.1%	.8%	9.8%	100.0%
ZINWA	Count	32	9	0	0	41
	%	78.0%	22.0%	.0%	.0%	100.0%
ZMDC	Count	9	3	0	1	13
	%	69.2%	23.1%	.0%	7.7%	100.0%
ZUPCO	Count	11	8	0	1	20
	%	55.0%	40.0%	.0%	5.0%	100.0%
Total	Count	193	104	1	19	317
	%	60.9%	32.8%	.3%	6.0%	100.0%

Table 7.15 shows that 93.7% of the clients said that there was convenience in terms payment for products and services. Most SOEs have adopted mobile money payment systems for bills, especially EcoCash. Services at other SOEs, such as ZESA, are available from agencies, which are located at most shopping centres and service stations. Convenience helped to ensure that some SOE products and services were delivered on time. Figure 7.1 show the findings as to whether SOEs products were delivered on time.



**Figure 7.1: SOE products are delivered on time**

Figure 7.1 shows that more than 80% of the respondents said that SOE products were delivered on time. Therefore, one can say that the transactions, methods, and systems at SOEs were effective.

### 7.3.2.4 Pricing

The research sought to establish the extent to which the pricing of SOE products was fair. Price is the amount of money that one has to pay in order to access a product or a service. The findings on the affordability of SOE products and services are presented in Table 7.16.

**Table 7.16: Affordability of SOE products**

Name of SOE		Affordability					Total
		Very high	High	low	Very low	Unsure	
AIR ZIM	Count	0	8	3	0	7	18
	% within name of SOE	.0%	44.4%	16.7%	.0%	38.9%	100.0%
GMB	Count	3	13	0	0	9	25
	% within name of SOE	12.0%	52.0%	.0%	.0%	36.0%	100.0%
NOIC	Count	0	3	6	0	12	21
	% within name of SOE	.0%	14.3%	28.6%	.0%	57.1%	100.0%
NRZ	Count	2	23	5	0	17	47
	% within name of SOE	4.3%	48.9%	10.6%	.0%	36.2%	100.0%
ZESA	Count	17	63	23	8	21	132
	% within name of SOE	12.9%	47.7%	17.4%	6.1%	15.9%	100.0%
ZINWA	Count	0	17	2	2	20	41
	% within name of SOE	.0%	41.5%	4.9%	4.9%	48.8%	100.0%
ZMDC	Count	1	3	0	1	8	13
	% within name of SOE	7.7%	23.1%	.0%	7.7%	61.5%	100.0%
ZUPCO	Count	0	11	2	2	5	20
	% within name of SOE	.0%	55.0%	10.0%	10.0%	25.0%	100.0%
<b>Total</b>	<b>Count</b>	<b>23</b>	<b>141</b>	<b>41</b>	<b>13</b>	<b>99</b>	<b>317</b>
	<b>% within name of SOE</b>	<b>7.3%</b>	<b>44.5%</b>	<b>12.9%</b>	<b>4.1%</b>	<b>31.2%</b>	<b>100.0%</b>

Table 7.16 shows that 52% of the respondents were of the view that the SOEs' products and services were affordable. The prices in SOEs are largely determined by government and the pricing of products is largely fair.

### 7.3.2.5 Products and services

The study collected data pertaining to the product range and quality. Table 7.17 shows the findings on quality.

**Table 7.17: Quality of Products and Services**

Name of SOE		Quality					Total
		very high	High	low	very low	Unsure	
AIR ZIM	Count	4	5	3	3	3	18
	% within name of SOE	22.2%	27.8%	16.7%	16.7%	16.7%	100.0%
GMB	Count	5	9	3	3	5	25
	% within name of SOE	20.0%	36.0%	12.0%	12.0%	20.0%	100.0%
NOIC	Count	5	5	5	1	5	21
	% within name of SOE	23.8%	23.8%	23.8%	4.8%	23.8%	100.0%



Name of SOE		Quality					Total
		very high	High	low	very low	Unsure	
NRZ	Count	14	15	3	6	9	47
	% within name of SOE	29.8%	31.9%	6.4%	12.8%	19.1%	100.0%
ZESA	Count	23	44	36	9	20	132
	% within name of SOE	17.4%	33.3%	27.3%	6.8%	15.2%	100.0%
ZINWA	Count	13	11	7	1	9	41
	% within name of SOE	31.7%	26.8%	17.1%	2.4%	22.0%	100.0%
ZMDC	Count	5	4	1	0	3	13
	% within name of SOE	38.5%	30.8%	7.7%	.0%	23.1%	100.0%
ZUPCO	Count	2	12	2	0	4	20
	% within name of SOE	10.0%	60.0%	10.0%	.0%	20.0%	100.0%
<b>Total</b>	<b>Count</b>	<b>71</b>	<b>105</b>	<b>60</b>	<b>23</b>	<b>58</b>	<b>317</b>
	<b>% within name of SOE</b>	<b>22.4%</b>	<b>33.1%</b>	<b>18.9%</b>	<b>7.3%</b>	<b>18.3%</b>	<b>100.0%</b>

According to Table 7.17, quality of SOE products and services was acceptable at the time of this research. The SOEs' managers and employees shared the same views. Having products with high quality is advisable in all SOEs. It is essential to note that quality in institutions means that the service provider should meet all the needs of the customers. There are characteristics of a quality service that SOEs should meet. These are quality products, services that are user-friendly and reliable, and there should be consistency, products or services should always be available, the service has to be valuable, and efficient, and services should be ethical (Lamikanra, 2013).

Moreover, the organisations could enhance customer loyalty when they provide quality services. When the organisation adheres to good ethical considerations, CRM is enhanced within the organisation (Deloitte, 2013). According to Meyer (2010), most customers prefer quality services. It is all about value for money in making purchase decisions. Although the phrase 'service quality' is widely exhausted within most literature sources, it was disturbing to note that there is no consensus in terms of the meaning of the phrase 'service quality'.

Service quality stipulates that, before attaining service quality, satisfaction have to be realised by the clients. There is a need to satisfy the needs of stakeholders that is, when stakeholders develop an interest towards the products thus attaining customer loyalty. In the end, the products offered are considered to be

of high quality (Flack, 2010). Gaa (2009) further acknowledges that, when an institution satisfies customer needs it literally means that there is service quality. The variation between customer perception before service provision and perception after receiving service is termed service quality. The perceptions of authorities on service quality differ in terms of customer expectations, and the difference between the two items provides some indicators on the level of service quality. According to Lamikanra (2013), two types of service quality shape the image of SOEs' in the organisational environment.

The first category is the 'technical quality' (the practical side of business.) This comprises the information and communication technologies (ICTs), computer hardware, as well as the management of the acquired resources within the organisation. An organisation might need to attract a pool of employees who operate the technologies within the organisation. Since quality service is reliable for users, there is a need for technical staff to be available for the maintenance of the equipment. The second category is 'people quality'. This category entails the workers who are within the company. It further entails all the variables that influence the quality of customer care. The staff should be qualified in handling different types of customers. 'People quality' refers to issues of client and staff communication, good personal and interpersonal communication as well as the ability of an individual to connect with colleagues from different departments.

The attitude that the staff adopts towards customers is crucial. The performances of the SOEs depend on human resources. It depends on the willingness of staff to make things happen. The two categories of service quality are crucial for service quality; they enhance the ability of the organisation to exceed customer expectations (Cronin, 2008; Taylor, 2011). According to Grant (2008), sustainable quality service is realised when the organisational structure is

modified to suit the long-term strategies. There should be adequate strategies in place, namely capacity management, human resources, and capacity building.

Furthermore, according to Parasuraman et al. (1985), the service quality tool posits that service quality assumptions are not clear; they vary but organisations have managed to embrace the service quality model and it is universally applicable. Additionally, Denzin (2008) argues that clients' perception of service quality enhances the competitiveness of the organisation within the business environment thus contributing towards high customer loyalty. All these benefits increase corporate growth-Parasuraman et al. (1985) further acknowledge that the gap between the clients' perception of a service and the actual service contributes towards the perceived quality.

Regression analysis tests were conducted to establish the relationship between organisational cultural variables (independent variables) and customer satisfaction (dependent variable). These computations are presented in Tables 7.18, 7.19 and 7.20.

**Table 7.18: Influence of cultural variables on customer satisfaction: model summary**

Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.471 <sup>a</sup>	.222	.167	.96006	.222	4.039	14	198	.000
a. Dependent variable: level of meeting customer needs by SOE									
b. Predictors: (constant), SOE uses flexitime, members of the organisation make an effort to be punctual when coming to work; there is a lag between SOE delivery capacity and customers' preferred time; there is consultation with clients before making decisions that affect them; employees can work overtime even if there is no overtime allowance; SOE individual innovation; SOE resource allocation of employee training was adequate between 2009 and 2013; punctuality is a problem in the SOE; SOE encourages creativity; SOE is characterised by openness and changes and adaptability; poor time orientation results in the late delivery of products and services; SOE management is able to make timely decisions; members of the organisation make an effort- to be punctual when returning from lunch; and there is employee participation in decision-making									

Table 7.18 shows that the adjusted regression square (R square) was 0.167. This means that 16.7 % of the change in customer satisfaction was attributed to the predictors, which were organisational cultural variables.

**Table 7.19: Influence of cultural variables on customer satisfaction: ANOVA**

ANOVA						
Model		Sum of squares	Df	Mean square	F	Sig.
1	Regression	52.120	14	3.723	4.039	.000 <sup>b</sup>
	Residual	182.500	198	.922		
	Total	234.620	212			

In Table 7.19, the significant value was 0.000, which meant that there was strong evidence against the null hypothesis (the view that cultural variables do not have an influence on customer satisfaction in the SOEs). Therefore, this study found that cultural variables have an influence on customer satisfaction, they are independent, have no covariance among them. Table 7.20 shows the correlation coefficients on the influence of each of the cultural variables on customer satisfaction in the SOEs.

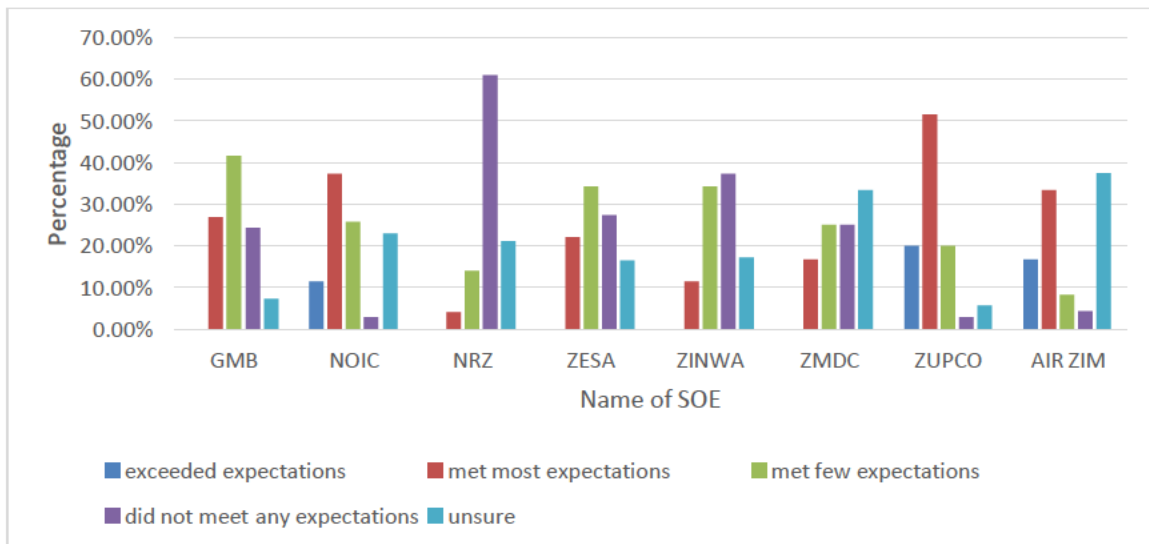
**Table 7.20: correlation coefficients: influence of cultural variables on customer Satisfaction**

Model		Coefficients					Correlations		
		Unstandardised coefficients		Standardised coefficients	T	Sig.	Zero-order	Partial	Part
		B	Std. error	Beta					
1	(Constant)	4.793	.467		10.269	.000			
	SOE individual innovation	-.095	.075	-.088	-1.254	.211	-.218	-.089	-.079
	SOE resource allocation of employee training was adequate between 2009 and 2013	-.099	.064	-.108	-1.564	.120	-.215	-.110	-.098
	Members of the organisation make an effort - to be punctual when coming to work	-.143	.118	-.098	-1.207	.229	-.171	-.085	-.076
	Members of the organisation make an effort- to be punctual when coming from lunch	.055	.103	.040	.529	.597	-.119	.038	.033
	Poor time orientation results in the late delivery of products and services	-.090	.076	-.086	-1.173	.242	-.048	-.083	-.074
	there is a lag between SOE delivery capacity and customers' preferred time	.274	.079	.244	3.472	.001	.216	.240	.218
	punctuality is the problem in the SOE	-.140	.088	-.116	-1.592	.113	-.020	-.112	-.100
	there is consultation of clients before making decisions that affect them	-.109	.076	-.120	-1.431	.154	-.220	-.101	-.090
	There is employee participation in decision making	.101	.089	.096	1.136	.257	-.129	.080	.071
	SOE management is able to make timely decisions	-.149	.089	-.128	-1.670	.097	-.200	-.118	-.105
	Employees can work overtime even if there is no overtime allowance	-.063	.065	-.063	-.959	.339	-.135	-.068	-.060
	SOE is characterised by openness and changes and adaptability	-.135	.070	-.140	-1.926	.056	-.271	-.136	-.121
	SOE encourages creativity	-.105	.072	-.106	-1.456	.147	-.240	-.103	-.091
	SOE uses flexitime	.026	.061	.029	.420	.675	-.088	.030	.026

Table 7.20 shows that organisational cultural variables, such openness to changes and adaptability, punctuality, and innovation have an influence on customer satisfaction. The significant values on the correlations are 0.0121, 0.01, and 0.079, respectively, values that are less than 0.05.

#### 7.4 Improvement of internal business processes in SOEs

The study also collected data on the extent to which the SOEs were able to improve their internal business processes. In order to understand the influence of internal business processes on SC activities in Zimbabwean SOEs, the study collected data on the ability of the participating SOEs to adopt new business processes to enhance efficiency in achieving financial targets, and the adoption of new business processes in order to cut costs. The focus was also on the collection of data pertaining to the management of relationships with employees on how to be flexible in cutting costs, and the ability of management to adopt new business processes and to be flexible to changes of the needs of the market. Figure 7.2 illustrates the findings on the ability of the SOEs in meeting their equipment requirements.



**Figure 7.2: SOEs met most of their equipment requirements**

In line with the findings in Figure 7.2, interviews on the question regarding acquiring new equipment revealed that SOEs were failing to acquire new equipment in order to enable them to adopt new business processes to enhance efficiency in achieving financial targets. For instance, NRZ failed to acquire any new equipment, and it had to hire from other companies like Makomo Enterprises and Strauss Logistics to carry cargo, such as fuel. In addition, for ZMDC, it has been very difficult to achieve operational effectiveness because of obsolete equipment, due to a lack of capitalisation. Furthermore, one Air Zimbabwe official commented that the organisation has not managed to acquire new equipment. Equipment is therefore now very old and the funds for maintenance are not available. This has affected service delivery as the same airplane is used for several trips, and if the plane is down, it means several routes are affected. For example, Harare-Bulawayo is a thin route where the organisation is competing with the road network. Ideally, the route would need a small plane rather than a 500-seater plane and at times, the organisation is forced to fly one person from South Africa to Victoria Falls because of equipment shortage. Operationally, the organisation has four aircrafts, which are not well serviced, out of a possible nine aircraft. For instance, the organisation combines the Harare-Lusaka route with the Harare-Bulawayo route, so that, if there were a problem, the organisation would be able to react swiftly. For the Kariba route, the SOE has only one plane, which can land there, and if it is down, it means that route cannot be serviced. Furthermore, the official also highlighted, the organisation does not have enough crew for the ageing fleet for the SOE to operate its business processes smoothly.

The other SOEs, such as ZINWA, were also facing challenges in acquiring equipment in order to improve efficiency and to achieve financial targets. One manager pointed out that ZINWA has failed to acquire operating equipment as expected because of a lack of funds. The equipment includes spares for water supply stations, workshop equipment, and vehicles. The SOE has 534 stations

and were operating on a 50-60% full capacity, 20% were operational, and 19% were not operational. The operating stations are working on one pump without a standby pump, which is not good practice in achieving maximum efficiency.

Another ZINWA official reiterated that the SOE failed to buy new equipment required for operations because of the operating environment. The organisation only managed to buy one new vehicle for each catchment area through finance lease from Banc ABC. It has also been receiving funds through Public Sector Investment Project (PSIP) for the construction of Tokwe Mukosi (TM) and by June 2015, the project was 75% complete, and extra funds were being sourced through by raising bonds in order to finish the project. The official went on to explain that the organisation also managed to complete the Mtshabezi pipeline in 2014, which is supplying water to Bulawayo, and the Wenimbe pipeline supplying water to Marondera. While other projects have been stalled due to a lack of funding, ZINWA is only repairing major breakdowns requiring capital injection.

The study also showed that there are high financial costs attached to securing funding to recapitalise the equipment in most of the SOEs. For instance, one manager in NOIC explained that the budget was inadequate although they managed to embark on projects, which they had planned to do. For example, the SOE managed to implement half of the planned projects in 2014. One of the projects that could not be completed was that of upgrading of the fuel pipeline from Mutare to Harare. The shortage of working capital has also affected the meeting of targets as the cost of procurement in order for the organisation to carry out its maintenance works became very high.

Some of the SOEs have been implementing strategies to improve their operations, but in some entities, there is no success. One Air Zimbabwe manager said the organisation carried out a fleet evaluations exercise, which

showed that, the current equipment was inadequate and not automated and in order to replace them, funds are needed. A domestic aircraft costs \$30 million and a long regional aircraft, \$90 million. However, the organisation has managed to lease two Airbuses with Zimbabwean corporate colours by means of stickers. The equipment is less noisy, has a nice appearance, and is luxurious and the clients really like the planes. Nevertheless, the challenge is that the organisation cannot maintain the Airbuses, since they are European and the organisation uses Boeing, which is American, and Air Zimbabwe engineers are trained and certified by Boeing. Therefore, the SOE was working to get the aircraft engineers to be certified by Airbus. Currently Air Zimbabwe is sending the aircrafts to South Africa Airways (SAA) for maintenance, which is very costly for the organisation.

However, some SOEs such as GMB have made some improvements to equipment. One of the managers highlighted that the organisation managed to purchase two state of the- art mills for grain milling shifting from the old hammer mill technology to a more advanced technology through the new plants which are at Aspindale and Bulawayo valued at \$500 000 each. The organisation also acquired and commissioned the latest state of the-art technology in stock feeds production at a Norton plant valued at an estimated cost of \$30 million. Additionally, the organisation purchased pickup trucks and lorries in order to ease the logistical problems that were encountered in the past in grain and commodity deliveries. The organisation also procured tools like ladders, gadgets, computers, and SAP software for effective billing. This means that, in terms of the internal business processes, the organisation performed well despite the liquidity challenges.

One of the SOE managers interviewed said that restructuring or unbundling operations could also be the answer to the operational challenges affecting SOEs. Broadly speaking, restructuring refers to the transformation of corporate



structure, reconfiguration, refocusing, patching, or return to core competencies (Johnson & Scholes, 2010). Restructuring involves changes in the mix of assets owned by a firm or the lines of business in which a firm operates (Grant, 2008).

Regression analysis was conducted to establish relationships between organisational cultural variables (independent variables) and business processes (dependent variable). The statistical calculations are presented in Tables 7.21, 7.22 and 7.23.

**Table 7.21: Influence of cultural variables on internal business processes: Model Summary**

Model Summary									
Model	R	R square	Adjusted R square	Std. error of the estimate	Change statistics				
					R Square change	F change	df1	df2	Sig. F change
1	.484 <sup>a</sup>	.234	.202	1.07785	.234	7.171	9	211	.000
a. Dependent variable: Level of internal business improvement									
b. Predictors: (constant) poor time orientation results in late delivery; SOE is characterised by openness and changes, adaptability; there is employee participation in decision- making; extent of SOE meeting its equipment requirements; SOE uses flexitime, SOE encourages creativity; SOE management is able to make timely decisions; SOE uses efficient technologies to minimise wastage; and there is consultation with clients before making decisions that affect them.									

Table 7.21 shows that the adjusted regression square (R square) was 0.202. This means that 20.2 % of the change in internal business processes was attributed to the predictors, which were organisational cultural variables.

**Table 7.22: Influence of cultural variables on internal business processes: ANOVA**

ANOVA <sup>a</sup>						
Model		Sum of squares	Df	Mean square	F	Sig.
1	Regression	74.984	9	8.332	7.171	.000 <sup>b</sup>
	Residual	245.134	211	1.162		
	Total	320.118	220			

In Table 7.22, the significant value of 0.000 is reflected which means that there was strong evidence against the null hypothesis (the view that cultural variables do not have an influence on internal business processes). Therefore, this study found that cultural variables have an influence on internal business processes, are independent, and have no covariance among them. Table 7.23 shows the

correlation coefficients on the influence of each of the cultural variables on internal business processes in the SOEs.

**Table 7.23: Correlation coefficients: culture and business processes**

Model		Coefficients <sup>a</sup>							
		Unstandardised coefficients		Standardised coefficients	t	Sig.	Correlations		
		B	Std. error	Beta			Zero-order	Partial	Part
1	(Constant)	5.008	.374		13.378	.000			
	There is consultation of clients before making decisions	-.006	.077	-.005	-.074	.941	-.188	-.005	-.004
	There is employee participation in decision- making	-.099	.094	-.082	-1.052	.294	-.246	-.072	-.063
	SOE management is able to make timely decisions	-.021	.096	-.016	-.218	.827	-.205	-.015	-.013
	SOE is characterised by openness and adaptability	-.215	.077	-.195	-2.793	.006	-.351	-.189	-.168
	SOE encourages creativity	-.131	.078	-.115	-1.690	.093	-.282	-.116	-.102
	SOE uses flexitime	.039	.066	.038	.583	.560	-.099	.040	.035
	SOE uses efficient technologies to minimise wastage	-.282	.089	-.226	-3.160	.002	-.396	-.213	-.190
	Extent of SOE meeting its equipment requirements	-.121	.071	-.112	-1.703	.090	-.204	-.116	-.103
	Poor time orientation results in the late delivery of services	.028	.077	.023	.360	.719	.018	.025	.022

Table 7.23 shows that organisational cultural variables, such as poor time orientation, delays in decision-making, and a lack of openness, have negative correlations in terms of internal business. The reason is that the significant values on the correlations are 0.013, 0.022, and 0.0168 respectively, which are less than 0.05. These weak organisational cultural variables negatively affect internal business processes.

## 7.5 Learning and growth in SOEs

In order to understand the influence of learning and growth in SOEs on SC activities in Zimbabwe, the study also sought to establish the extent to which learning and growth targets were met. Organisational learning is essential because it helps in the acquisition of skills. Employees need to improve their expertise continuously. However, a question on how SOEs managed to adopt new business strategies for achieving growth in order to meet financial targets was asked and the findings on learning and growth are presented in Table 7.24.

**Table 7.24: Level of Meeting Learning and Growth Targets**

Name of SOE			Responses					Mean	Total
			<20%	20-40%	41-60%	61-80%	81-100%		
Air Zim	Managerial	Count	7	3	0	0	0	25%	10
		%	70.0%	30.0%	0.0%	0.0%	0.0%	25%	100.0%
	Non-managerial	Count	12	4	12	4	2	40%	34
		%	35.3%	11.8%	35.3%	11.8%	5.9%	40%	100.0%
	Unspecified	Count	1	0	1	0	1	44%	3
		%	33.3%	0.0%	33.3%	0.0%	33.3%	44%	100.0%
<b>Total</b>	<b>Count</b>	<b>20</b>	<b>7</b>	<b>13</b>	<b>4</b>	<b>3</b>	<b>34%</b>	<b>47</b>	
	<b>%</b>	<b>42.6%</b>	<b>14.9%</b>	<b>27.7%</b>	<b>8.5%</b>	<b>6.4%</b>	<b>34%</b>	<b>100.0%</b>	
GMB	Managerial	Count	6	5	4	8	1	45%	24
		%	25.0%	20.8%	16.7%	33.3%	4.2%	45%	100.0%
	Non-managerial	Count	3	2	9	2	2	47%	18
		%	16.7%	11.1%	50.0%	11.1%	11.1%	47%	100.0%
	<b>Total</b>	<b>Count</b>	<b>9</b>	<b>7</b>	<b>13</b>	<b>10</b>	<b>3</b>	<b>46%</b>	<b>42</b>
		<b>%</b>	<b>21.4%</b>	<b>16.7%</b>	<b>31.0%</b>	<b>23.8%</b>	<b>7.1%</b>	<b>46%</b>	<b>100.0%</b>
NOIC	Managerial	Count	0	2	0	3	1	50%	6
		%	0	33.3%	0.0%	50.0%	16.7%	50%	100.0%
	Non-managerial	Count	0	2	4	6	3	56%	15
		%	0	13.3%	26.7%	40.0%	20.0%	56%	100.0%
	<b>Total</b>	<b>Count</b>	<b>0</b>	<b>4</b>	<b>4</b>	<b>9</b>	<b>4</b>	<b>53%</b>	<b>21</b>
		<b>%</b>	<b>0</b>	<b>19.0%</b>	<b>19.0%</b>	<b>42.9%</b>	<b>19.0%</b>	<b>53%</b>	<b>100.0%</b>
NRZ	Managerial	Count	7	2	6	2	2	47%	19
		%	36.8%	10.5%	31.6%	10.5%	10.5%	47%	100.0%
	Non-managerial	Count	5	13	7	3	2	44%	30
		%	16.7%	43.3%	23.3%	10.0%	6.7%	44%	100.0%
	<b>Total</b>	<b>Count</b>	<b>12</b>	<b>15</b>	<b>13</b>	<b>5</b>	<b>4</b>	<b>45%</b>	<b>49</b>
		<b>%</b>	<b>24.5%</b>	<b>30.6%</b>	<b>26.5%</b>	<b>10.2%</b>	<b>8.2%</b>	<b>45%</b>	<b>100.0%</b>
ZESA	Managerial	Count	6	10	11	13	1	50%	41
		%	14.6%	24.4%	26.8%	31.7%	2.4%	50%	100.0%
	Non-managerial	Count	11	31	36	27	6	50%	111
		%	9.9%	27.9%	32.4%	24.3%	5.4%	50%	100.0%
	<b>Total</b>	<b>Count</b>	<b>17</b>	<b>41</b>	<b>47</b>	<b>40</b>	<b>7</b>	<b>50%</b>	<b>152</b>
		<b>%</b>	<b>11.2%</b>	<b>27.0%</b>	<b>30.9%</b>	<b>26.3%</b>	<b>4.6%</b>	<b>50%</b>	<b>100.0%</b>
ZINWA	Managerial	Count	0	8	8	0	0	37%	16
		%	0.0%	50.0%	50.0%	0.0%	0	37%	100.0%
	Non-managerial	Count	2	6	6	2	0	40%	16
		%	12.5%	37.5%	37.5%	12.5%	0	40%	100.0%
	<b>Total</b>	<b>Count</b>	<b>2</b>	<b>14</b>	<b>14</b>	<b>2</b>	<b>0</b>	<b>38%</b>	<b>32</b>
		<b>%</b>	<b>6.2%</b>	<b>43.8%</b>	<b>43.8%</b>	<b>6.2%</b>	<b>0</b>	<b>38%</b>	<b>100.0%</b>
ZMDC	Managerial	Count	0	1	1	2	0	48%	4
		%	0.0%	25.0%	25.0%	50.0%	0.0%	48%	100.0%
	Non-managerial	Count	2	1	2	1	2	50%	8
		%	25.0%	12.5%	25.0%	12.5%	25.0%	50%	100.0%
	<b>Total</b>	<b>Count</b>	<b>2</b>	<b>2</b>	<b>3</b>	<b>3</b>	<b>2</b>	<b>49%</b>	<b>12</b>
		<b>%</b>	<b>16.7%</b>	<b>16.7%</b>	<b>25.0%</b>	<b>25.0%</b>	<b>16.7%</b>	<b>49%</b>	<b>100.0%</b>
ZUPCO	Managerial	Count	4	6	1	0	1	40%	12
		%	33.3%	50.0%	8.3%	0.0%	8.3%	40%	100.0%
	Non-managerial	Count	3	6	5	3	3	44%	20
		%	15.0%	30.0%	25.0%	15.0%	15.0%	44%	100.0%
	<b>Total</b>	<b>Count</b>	<b>7</b>	<b>12</b>	<b>6</b>	<b>3</b>	<b>4</b>	<b>42%</b>	<b>32</b>
		<b>%</b>	<b>21.9%</b>	<b>37.5%</b>	<b>18.8%</b>	<b>9.4%</b>	<b>12.5%</b>	<b>42%</b>	<b>100.0%</b>
<b>Total</b>	<b>Managerial</b>	<b>Count</b>	<b>30</b>	<b>37</b>	<b>31</b>	<b>28</b>	<b>6</b>	<b>45%</b>	<b>132</b>
		<b>%</b>	<b>22.7%</b>	<b>28.0%</b>	<b>23.5%</b>	<b>21.2%</b>	<b>4.5%</b>	<b>45%</b>	<b>100.0%</b>
	<b>Non-managerial</b>	<b>Count</b>	<b>38</b>	<b>65</b>	<b>81</b>	<b>48</b>	<b>20</b>	<b>44%</b>	<b>252</b>
		<b>%</b>	<b>15.1%</b>	<b>25.8%</b>	<b>32.1%</b>	<b>19.0%</b>	<b>7.9%</b>	<b>44%</b>	<b>100.0%</b>
	<b>Unspecified</b>	<b>Count</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>44%</b>	<b>3</b>
		<b>%</b>	<b>33.3%</b>	<b>0.0%</b>	<b>33.3%</b>	<b>0.0%</b>	<b>33.3%</b>	<b>44%</b>	<b>100.0%</b>
<b>Total</b>	<b>Count</b>	<b>69</b>	<b>102</b>	<b>113</b>	<b>76</b>	<b>27</b>	<b>44%</b>	<b>387</b>	
	<b>%</b>	<b>17.8%</b>	<b>26.4%</b>	<b>29.2%</b>	<b>19.6%</b>	<b>7.0%</b>	<b>44%</b>	<b>100.0%</b>	

Table 7.24 shows that learning and growth targets were met at an average percentage rate of 44%. The researcher conducted t-tests in order to establish whether there were significant differences in the responses from the managers and employees. Table 7.25 shows the t-test results on learning and growth targets.

**Table 7.25: T-Test Results on meeting of learning and growth targets**

	Levene's test for equality of variances		t-test for equality of means						
	F	Sig.	T	Df	Sig. (2-tailed)	Mean Diff	Std. error diff	95% confidence Interval of the diff	
								Lower	Upper
Equal variances assumed	.101	.751	-1.569	209	.118	-.25292	.16118	-.57067	.06482
Equal variances not assumed			-1.581	200.932	.115	-.25292	.15996	-.56834	.06249

According to Table 7.25, the SPSS result on a t-test involving managers and employees regarding learning and growth targets was  $t(209) = 0.118$ . The significant value being higher than 0.05 suggests that there was no significant difference between the mean responses of the managers and employees. In addition, in Table 7.24, the mean percentage for managers was 45% and for employees, 44%. Therefore, there were no variations in the responses from the managers and the employees. Thus, slightly above 50% of the respondents were of the opinion that SOEs were ineffective in terms of learning and growth.

In line with the findings in Table 7.24, one interviewee from ZESA indicated that the organisation was targeting to move as a parastatal to the integrated performance contract in terms of the Zimbabwe Agenda for Sustainable Socio-Economic Transformation (ZIM-ASSET). Managers were to be assessed through contracts, and eventually their success and performance are measured. In terms of learning and growth, the organisation managed to train more than 80% of their staff. The training programmes were largely influenced by the government policies like the ZIM-ASSET and thrust towards results-based management (RBM). However, with some people being sent home in order to reduce costs,

the process held some confusion, but generally, the process had some positive results.

Nevertheless, the study found out that there were appreciable efforts to facilitate learning and growth in SOEs through employee and management training. The reason is that most managers and employees felt that allocation of resources for training was adequate. In this regard, SOEs were moving in the right direction because training of workers is vital and, as Armstrong and Stephens (2005) argue, it is unavoidable.

Every organisation has to train its employees to ensure the survival of the organisation. Managers choose the training methods to use. Some organisations haphazardly train their employees, others plan the training process, and they implement it in a systematic manner, while still others make it a routine process. This study found that training is a necessity if an organisation is to achieve good results and to survive in the dynamic business environment of today. Effective strategy implementation is possible when there is adequate training in place.

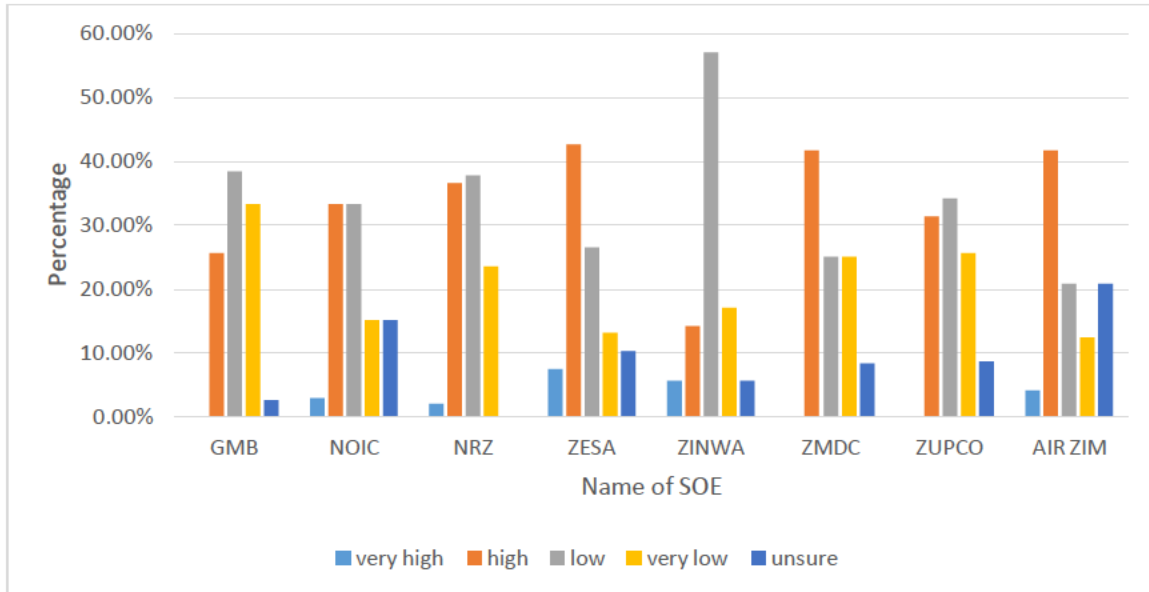
Training is not a once-off event but a continuous process (Johnson & Scholes, 2010). Bartlett and Ghoshal (2011), who share the same view, provide a number of benefits that SOEs could derive from training their employees namely:

- i. **improved job performance:** An employee who has been 'trained' will do the task better and faster than individuals who did not receive training. It should be remembered that not only new employees should receive training but also those who have been with the organisation for a long time (Bartlett & Ghoshal, 2011);
- ii. **shorter learning process:** A planned training programme will help employees to perform to standard quicker than the individuals who learn the job in a haphazard manner. Formalised training may improve

productivity and reduce the likelihood of damage to machinery and equipment (Bartlett & Ghoshal, 2011);

- iii. **improvement in employees' attitudes:** A formalised training programme helps to improve employees' attitudes, so that the employee identifies with the organisation much quicker in terms of objectives, loyalty, and job satisfaction. The fact that the institution is prepared to invest time and money in training employees may enhance the level of job commitment. Employees would feel that they are being valued by the company and would reciprocate the effort (Grant, 2008); and
- iv. **there is reduction in labour turnover and absenteeism:** When training the employee, the organisation recognises and develops the potential of the individual, which increases levels of motivation. The result is that there is less chance of an employee leaving the team or taking days off work unnecessarily. An employee will stay at an organisation where he/she is given an opportunity to advance. In addition, advancement means greater prospects for promotion and pay increase (Armstrong & Stephens, 2005).

However, it seems as if there is no transfer of training and the allocation of resources towards training in the SOEs is not yielding results. This is because there was limited individual innovation. Figure 7.3 shows the findings on innovation in the SOEs.



**Figure 7.3: Individual innovation in the SOEs**

Innovation is essential in organisations and is achievable through people. However, innovation could be lacking in the SOEs because of the lack of employee empowerment, which, in turn could, be hampering SC performance. It should be noted that employee empowerment, which encourages innovation, is different from employee participation. There is a need for the involvement of employees in decision-making, either directly or through representation. Since there is no autonomy in participation, participation cannot be equated with empowerment. The differences are summed aptly by Bartlett and Ghoshal (2011) who explain that empowerment differs from participatory management, which seeks for input on decisions, but in this case, employees are asked to make decisions. The workers or teams are expected to get the job done within clearly defined limits of budgets and deadlines. They are free to try new work methods, suggest improvements, and make decisions. The supervisor will be a facilitator who coordinates the work of employees, monitors the progress, and helps to identify problems.

Moreover, according to Grant (2008), employee participation and involvement have been cited as different aspects of employee empowerment, because they are correlated. For instance, Flack (2010) argues that 'participation' refers to the existence of organisational procedures and mechanisms through which employees are given a 'voice' to speak in decision-making processes and to criticise organisational policies in a healthy manner, and to reach mutual agreement with top management. This assertion by Flack (2010) makes it quite evident that the functions of employee empowerment, involvement and participation are closely related, although they are not the same.

There are clear examples in literature, which show that employee empowerment, involvement and participation are actually different from each other. For example, according to Creamer (2012), 'employee participation' refers to the arrangements under which employees enjoy a specific share in only a few business processes, which does not fulfil the core and comprehensive idea of employee empowerment.

Furthermore, Bartlett and Ghoshal (2011) have suggested that employee involvement and participation also differ from each other, since participation is associated with formal organisational procedures, such as training and development and rewards management, while employee involvement goes further to include feedback on performance and the right to contribute to the formulation of organisational policies. Consequently, there are two perspectives of employee involvement: the traditional and the contemporary (Bartlett and Ghoshal, 2011). Under the **traditional** perspective, employees are involved in decision-making procedures indirectly through unions or councils. These initiatives help organisations to solve problems of high labour turnover and lack of commitment. They also help to standardise procedures. The **contemporary** approach, meanwhile, aims to increase overall organisational performance



through the actions of satisfied employees. The rationale is that satisfied employees will serve customers better (Grant, 2008). It is evident; therefore, that employee empowerment is essential in Zimbabwean SOEs.

Moreover, the study participants stated that customer satisfaction leads to organisational performance. SOEs should therefore ensure that the needs of clients are met, and this is achievable through employees, who must be trained and developed to this end. SOEs need to embrace organisational development (OD) as a cultural change process in order to improve their performance. Since organisations are unique, complex entities that are environmentally conscious and dynamic, the ever-changing global trends in the political, economic, social, technological and legal business spheres have led to organisations taking a more radical, aggressive, evolutionary and organisation-wide approach in their operations. This brings to the fore the importance of OD and/or planned change.

OD diffuses from the top management down and across the entire organisation with an element of questionable mutuality and cooperation due to the effects of the resultant changes and organisational politics. In most cases, OD specialists usually known as 'change agents', who may be internal or external consultants of the organisation-drive OD. Zimbabwean SOEs need to embrace the concept of OD in order to attain learning and growth targets.

Furthermore, Becker and Huselid (2006:12) defined OD as "an effort that is planned, organisation-wide, and managed from the top, to increase organisational effectiveness and health through planned interventions in the organisation's processes, using behavioural-science knowledge". Burke and Bradford (2005) describe OD as a set of values with human characteristics based on behavioural sciences and open systems theory.

OD is a clear systematic process aimed at improving business effectiveness by adopting similar organisational aspects, such as the external environment, mission, strategy, leadership, culture, structure, information and reward systems as well as work policies and procedures. Grant (2008:35) meanwhile, defines OD as:

*“A long-range effort to improve an organisation's problem-solving and renewal processes, particularly through a more effective and collaborative management of organisation culture. There is special emphasis on the culture of formal work teams, with the assistance of a change agent, or catalyst, and the use of the theory and technology of applied behavioural science, including action research”.*

For the Zimbabwean SOEs, OD is an inevitable organisation-wide process of increasing organisational effectiveness and facilitating personal and organisational change by interventions driven by social and behavioural science knowledge (Nyoni, 2012). OD is one of the strategies for facilitating organisational change. In similar vein, Chapman (2010) argues that the essence of carrying out an OD process is to prepare the SOEs for change. Similarly, Johnson and Scholes (2010) state that OD facilitates the development of structures for corporation and decision-making, management development, promotion of innovation, conflict resolution, amongst others. OD involves a triangulation of different development areas, among other aspects, employee development, management development, process and procedure development, systems development, communication development and structural development. This means that OD is intended to change the system of beliefs and values of the organisation, to integrate individual and organisational objectives, and to improve the problem-solving and renewal capabilities of an organisation (Grant, 2008).

It is also essential to manage performance in SOEs. Performance management is emphasised in the Zimbabwean public sector. The researcher of the present study noted that the government of Zimbabwe adopted the results based

management (RBM) framework in 1995 (Nyoni, 2012). In addition, the Zimbabwe Agenda for Sustainable Socio-Economic Transformation (ZIM-ASSET) provided for the reorientation of public entities to be guided by the RBM concept.

Employee empowerment can lead to innovation and creativity. Therefore, regression analysis tests were conducted to establish relationships between organisational cultural variables (independent variables) and learning and growth (dependent variable). The regression tables are presented in Tables 7.26, 7.27 and 7.28.

**Table 7.26: Influence of cultural variables on learning and growth: model summary**

Model Summary									
Model	R	R square	Adjusted R square	Std. error of the estimate	Change statistics				
					R square change	F change	df1	df2	Sig. F change
1	.511 <sup>a</sup>	.261	.216	1.02759	.261	5.744	12	195	.000
a. Dependent variable: Level of meeting learning and growth targets									
b. Predictors: (constant) SOE is characterised by openness and changes and adaptability; weak time orientation results in the late delivery of products and services; SOE resource allocation of employee training was adequate between 2009 and 2013; SOE uses network analysis as a management tool; SOE encourages creativity; members of the organisation make an effort- to be punctual when coming to work; SOE individual innovation; employees put effort to ensure that deadlines are met; employees devote time to attaining organisational goals; SOE uses Gantt charts as a management tool; SOE individual initiation; and SOE resource allocation for management training was adequate in 2009 and 2013.									

Table 7.26 shows that the adjusted regression square (R square) was 0.216. This means that 21.6 % of the change in learning and growth was attributed to the predictors, which were organisational cultural variables.

**Table 7.27: Influence of cultural variables on learning and growth: ANOVA**

ANOVA						
Model		Sum of squares	Df	Mean square	F	Sig.
1	Regression	72.783	12	6.065	5.744	.000 <sup>b</sup>
	Residual	205.909	195	1.056		
	Total	278.692	207			

In Table 7.27, the significant value was 0.000, which meant that there was strong evidence against the null hypothesis (the view that cultural variables do not have an influence on learning and growth in the SOEs). Therefore, this study found that cultural variables have an influence on learning and growth, they are

independent, and they have no covariance among themselves. Table 7.28 shows the correlation coefficients on the influence of each of the cultural variables on learning and growth in the SOEs.

**Table 7.28: Correlation coefficients: influence of cultural variables on leaning and growth**

Model	Coefficients							
	Unstandardised coefficients		Standardised coefficients	T	Sig.	Correlations		
	B	Std. error	Beta			Zero-order	Partial	Part
1 (Constant)	4.913	.362		13.568	.000			
SOE resource allocation of employee training was adequate between 2009 and 2013	-.196	.084	-.196	-2.334	.021	-.341	-.165	-.144
SOE resource allocation for management training was adequate in 2009-2013	-.111	.092	-.106	-1.199	.232	-.350	-.086	-.074
SOE individual innovation	.039	.099	.033	.393	.695	-.218	.028	.024
SOE individual initiation	-.056	.100	-.048	-.557	.578	-.252	-.040	-.034
Employees devote time to attaining organisational goals	.010	.098	.008	.105	.917	-.256	.008	.006
Employees put effort in to ensure that deadlines are met	-.128	.101	-.100	-1.268	.206	-.280	-.090	-.078
Members of the organisation make an effort-to be punctual when coming to work	-.153	.109	-.096	-1.402	.162	-.253	-.100	-.086
Poor time orientation results in the late delivery of products and services	.100	.073	.086	1.380	.169	.062	.098	.085
SOE uses network analysis as a management tool	.034	.069	.041	.485	.628	-.156	.035	.030
SOE uses Gantt charts as a management tool	-.078	.067	-.098	-1.171	.243	-.185	-.084	-.072
SOE encourages creativity	-.178	.075	-.164	-2.369	.019	-.273	-.167	-.146
SOE is characterised by openness to changes and adaptability	-.139	.075	-.132	-1.865	.064	-.306	-.132	-.115

Table 7.28 shows that a decrease in creativity would lead to failure to meet learning and growth targets because the significant value on the correlation for the element is 0.0146, which is less than 0.05. In addition, the correlation coefficient of 0.0115 implies an absence of openness and adaptability, which negatively affects learning and growth. Therefore, weak organisational culture has a negative effect on learning and growth in the SOEs.

## **7.5 Chapter summary**

This chapter presented the findings on SC performance in Zimbabwean SOEs. It was established that, at the time of the research, all eight SOEs failed to meet their financial targets. Consequently, they were making losses and draining the Treasury. There is a need, therefore, for action to be taken, otherwise government might be forced to close some of them. One such action comprises establishing alliances or partnerships, which are crucial for the survival of SOEs. In addition, it was found that SOEs were failing to meet client needs. In terms of internal business processes, SOEs were failing to acquire appropriate equipment and there was a need for restructuring or unbundling some of them.

Finally, it was established that, although SOEs were able to allocate resources for training and development, innovation was lacking. The study also found that employee empowerment, satisfaction of clients, and OD were necessary for the improvement of SC performance in SOEs. The next chapter presents findings relating to the influence of time orientation on service delivery.

## **CHAPTER VIII**

### **DATA PRESENTATION, ANALYSIS AND DISCUSSION: TIME ORIENTATION AND ITS INFLUENCE ON DELIVERY AND FLEXIBILITY**

#### **8.1 Introduction**

This chapter presents and discusses data on the influence of time orientation on service delivery in the SOEs under study. Focus was placed on the extent to which employees devote time to achieving organisational goals, meeting deadlines, and the factors that influence timely completion of tasks. The chapter also presents data on arriving at work punctually, attending meetings, and the extent to which time management tools are used. In addition, the chapter presents the findings on flexibility in operating hours and the extent to which the SOEs were able to provide personalised products and services at the time of this research, and to facilitate creativity and innovation.

#### **8.2 Allocation of time towards attainment of organisational Goals**

Respondents were asked questions pertaining to time keeping (section 3 of the questionnaire). The findings on the extent to which employees devote time towards attainment of goals are presented in Table 8.1.

**Table 8.1: Time employees devote to goal attainment**

Name of SOE			Responses						Total
			Strongly agree 1	Agree 2	Disagree 3	Strongly disagree 4	Unsure 5	Mean	
Air Zim	Managerial	Count	7	3	0	0	0	1.30	10
		%	70.0%	30.0%	0.0%	0.0%	0.0%		100.0%
	Non-managerial	Count	12	4	12	4	2	3.01	34
		%	35.3%	11.8%	35.3%	11.8%	5.9%		100.0%
	Unspecified	Count	1	0	1	0	1	1.33	3
		%	33.3%	0.0%	33.3%	0.0%	33.3%		100.0%
<b>Total</b>	<b>Count</b>	<b>20</b>	<b>7</b>	<b>13</b>	<b>4</b>	<b>3</b>	<b>2.98</b>	<b>47</b>	
	<b>%</b>	<b>42.6%</b>	<b>14.9%</b>	<b>27.7%</b>	<b>8.5%</b>	<b>6.4%</b>		<b>100.0%</b>	
GMB	Managerial	Count	0	5	2	4	0	2.79	11
		%	0.0%	45.5%	18.2%	36.4%	0		100.0%
	Non-managerial	Count	1	4	1	2	0	2.80	8
		%	12.5%	50.0%	12.5%	25.0%	0		100.0%
	<b>Total</b>	<b>Count</b>	<b>1</b>	<b>9</b>	<b>3</b>	<b>6</b>	<b>0</b>	<b>2.80</b>	<b>19</b>
		<b>%</b>	<b>5.3%</b>	<b>47.4%</b>	<b>15.8%</b>	<b>31.6%</b>	<b>0</b>		<b>100.0%</b>
NOIC	Managerial	Count	2	4	0	0	0	2.80	6
		%	33.3%	66.7%	0	0	0.0%		100.0%
	Non-managerial	Count	5	10	0	0	2	2.68	17
		%	29.4%	58.8%	0	0	11.8%		100.0%
	<b>Total</b>	<b>Count</b>	<b>7</b>	<b>14</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>2.74</b>	<b>23</b>
		<b>%</b>	<b>30.4%</b>	<b>60.9%</b>	<b>0</b>	<b>0</b>	<b>8.7%</b>		<b>100.0%</b>
NRZ	Managerial	Count	2	8	8	1	0	2.67	19
		%	10.5%	42.1%	42.1%	5.3%	0.0%		100.0%
	Non-managerial	Count	0	22	10	0	3	2.59	35
		%	0.0%	62.9%	28.6%	0.0%	8.6%		100.0%
	<b>Total</b>	<b>Count</b>	<b>2</b>	<b>30</b>	<b>18</b>	<b>1</b>	<b>3</b>	<b>2.60</b>	<b>54</b>
		<b>%</b>	<b>3.7%</b>	<b>55.6%</b>	<b>33.3%</b>	<b>1.9%</b>	<b>5.6%</b>		<b>100.0%</b>
ZESA	Managerial	Count	3	25	9	1	1	2.45	39
		%	7.7%	64.1%	23.1%	2.6%	2.6%		100.0%
	Non-managerial	Count	5	20	9	3	2	2.60	39
		%	12.8%	51.3%	23.1%	7.7%	5.1%		100.0%
	<b>Total</b>	<b>Count</b>	<b>8</b>	<b>45</b>	<b>18</b>	<b>4</b>	<b>3</b>	<b>2.54</b>	<b>78</b>
		<b>%</b>	<b>10.3%</b>	<b>57.7%</b>	<b>23.1%</b>	<b>5.1%</b>	<b>3.8%</b>		<b>100.0%</b>
ZINWA	Managerial	Count	0	8	6	0	2	2.40	16
		%	0.0%	50.0%	37.5%	0	12.5%		100.0%
	Non-managerial	Count	4	12	3	0	0	2.31	19
		%	21.1%	63.2%	15.8%	0	0.0%		100.0%
	<b>Total</b>	<b>Count</b>	<b>4</b>	<b>20</b>	<b>9</b>	<b>0</b>	<b>2</b>	<b>2.34</b>	<b>35</b>
		<b>%</b>	<b>11.4%</b>	<b>57.1%</b>	<b>25.7%</b>	<b>0</b>	<b>5.7%</b>		<b>100.0%</b>
ZMDC	Managerial	Count	0	4	0	0	0	2.00	4
		%	0.0%	100.0%	0.0%	0	0		100.0%
	Non-managerial	Count	1	4	3	0	0	2.85	8
		%	12.5%	50.0%	37.5%	0	0		100.0%
	<b>Total</b>	<b>Count</b>	<b>1</b>	<b>8</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>2.66</b>	<b>12</b>
		<b>%</b>	<b>8.3%</b>	<b>66.7%</b>	<b>25.0%</b>	<b>0</b>	<b>0</b>		<b>100.0%</b>
ZUPCO	Managerial	Count	1	7	2	0	2	2.68	12
		%	8.3%	58.3%	16.7%	0.0%	16.7%		100.0%
	Non-managerial	Count	4	10	5	2	2	2.75	23
		%	17.4%	43.5%	21.7%	8.7%	8.7%		100.0%
	<b>Total</b>	<b>Count</b>	<b>5</b>	<b>17</b>	<b>7</b>	<b>2</b>	<b>4</b>	<b>2.73</b>	<b>35</b>
		<b>%</b>	<b>14.3%</b>	<b>48.6%</b>	<b>20.0%</b>	<b>5.7%</b>	<b>11.4%</b>		<b>100.0%</b>
<b>Total</b>	<b>Managerial</b>	<b>Count</b>	<b>8</b>	<b>61</b>	<b>27</b>	<b>6</b>	<b>5</b>	<b>2.46</b>	<b>107</b>
		<b>%</b>	<b>7.5%</b>	<b>57.0%</b>	<b>25.2%</b>	<b>5.6%</b>	<b>4.7%</b>		<b>100.0%</b>
	<b>Non-managerial</b>	<b>Count</b>	<b>20</b>	<b>82</b>	<b>31</b>	<b>7</b>	<b>9</b>	<b>2.55</b>	<b>149</b>
		<b>%</b>	<b>13.4%</b>	<b>55.0%</b>	<b>20.8%</b>	<b>4.7%</b>	<b>6.0%</b>		<b>100.0%</b>
	<b>Total</b>	<b>Count</b>	<b>28</b>	<b>143</b>	<b>58</b>	<b>13</b>	<b>14</b>	<b>2.51</b>	<b>256</b>
		<b>%</b>	<b>10.9%</b>	<b>55.9%</b>	<b>22.7%</b>	<b>5.1%</b>	<b>5.5%</b>		<b>100.0%</b>

Table 8.1 shows that almost 67% of respondents either strongly agreed or agreed with the assertion that employees were committing time towards attaining organisational goals. Further, the researcher conducted t-tests in order to establish whether there were significant differences in the responses from the managers and employees. Table 8.2 shows the t-test results.

**Table 8.2: T-test results on employee commitment**

	Levene's test for equality of variances		t-test for equality of means						
	F	Sig.	T	Df	Sig. (2-tailed)	Mean diff	Std. error diff	95% confidence interval of the diff	
								Lower	Upper
Equal variances assumed	1.067	.303	592	209	.554	.07691	.12986	-.17908	.33290
Equal variances not assumed			.602	205.510	.548	.07691	.12774	-.17493	.32875

Table 8.2 shows that the t-test results had a significant value of 0.554, which was higher than 0.05, meaning there was no significant differences in the means with regard to the opinions of the managers and employees. Managers in ZUPCO stated that their time management had improved between the period 2009 and 2014. One interviewee said that ZUPCO, which is in the passenger transportation business, had changed significantly and was making efforts to abide by the travelling timetables.

Other SOEs also face challenges in meeting deadlines and one ZESA manager said, at the time of this research, the administration and office staff generally came to work on time and they left work on time. The challenge came when deadlines had to be met, especially for operational staff. Challenges experienced at the time of this research were the result of obsolete network, which was being used, a high number of faults were being experienced, and in ZESA, the policy at that stage was that there was a need to make sure that customers had power. The ZESA employees consequently had to work beyond normal working hours, for instance, if there was an electrical fault.



In addition, when responding to a question of whether employees were time-conscious, one interviewee said:

*“There is a very big challenge in that the culture on time keeping was inherited from the central government, where people really did not have the business culture where it is said, we are here to make profit and time is important. At that stage, there was a government mentality where people had to wait for services”.*

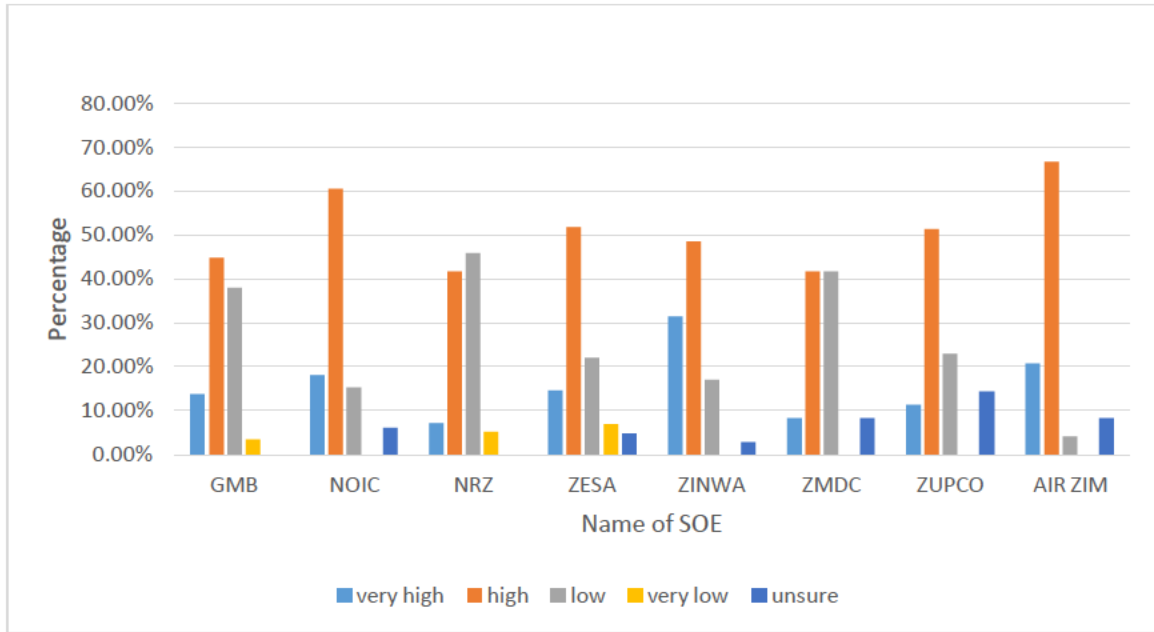
Another manager interviewed also corroborated the preceding findings and argued that employees always missed deadlines and nothing really happened to them. *“For them, they had been missing deadlines for years, they continued with employment, and that was the norm”*, said one of the managers. Regarding time orientation, it was pointed out that there was no time-consciousness in the organisation, the culture was so bad that there was no sense of urgency and no personal motivation. At that stage, the culture perception could be rated one out of ten.

GMB also faced the problem of time management. As one manager stated, they had a serious problem with time orientation. The manager said:

*“GMB acquired delivery trucks to reduce timelines for delivery, but meeting the delivery times was still a big challenge. The stipulated timelines for GMB’s standard operating procedures were not being met. At times, some of the reasons could not be justified, as GMB simply could not meet deadlines. Power cuts were maybe one challenge that affected GMB in terms of production. One major area was that GMB was not paying farmers on time, and was taking a year or more to pay farmers who had delivered grain. Especially those who delivered grain in the 2015 agricultural marketing season did not receive their payments in time since GMB had no money”.*

### **8.3 Level of effort towards meeting deadlines**

Participants were requested to comment on the level of effort made by organisational members to ensure that deadlines were met. The findings are presented in Figure 8.1.



**Figure 8.1: Level of effort by organisational members to meet deadlines**

According to Figure 8.1, about 62% of respondents in GMB said that there was effort in meeting deadlines. There were similar responses for NOIC (79%), NRZ (51%), ZESA (60%), ZINWA (70%), ZMDC (56%), ZUPCO (65%) and Air Zim (85%). Therefore, most participants said that organisational members were time-conscious. However, delays in decision-making and action, especially at strategic management level, were characteristic of most SOEs. As one GMB official stated the payments to the farmers for grain have always been a challenge. The official said:

*“Treasury does payment of farmers because grain is part of the strategic food reserves. In GMB, meeting deadlines was a major challenge and there was the issue of salaries. Because of that, there was no maximum effort. Due to the termination of contracts to reduce salary costs, the attitude changed for those who remained because they could be grateful that they were still around. As a result, the attitude towards work changed and it was out of fear because they feared losing their jobs”.*

Findings from interviews with managers showed that, in some SOEs, no meaningful efforts were being made by staff members owing to demotivation as a result of not being paid on time, the cessation of non-monetary benefits, and a lack of resources. As one Air Zimbabwe manager indicated:

*“There are few people that are sort of energised to say we really want to save this airline, but generally people have been reluctant due to salary issues. The biggest problem started around 2011 where we went for 17 months without salary and when we resumed we started without full salaries, so those are the things that drive people not to perform well”.*

The issue of employee motivation in SOEs was a subject of debate, and the responses were balanced. In some cases, managers motivated employees and afforded them adequate training to motivate the employees. Interviews with the managers revealed that employee training was not adequate. Salaries were not being paid on time and there was low morale. This was not acceptable because reward systems are the major motivating factors in any organisation (Armstrong, 2008).

According to Desller (2005), every human being needs remuneration for him or her to work hard. The failure to reward employees in time negatively affects the performance of workers because, according to Grobler et al. (2011), people work in order to get remuneration, and money is an important motivator. This has a negative influence on quality service, as employees were reluctant to offer their best services. These findings are in line with arguments by Armstrong (2008), who points out that motivation is directly proportional to performance. When a worker shows counterproductive work behaviour, chances are that there is low remuneration.

One cannot overemphasise the importance of staff motivation in SOEs, since motivation is necessary for any institution. Motivation goes beyond mere

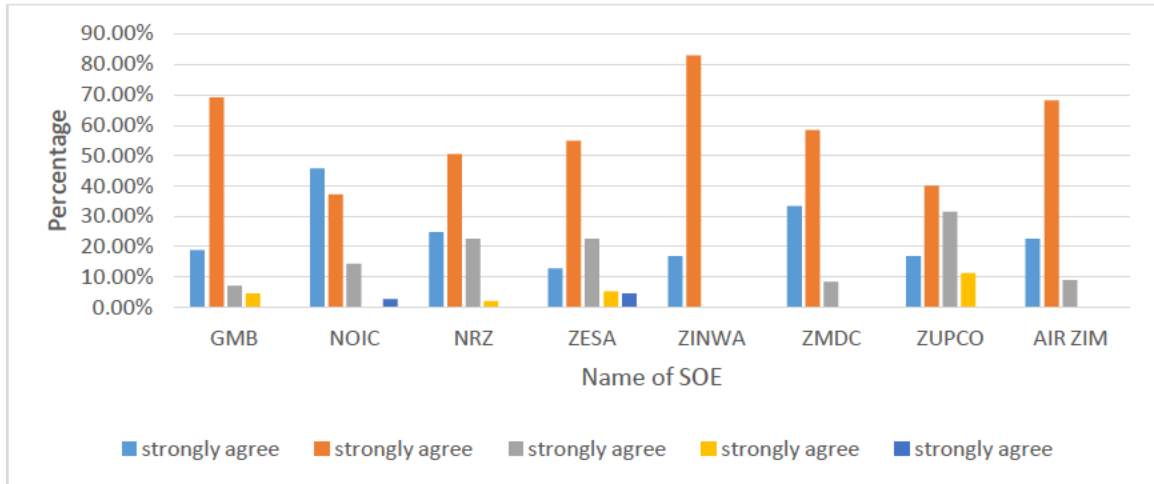
management to embody actions that facilitate the implementation and control of organisational activities (Armstrong, 2008). Armstrong and Stephens (2005: 233) present the importance of employee motivation in the organisation as follows, “motivation is the glue that holds a team together, and it is the stuff of progress”.

The present study found that, at the time of this research, Zimbabwean SOEs were going through challenging times. There were calls for reforms, renewal and change, and there was often a tendency to dump the problems in the laps of managers. One of the challenges facing organisational leaders was the changes in the needs of employees. For this reason, motivation and commitment took centre stage.

The findings of this study agreed with literature, which showed that staff motivation in SOEs requires sound HRM, since people are vital resources for a sustainable competitive advantage (Bartlett and Ghoshal, 2011). These findings are in line with Armstrong (2008) who states that organisations gain competitive advantage with resources (employees) that are valuable rare, and difficult for competitors to imitate. The study found that SOEs have the potential to build a competent HR base. Interviews with managers in Air Zimbabwe showed that the company’s engineers were the first to make performance enhancements on the Boeing 737 planes. Interviews with some managers suggested that a long-term HR strategy was critical in the SOE.

#### **8.4 Influence of time orientation on service delivery**

The study collected data on the influence of time orientation on service delivery. The respondents asked about arriving at work punctually (Figure 8.2), time keeping during lunch breaks, attendance of meetings, and time management tools.



**Figure 8.2: Employees make efforts to arrive at work punctually**

Figure 8.2 shows that more than 70% of the respondents agreed that employees come to work on time and are available at their workstations to provide services to clients. If SOE employees are at their workstations, they will be able to attend to the concerns of clients. If employees come to work late, they will not be able to provide services to clients. For instance, if opening time is 08:00 and employees are late, clients will end up being attended to only at 09:00 or 10:00, which is not good service. However, coming to work on time may not automatically lead to the provision of quality services. Being present at work on time is the first step towards ensuring effective service delivery and making sure there is a culture of time keeping. The nature of services provided by the SOEs, for example, ZESA, which provides electricity, require that employees have to come to work on time so that they may attend to clients in terms of receipting payments and attending to complaints and faults. For SOEs in the transportation business like Air Zimbabwe, NRZ, and ZUPCO, it is essential that employees come to work on time so that travellers are checked in on time and there are no delays in flight, train, and bus schedules. However, there were mixed responses as to whether SOEs used time management tools. Table 8.3 shows responses on the use of Gantt charts while Table 8.4 shows results of the use of network analysis.

**Table 8.3: Use of Gantt charts**

Name of SOE			SOE uses Gantt charts as a management tool						Total
			Always 1	sometimes 2	not often 3	rarely 4	unsure 5	Mean	
Air Zim	Managerial	Count	0	7	1	2	0	2.11	10
		%	0.0%	70.0%	10.0%	20.0%	0.0%		100.0%
	Non-managerial	Count	3	17	3	7	17	2.32	47
		%	6.4%	36.2%	6.4%	14.9%	36.2%		100.0%
	Unspecified	Count	0	2	0	1	0	2.67	3
		%	0.0%	66.7%	0.0%	33.3%	0.0%		100.0%
<b>Total</b>	<b>Count</b>	<b>3</b>	<b>26</b>	<b>4</b>	<b>10</b>	<b>17</b>	<b>2.23</b>	<b>60</b>	
	<b>%</b>	<b>5.0%</b>	<b>43.3%</b>	<b>6.7%</b>	<b>16.7%</b>	<b>28.3%</b>		<b>100.0%</b>	
GMB	Managerial	Count	2	2	3	3	8	3.55	18
		%	11.1%	11.1%	16.7%	16.7%	44.4%		100.0%
	Non-managerial	Count	2	7	3	2	1	2.55	15
		%	13.3%	46.7%	20.0%	13.3%	6.7%		100.0%
	<b>Total</b>	<b>Count</b>	<b>4</b>	<b>9</b>	<b>6</b>	<b>5</b>	<b>9</b>	<b>2.98</b>	<b>33</b>
		<b>%</b>	<b>12.1%</b>	<b>27.3%</b>	<b>18.2%</b>	<b>15.2%</b>	<b>27.3%</b>		<b>100.0%</b>
NOIC	Managerial	Count	1	1	2	1	1	3.00	6
		%	16.7%	16.7%	33.3%	16.7%	16.7%		100.0%
	Non-managerial	Count	2	5	2	0	8	3.41	17
		%	11.8%	29.4%	11.8%	0.0%	47.1%		100.0%
	<b>Total</b>	<b>Count</b>	<b>3</b>	<b>6</b>	<b>4</b>	<b>1</b>	<b>9</b>	<b>3.31</b>	<b>23</b>
		<b>%</b>	<b>13.0%</b>	<b>26.1%</b>	<b>17.4%</b>	<b>4.3%</b>	<b>39.1%</b>		<b>100.0%</b>
NRZ	Managerial	Count	3	4	2	6	4	2.88	19
		%	15.8%	21.1%	10.5%	31.6%	21.1%		100.0%
	Non-managerial	Count	7	3	10	2	12	2.76	34
		%	20.6%	8.8%	29.4%	5.9%	35.3%		100.0%
	<b>Total</b>	<b>Count</b>	<b>10</b>	<b>7</b>	<b>12</b>	<b>8</b>	<b>16</b>	<b>2.80</b>	<b>53</b>
		<b>%</b>	<b>18.9%</b>	<b>13.2%</b>	<b>22.6%</b>	<b>15.1%</b>	<b>30.2%</b>		<b>100.0%</b>
ZESA	Managerial	Count	8	19	7	7	9	2.35	50
		%	16.0%	38.0%	14.0%	14.0%	18.0%		100.0%
	Non-managerial	Count	16	31	26	21	46	2.81	140
		%	11.4%	22.1%	18.6%	15.0%	32.9%		100.0%
	<b>Total</b>	<b>Count</b>	<b>24</b>	<b>50</b>	<b>33</b>	<b>28</b>	<b>55</b>	<b>2.55</b>	<b>190</b>
		<b>%</b>	<b>12.6%</b>	<b>26.3%</b>	<b>17.4%</b>	<b>14.7%</b>	<b>28.9%</b>		<b>100.0%</b>
ZINWA	Managerial	Count	0	6	2	0	8	3.85	16
		%	0.0%	37.5%	12.5%	0.0%	50.0%		100.0%
	Non-managerial	Count	4	2	3	4	6	3.56	19
		%	21.1%	10.5%	15.8%	21.1%	31.6%		100.0%
	<b>Total</b>	<b>Count</b>	<b>4</b>	<b>8</b>	<b>5</b>	<b>4</b>	<b>14</b>	<b>3.68</b>	<b>35</b>
		<b>%</b>	<b>11.4%</b>	<b>22.9%</b>	<b>14.3%</b>	<b>11.4%</b>	<b>40.0%</b>		<b>100.0%</b>
ZMDC	Managerial	Count	0	3	1	0	0	2.25	4
		%	0	75.0%	25.0%	0.0%	0.0%		100.0%
	Non-managerial	Count	0	1	2	2	3	3.95	8
		%	0	12.5%	25.0%	25.0%	37.5%		100.0%
	<b>Total</b>	<b>Count</b>	<b>0</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>3</b>	<b>3.33</b>	<b>12</b>
		<b>%</b>	<b>0</b>	<b>33.3%</b>	<b>25.0%</b>	<b>16.7%</b>	<b>25.0%</b>		<b>100.0%</b>
ZUPC O	Managerial	Count	1	3	1	2	5	3.00	12
		%	8.3%	25.0%	8.3%	16.7%	41.7%		100.0%
	Non-managerial	Count	4	3	3	2	11	2.58	23
		%	17.4%	13.0%	13.0%	8.7%	47.8%		100.0%
	<b>Total</b>	<b>Count</b>	<b>5</b>	<b>6</b>	<b>4</b>	<b>4</b>	<b>16</b>	<b>2.69</b>	<b>35</b>
		<b>%</b>	<b>14.3%</b>	<b>17.1%</b>	<b>11.4%</b>	<b>11.4%</b>	<b>45.7%</b>		<b>100.0%</b>
<b>Total</b>	<b>Managerial</b>	<b>Count</b>	<b>15</b>	<b>45</b>	<b>19</b>	<b>21</b>	<b>35</b>	<b>3.09</b>	<b>135</b>
		<b>%</b>	<b>11.1%</b>	<b>33.3%</b>	<b>14.1%</b>	<b>15.6%</b>	<b>25.9%</b>		<b>100.0%</b>
	<b>Non-managerial</b>	<b>Count</b>	<b>38</b>	<b>69</b>	<b>52</b>	<b>40</b>	<b>104</b>	<b>3.23</b>	<b>303</b>
		<b>%</b>	<b>12.5%</b>	<b>22.8%</b>	<b>17.2%</b>	<b>13.2%</b>	<b>34.3%</b>		<b>100.0%</b>
	<b>Unspecified</b>	<b>Count</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>3.33</b>	<b>3</b>
		<b>%</b>	<b>0.0%</b>	<b>66.7%</b>	<b>0.0%</b>	<b>33.3%</b>	<b>0.0%</b>		<b>100.0%</b>
<b>Total</b>	<b>Count</b>	<b>53</b>	<b>116</b>	<b>71</b>	<b>62</b>	<b>139</b>	<b>3.17</b>	<b>441</b>	
	<b>%</b>	<b>12.0%</b>	<b>26.3%</b>	<b>16.1%</b>	<b>14.1%</b>	<b>31.5%</b>		<b>100.0%</b>	

**Table 8.4: Use of network analysis**

Name of SOE			SOE uses network analysis as a management tool						Total
			Always 1	Sometimes 2	Not often 3	Rarely 4	Unsure 5	Mean	
Air Zim	Managerial	Count	0	0	2	5	3	4.10	10
		%	0.0%	0.0%	20.0%	50.0%	30.0%		100.0%
	Non-managerial	Count	5	12	9	6	16	3.12	48
		%	10.4%	25.0%	18.8%	12.5%	33.3%		100.0%
	Unspecified	Count	0	2	0	1	0	2.33	3
		%	0.0%	66.7%	0.0%	33.3%	0.0%		100.0%
<b>Total</b>	<b>Count</b>	<b>5</b>	<b>14</b>	<b>11</b>	<b>12</b>	<b>19</b>	<b>3.86</b>	<b>61</b>	
	<b>%</b>	<b>8.2%</b>	<b>23.0%</b>	<b>18.0%</b>	<b>19.7%</b>	<b>31.1%</b>		<b>100.0%</b>	
GMB	Managerial	Count	2	4	3	5	5	3.12	19
		%	10.5%	21.1%	15.8%	26.3%	26.3%		100.0%
	Non-managerial	Count	1	4	7	1	2	3.08	15
		%	6.7%	26.7%	46.7%	6.7%	13.3%		100.0%
	<b>Total</b>	<b>Count</b>	<b>3</b>	<b>8</b>	<b>10</b>	<b>6</b>	<b>7</b>	<b>3.09</b>	<b>34</b>
		<b>%</b>	<b>8.8%</b>	<b>23.5%</b>	<b>29.4%</b>	<b>17.6%</b>	<b>20.6%</b>		<b>100.0%</b>
NOIC	Managerial	Count	2	2	0	1	1	2.85	6
		%	33.3%	33.3%	0.0%	16.7%	16.7%		100.0%
	Non-managerial	Count	3	6	1	0	7	2.55	17
		%	17.6%	35.3%	5.9%	0.0%	41.2%		100.0%
	<b>Total</b>	<b>Count</b>	<b>5</b>	<b>8</b>	<b>1</b>	<b>1</b>	<b>8</b>	<b>2.68</b>	<b>23</b>
		<b>%</b>	<b>21.7%</b>	<b>34.8%</b>	<b>4.3%</b>	<b>4.3%</b>	<b>34.8%</b>		<b>100.0%</b>
NRZ	Managerial	Count	0	3	4	8	4	2.89	19
		%	0.0%	15.8%	21.1%	42.1%	21.1%		100.0%
	Non-managerial	Count	3	6	10	3	12	3.10	34
		%	8.8%	17.6%	29.4%	8.8%	35.3%		100.0%
	<b>Total</b>	<b>Count</b>	<b>3</b>	<b>9</b>	<b>14</b>	<b>11</b>	<b>16</b>	<b>2.99</b>	<b>53</b>
		<b>%</b>	<b>5.7%</b>	<b>17.0%</b>	<b>26.4%</b>	<b>20.8%</b>	<b>30.2%</b>		<b>100.0%</b>
ZESA	Managerial	Count	10	15	5	11	9	2.68	50
		%	20.0%	30.0%	10.0%	22.0%	18.0%		100.0%
	Non-managerial	Count	29	32	17	13	50	3.75	141
		%	20.6%	22.7%	12.1%	9.2%	35.5%		100.0%
	<b>Total</b>	<b>Count</b>	<b>39</b>	<b>47</b>	<b>22</b>	<b>24</b>	<b>59</b>	<b>3.09</b>	<b>191</b>
		<b>%</b>	<b>20.4%</b>	<b>24.6%</b>	<b>11.5%</b>	<b>12.6%</b>	<b>30.9%</b>		<b>100.0%</b>
ZINWA	Managerial	Count	2	4	2	0	8	3.56	16
		%	12.5%	25.0%	12.5%	0.0%	50.0%		100.0%
	Non-managerial	Count	2	8	3	2	4	2.89	19
		%	10.5%	42.1%	15.8%	10.5%	21.1%		100.0%
	<b>Total</b>	<b>Count</b>	<b>4</b>	<b>12</b>	<b>5</b>	<b>2</b>	<b>12</b>	<b>2.65</b>	<b>35</b>
		<b>%</b>	<b>11.4%</b>	<b>34.3%</b>	<b>14.3%</b>	<b>5.7%</b>	<b>34.3%</b>		<b>100.0%</b>
ZMDC	Managerial	Count	0	1	1	1	1	3.50	4
		%	0.0%	25.0%	25.0%	25.0%	25.0%		100.0%
	Non-managerial	Count	1	2	2	2	1	3.00	8
		%	12.5%	25.0%	25.0%	25.0%	12.5%		100.0%
	<b>Total</b>	<b>Count</b>	<b>1</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>2</b>	<b>3.20</b>	<b>12</b>
		<b>%</b>	<b>8.3%</b>	<b>25.0%</b>	<b>25.0%</b>	<b>25.0%</b>	<b>16.7%</b>		<b>100.0%</b>
ZUPCO	Managerial	Count	3	1	2	2	4	3.10	12
		%	25.0%	8.3%	16.7%	16.7%	33.3%		100.0%
	Non-managerial	Count	2	4	4	3	10	3.08	23
		%	8.7%	17.4%	17.4%	13.0%	43.5%		100.0%
	<b>Total</b>	<b>Count</b>	<b>5</b>	<b>5</b>	<b>6</b>	<b>5</b>	<b>14</b>	<b>3.09</b>	<b>35</b>
		<b>%</b>	<b>14.3%</b>	<b>14.3%</b>	<b>17.1%</b>	<b>14.3%</b>	<b>40.0%</b>		<b>100.0%</b>
<b>Total</b>	<b>Managerial</b>	<b>Count</b>	<b>19</b>	<b>30</b>	<b>19</b>	<b>33</b>	<b>35</b>	<b>3.45</b>	<b>136</b>
		<b>%</b>	<b>14.0%</b>	<b>22.1%</b>	<b>14.0%</b>	<b>24.3%</b>	<b>25.7%</b>		<b>100.0%</b>
	<b>Non-managerial</b>	<b>Count</b>	<b>46</b>	<b>74</b>	<b>53</b>	<b>30</b>	<b>102</b>	<b>3.68</b>	<b>305</b>
		<b>%</b>	<b>15.1%</b>	<b>24.3%</b>	<b>17.4%</b>	<b>9.8%</b>	<b>33.4%</b>		<b>100.0%</b>
	<b>Unspecified</b>	<b>Count</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>2.67</b>	<b>3</b>
		<b>%</b>	<b>0.0%</b>	<b>66.7%</b>	<b>0.0%</b>	<b>33.3%</b>	<b>0.0%</b>		<b>100.0%</b>
<b>Total</b>	<b>Count</b>	<b>65</b>	<b>106</b>	<b>72</b>	<b>64</b>	<b>137</b>	<b>3.48</b>	<b>444</b>	
	<b>%</b>	<b>14.6%</b>	<b>23.9%</b>	<b>16.2%</b>	<b>14.4%</b>	<b>30.9%</b>		<b>100.0%</b>	

Tables 8.3 and 8.4 show that SOEs were not making extensive use of time management tools in their operations because less than 39% of managers and employees said they used network analysis. This was not a healthy situation, since time is an important resource that needs effective management. This failure to use time management tools could also explain the delays in service delivery.

The findings from the respondents (managers, employees, and clients) showed that products and services were not delivered in time. Less than 50% of the managers interviewed agreed with the view that there was timely service delivery. The managers interviewed said that delays in service delivery were caused by poor time orientation. When there is a delay in service delivery, an SOE loses customer goodwill and clients are forced to look for alternative service providers.

According to Nyoni (2012), SOEs that are operating in competitive or deregulated environments, like Air Zimbabwe, NOIC, NRZ, and ZUPCO, are losing clients to other service providers. Timely service delivery and a culture of being 'always on time' are therefore essential. Table 8.5 presents the findings on time orientation.



**Table 8.5: Influence of time orientation on delivery of products/services**

Name of SOE			Weak Time Orientation Causes Delay in Delivery						Total
			Strongly agree 1	Agree 2	Disagree 3	Strongly disagree 4	Unsure 5	Mean	
Air Zim	Managerial	Count	0	7	2	3	0	2.88	12
		%	0	58.3%	16.7%	25.0%	0		100.0%
	Non-managerial	Count	0	23	7	8	0	2.34	38
		%	0	60.5%	18.4%	21.1%	0		100.0%
	Unspecified	Count	0	3	0	0	0	3.00	3
		%	0	100.0%	0.0%	0.0%	0		100.0%
<b>Total</b>	<b>Count</b>	<b>0</b>	<b>33</b>	<b>9</b>	<b>11</b>	<b>0</b>	<b>2.19</b>	<b>53</b>	
	<b>%</b>	<b>0</b>	<b>62.3%</b>	<b>17.0%</b>	<b>20.8%</b>	<b>0</b>		<b>100.0%</b>	
GMB	Managerial	Count	3	12	7	0	0	2.78	22
		%	13.6%	54.5%	31.8%	0	0.0%		100.0%
	Non-managerial	Count	2	8	5	0	2	2.14	17
		%	11.8%	47.1%	29.4%	0	11.8%		100.0%
	<b>Total</b>	<b>Count</b>	<b>5</b>	<b>20</b>	<b>12</b>	<b>0</b>	<b>2</b>	<b>2.46</b>	<b>39</b>
		<b>%</b>	<b>12.8%</b>	<b>51.3%</b>	<b>30.8%</b>	<b>0</b>	<b>5.1%</b>		<b>100.0%</b>
NOIC	Managerial	Count	0	5	0	0	1	2.01	6
		%	0.0%	83.3%	0.0%	0	16.7%		100.0%
	Non-managerial	Count	2	6	7	0	1	2.37	16
		%	12.5%	37.5%	43.8%	0	6.2%		100.0%
	<b>Total</b>	<b>Count</b>	<b>2</b>	<b>11</b>	<b>7</b>	<b>0</b>	<b>2</b>	<b>2.56</b>	<b>22</b>
		<b>%</b>	<b>9.1%</b>	<b>50.0%</b>	<b>31.8%</b>	<b>0</b>	<b>9.1%</b>		<b>100.0%</b>
NRZ	Managerial	Count	4	10	5	0	0	2.12	19
		%	21.1%	52.6%	26.3%	0.0%	0		100.0%
	Non-managerial	Count	7	22	5	1	0	2.11	35
		%	20.0%	62.9%	14.3%	2.9%	0		100.0%
	<b>Total</b>	<b>Count</b>	<b>11</b>	<b>32</b>	<b>10</b>	<b>1</b>	<b>0</b>	<b>2.11</b>	<b>54</b>
		<b>%</b>	<b>20.4%</b>	<b>59.3%</b>	<b>18.5%</b>	<b>1.9%</b>	<b>0</b>		<b>100.0%</b>
ZESA	Managerial	Count	5	25	13	4	5	2.45	51
		%	9.8%	49.0%	25.5%	7.8%	8.4%		100.0%
	Non-managerial	Count	16	91	37	13	17	2.89	175
		%	9.1%	52.0%	21.1%	7.4%	9.7%		100.0%
	<b>Total</b>	<b>Count</b>	<b>21</b>	<b>116</b>	<b>50</b>	<b>17</b>	<b>21</b>	<b>2.68</b>	<b>226</b>
		<b>%</b>	<b>9.3%</b>	<b>51.3%</b>	<b>22.1%</b>	<b>7.5%</b>	<b>9.3%</b>		<b>100.0%</b>
ZINWA	Managerial	Count	2	4	6	0	4	2.67	16
		%	12.5%	25.0%	37.5%	0.0%	25.0%		100.0%
	Non-managerial	Count	0	10	5	4	0	2.54	19
		%	0.0%	52.6%	26.3%	21.1%	0.0%		100.0%
	<b>Total</b>	<b>Count</b>	<b>2</b>	<b>14</b>	<b>11</b>	<b>4</b>	<b>4</b>	<b>2.60</b>	<b>35</b>
		<b>%</b>	<b>5.7%</b>	<b>40.0%</b>	<b>31.4%</b>	<b>11.4%</b>	<b>11.4%</b>		<b>100.0%</b>
ZMDC	Managerial	Count	0	1	2	0	1	3.01	4
		%	0.0%	25.0%	50.0%	0.0%	25.0%		100.0%
	Non-managerial	Count	1	1	2	1	3	3.21	8
		%	12.5%	12.5%	25.0%	12.5%	37.5%		100.0%
	<b>Total</b>	<b>Count</b>	<b>1</b>	<b>2</b>	<b>4</b>	<b>1</b>	<b>4</b>	<b>3.15</b>	<b>12</b>
		<b>%</b>	<b>8.3%</b>	<b>16.7%</b>	<b>33.3%</b>	<b>8.3%</b>	<b>33.3%</b>		<b>100.0%</b>
ZUPCO	Managerial	Count	3	6	2	1	0	2.78	12
		%	25.0%	50.0%	16.7%	8.3%	0.0%		100.0%
	Non-managerial	Count	3	16	3	0	1	2.40	23
		%	13.0%	69.6%	13.0%	0.0%	4.3%		100.0%
	<b>Total</b>	<b>Count</b>	<b>6</b>	<b>22</b>	<b>5</b>	<b>1</b>	<b>1</b>	<b>2.54</b>	<b>35</b>
		<b>%</b>	<b>17.1%</b>	<b>62.9%</b>	<b>14.3%</b>	<b>2.9%</b>	<b>2.9%</b>		<b>100.0%</b>
<b>Total</b>	<b>Managerial</b>	<b>Count</b>	<b>17</b>	<b>70</b>	<b>37</b>	<b>8</b>	<b>11</b>	<b>2.88</b>	<b>142</b>
		<b>%</b>	<b>12.0%</b>	<b>49.3%</b>	<b>26.1%</b>	<b>5.6%</b>	<b>7.6%</b>		<b>100.0%</b>
	<b>Non-managerial</b>	<b>Count</b>	<b>31</b>	<b>177</b>	<b>71</b>	<b>27</b>	<b>24</b>	<b>2.98</b>	<b>331</b>
		<b>%</b>	<b>9.4%</b>	<b>53.5%</b>	<b>21.5%</b>	<b>8.2%</b>	<b>7.3%</b>		<b>100.0%</b>
	<b>3.00</b>	<b>Count</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>3</b>
		<b>%</b>	<b>0.0%</b>	<b>100.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>		<b>100.0%</b>
<b>Total</b>	<b>Count</b>	<b>48</b>	<b>250</b>	<b>108</b>	<b>35</b>	<b>35</b>	<b>2.90</b>	<b>476</b>	
	<b>%</b>	<b>10.1%</b>	<b>52.5%</b>	<b>22.7%</b>	<b>7.4%</b>	<b>7.7%</b>		<b>100.0%</b>	

Table 8.5 shows that poor time orientation was responsible for the late delivery of products and services by SOEs. Both the managers and employees shared the same sentiments because the t-tests to establish variations in the opinions showed a significant value of 0.441, which is higher than 0.05, meaning that there was no significant difference in the mean responses. Table 8.6 shows the t-tests results.

**Table 8.6: T-test results on influence of time orientation on delivery**

	Levene's test for equality of variances		T-test for equality of means						
	F	Sig.	T	Df	Sig. (2-tailed)	Mean diff	Std. error diff	95% confidence interval of the diff	
								Lower	Upper
Equal variances assumed	.195	.659	.771	209	.441	.10851	.14070	-.16887	.38589
Equal variances not assumed			.770	194.486	.442	.10851	.14096	-.16949	.38651

According to Table 8.6, the managers and the employees were in agreement regarding the issue of time management. Effective time management is therefore essential in SOEs. Time, in some cases referred to as a constraint, is not only a very important resource in management but also a measure of success (Grant, 2008).

Successful management is defined as achieving the objectives within time and cost, at the desired performance or technology level while utilising assigned resources effectively and efficiently (Grant, 2008). Time is one of the three basic elements in organisational operations. The other two basic elements are tasks and resources. If the SOE manager cannot manage time, then it is very likely that he or she will not be able to control anything else in the business (Omoyefa, 2008).

Time is a resource, which when lost or misplaced, is gone forever. It is often viewed as a constraint, and effective time management principles must be employed to make time a resource. Techniques for doing so are the critical path





**Table 8.7: Provision of Service 'After Hours'**

Name of SOE			SOE is able to provide services after hours						Total
			Strongly agree 1	Agree 2	Disagree 3	Strongly disagree 4	Unsure 5	Mean	
Air Zim	Managerial	Count	7	3	0	0	0	1.30	10
		%	70.0%	30.0%	0.0%	0.0%	0.0%		100.0%
	Non- managerial	Count	12	4	12	4	2	3.01	34
		%	35.3%	11.8%	35.3%	11.8%	5.9%		100.0%
	Unspecified	Count	1	0	1	0	1	1.33	3
		%	33.3%	0.0%	33.3%	0.0%	33.3%		100.0%
<b>Total</b>	<b>Count</b>	<b>20</b>	<b>7</b>	<b>13</b>	<b>4</b>	<b>3</b>	<b>2.98</b>	<b>47</b>	
	<b>%</b>	<b>42.6%</b>	<b>14.9%</b>	<b>27.7%</b>	<b>8.5%</b>	<b>6.4%</b>		<b>100%</b>	
GMB	Managerial	Count	1	3	1	0	0	2.79	5
		%	20.0%	60.0%	20.0%	0	0		100.0%
	Non- managerial	Count	0	5	0	0	0	2.80	5
		%	0.0%	100.0%	0.0%	0	0		100.0%
	<b>Total</b>	<b>Count</b>	<b>1</b>	<b>8</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>2.80</b>	<b>10</b>
		<b>%</b>	<b>10.0%</b>	<b>80.0%</b>	<b>10.0%</b>	<b>0</b>	<b>0</b>		<b>100%</b>
NOIC	Managerial	Count	3	3	0	0	0	2.80	6
		%	50.0%	50.0%	0	0	0.0%		100.0%
	Non- managerial	Count	9	6	0	0	2	2.68	17
		%	52.9%	35.3%	0	0	11.8%		100.0%
	<b>Total</b>	<b>Count</b>	<b>12</b>	<b>9</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>2.74</b>	<b>23</b>
		<b>%</b>	<b>52.2%</b>	<b>39.1%</b>	<b>0</b>	<b>0</b>	<b>8.7%</b>		<b>100%</b>
NRZ	Managerial	Count	5	14	0	0	0	2.67	19
		%	26.3%	73.7%	0.0%	0	0		100.0%
	Non- managerial	Count	4	27	5	0	0	2.59	36
		%	11.1%	75.0%	13.9%	0	0		100.0%
	<b>Total</b>	<b>Count</b>	<b>9</b>	<b>41</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>2.60</b>	<b>55</b>
		<b>%</b>	<b>16.4%</b>	<b>74.5%</b>	<b>9.1%</b>	<b>0</b>	<b>0</b>		<b>100%</b>
ZESA	Managerial	Count	10	25	3	2	0	2.45	40
		%	25.0%	62.5%	7.5%	5.0%	0.0%		100.0%
	Non- managerial	Count	6	27	4	3	5	2.60	45
		%	13.3%	60.0%	8.9%	6.7%	11.1%		100.0%
	<b>Total</b>	<b>Count</b>	<b>16</b>	<b>52</b>	<b>7</b>	<b>5</b>	<b>5</b>	<b>2.64</b>	<b>85</b>
		<b>%</b>	<b>18.8%</b>	<b>61.2%</b>	<b>8.2%</b>	<b>5.9%</b>	<b>5.9%</b>		<b>100%</b>
ZINWA	Managerial	Count	4	12	0	0	0	2.40	16
		%	25.0%	75.0%	0.0%	0	0.0%		100.0%
	Non- managerial	Count	2	13	2	0	2	2.31	19
		%	10.5%	68.4%	10.5%	0	10.5%		100.0%
	<b>Total</b>	<b>Count</b>	<b>6</b>	<b>25</b>	<b>2</b>	<b>0</b>	<b>2</b>	<b>2.34</b>	<b>55</b>
		<b>%</b>	<b>17.1%</b>	<b>71.4%</b>	<b>5.7%</b>	<b>0</b>	<b>5.7%</b>		<b>100%</b>
ZMDC	Managerial	Count	0	0	1	2	1	2.00	4
		%	0.0%	0.0%	25.0%	50.0%	25.0%		100.0%
	Non- managerial	Count	2	3	1	2	0	2.85	8
		%	25.0%	37.5%	12.5%	25.0%	0.0%		100.0%
	<b>Total</b>	<b>Count</b>	<b>2</b>	<b>3</b>	<b>2</b>	<b>4</b>	<b>1</b>	<b>2.66</b>	<b>12</b>
		<b>%</b>	<b>16.7%</b>	<b>25.0%</b>	<b>16.7%</b>	<b>33.3%</b>	<b>8.3%</b>		<b>100%</b>
ZUPCO	Managerial	Count	3	8	1	0	0	2.68	12
		%	25.0%	66.7%	8.3%	0.0%	0.0%		100.0%
	Non- managerial	Count	2	17	1	2	1	2.75	23
		%	8.7%	73.9%	4.3%	8.7%	4.3%		100.0%
	<b>Total</b>	<b>Count</b>	<b>5</b>	<b>25</b>	<b>2</b>	<b>2</b>	<b>1</b>	<b>2.73</b>	<b>35</b>
		<b>%</b>	<b>14.3%</b>	<b>71.4%</b>	<b>5.7%</b>	<b>5.7%</b>	<b>2.9%</b>		<b>100%</b>
<b>Total</b>	<b>Managerial</b>	<b>Count</b>	<b>26</b>	<b>65</b>	<b>6</b>	<b>4</b>	<b>1</b>	<b>2.46</b>	<b>102</b>
		<b>%</b>	<b>25.5%</b>	<b>63.7%</b>	<b>5.9%</b>	<b>3.9%</b>	<b>1.0%</b>		<b>100.0%</b>
	<b>Non- managerial</b>	<b>Count</b>	<b>25</b>	<b>98</b>	<b>13</b>	<b>7</b>	<b>10</b>	<b>2.55</b>	<b>153</b>
		<b>%</b>	<b>16.3%</b>	<b>64.1%</b>	<b>8.5%</b>	<b>4.6%</b>	<b>6.5%</b>		<b>100.0%</b>
	<b>Total</b>	<b>Count</b>	<b>51</b>	<b>163</b>	<b>19</b>	<b>11</b>	<b>11</b>	<b>2.50</b>	<b>525</b>
		<b>%</b>	<b>20.0%</b>	<b>63.9%</b>	<b>7.5%</b>	<b>4.3%</b>	<b>4.3%</b>		<b>100%</b>

Table 8.7 shows that more than 80% of both the managerial and employee respondents indicated that SOEs were able to provide services after hours. T-tests were in order to establish whether there were significant differences in the responses from the managers and employees, and results are reflected in Table 8.8.

**Table 8.8: T-test results on provision of services after hours**

	Levene's test for equality of variances		t-test for equality of means						
	F	Sig.	T	Df	Sig. (2-tailed)	Mean diff	Std. error diff	95% confidence interval of the diff	
								Lower	Upper
Equal variances assumed	5.900	.617	-2.401	209	.217	-.30197	.12575	-.54986	-.05408
Equal variances not assumed			-2.493	208.634	.213	-.30197	.12111	-.54072	-.06322

The t-test results in Table 8.8 show that there were no significant variances in the responses from both managers and employees, with the significant value being 0.217. Therefore, managers and employees concurred that the SOEs were able to provide services 'after hours'. In fact, the nature of services offered by SOEs like Air Zimbabwe, NOIC, NRZ, ZUPCO, and ZESA points to the need for a 24-hour service. Therefore, there was some flexibility in terms of operating hours.

However, flexibility in decision-making and other areas of operation, such as procurement remained a challenge in the participating SOEs. As one Air Zimbabwe manager pointed out the company was a state enterprise but registered privately, which means that at the time of this research to say the employees of Air Zimbabwe were not civil servants. Nevertheless, being a state enterprise, the government was very much involved in the operations of Air Zimbabwe and in-as-much as the company would want to be flexible, sometimes there are limitations. There is no flexibility because political affiliation and orientation come into play and affect decision-making and flexibility. There is always the need for approval from the responsible Ministry.

Flexibility was also a challenge for ZINWA. One manager said that their failure was mainly caused by the economic situation and the clients' perception that water cannot be bought. In addition, it was pointed out that flexibility among employees depends on the level or position an individual holds in the organisation.

## 8.6 Provision of personalised products and services

The study collected data on whether SOEs were able to provide personalised services. The provision of tailor-made services is a way of responding to the specific expectations of clients. In addition, tailor-made products and services can be offered at a premium price, making it possible to generate extra revenue. The findings on whether SOEs are able to provide personalised products and services are presented in Table 8.9.

**Table 8.9: Provision of personalised products and services**

Name of SOE			Strongly agree 1	Agree 2	Disagree 3	Strongly disagree 4	Unsure 5	Mean	Total
Air Zim	Managerial	Count	5	5	2	0	0	2.01	12
		%	41.7%	41.7%	16.7%	0	0.0%		100.0%
	Non-managerial	Count	3	25	7	0	6	2.23	41
		%	7.3%	61.0%	17.1%	0	14.6%		100.0%
	Unspecified	Count	0	1	2	0	0	2.67	3
		%	0.0%	33.3%	66.7%	0	0.0%		100.0%
	<b>Total</b>	<b>Count</b>	<b>8</b>	<b>31</b>	<b>11</b>	<b>0</b>	<b>6</b>	<b>2.17</b>	<b>56</b>
	<b>%</b>	<b>14.3%</b>	<b>55.4%</b>	<b>19.6%</b>	<b>0</b>	<b>10.7%</b>		<b>100.0%</b>	
GMB	Managerial	Count	0	2	2	1	0	2.80	5
		%	0	40.0%	40.0%	20.0%	0.0%		100.0%
	Non-managerial	Count	0	1	2	0	2	3.67	5
		%	0	20.0%	40.0%	0.0%	40.0%		100.0%
	<b>Total</b>	<b>Count</b>	<b>0</b>	<b>3</b>	<b>4</b>	<b>1</b>	<b>2</b>	<b>2.89</b>	<b>10</b>
	<b>%</b>	<b>0</b>	<b>30.0%</b>	<b>40.0%</b>	<b>10.0%</b>	<b>20.0%</b>		<b>100.0%</b>	
NOIC	Managerial	Count	1	2	3	0	0	2.56	6
		%	16.7%	33.3%	50.0%	0	0.0%		100.0%
	Non-managerial	Count	1	2	9	0	5	3.01	17
		%	5.9%	11.8%	52.9%	0	29.4%		100.0%
	<b>Total</b>	<b>Count</b>	<b>2</b>	<b>4</b>	<b>12</b>	<b>0</b>	<b>5</b>	<b>2.98</b>	<b>23</b>
	<b>%</b>	<b>8.7%</b>	<b>17.4%</b>	<b>52.2%</b>	<b>0</b>	<b>21.7%</b>		<b>100.0%</b>	
NRZ	Managerial	Count	7	4	8	0	0	2.31	19
		%	36.8%	21.1%	42.1%	0	0.0%		100.0%
	Non-managerial	Count	2	12	17	0	5	2.98	36
		%	5.6%	33.3%	47.2%	0	13.9%		100.0%
	<b>Total</b>	<b>Count</b>	<b>9</b>	<b>16</b>	<b>25</b>	<b>0</b>	<b>5</b>	<b>2.87</b>	<b>55</b>
	<b>%</b>	<b>16.4%</b>	<b>29.1%</b>	<b>45.5%</b>	<b>0</b>	<b>9.1%</b>		<b>100.0%</b>	

Name of SOE			Strongly agree 1	Agree 2	Disagree 3	Strongly disagree 4	Unsure 5	Mean	Total
ZESA	Managerial	Count	5	19	13	1	2	2.89	40
		%	12.5%	47.5%	32.5%	2.5%	5.0%		100.0%
	Non-managerial	Count	2	21	9	1	12	2.91	45
		%	4.4%	46.7%	20.0%	2.2%	26.7%		100.0%
	<b>Total</b>	<b>Count</b>	<b>7</b>	<b>40</b>	<b>22</b>	<b>2</b>	<b>14</b>	<b>2.89</b>	<b>85</b>
		<b>%</b>	<b>8.2%</b>	<b>47.1%</b>	<b>25.9%</b>	<b>2.4%</b>	<b>16.5%</b>		<b>100.0%</b>
ZINWA	Managerial	Count	0	6	4	2	4	3.11	16
		%	0.0%	37.5%	25.0%	12.5%	25.0%		100.0%
	Non-managerial	Count	2	6	4	0	7	3.05	19
		%	10.5%	31.6%	21.1%	0.0%	36.8%		100.0%
	<b>Total</b>	<b>Count</b>	<b>2</b>	<b>12</b>	<b>8</b>	<b>2</b>	<b>11</b>	<b>3.01</b>	<b>35</b>
		<b>%</b>	<b>5.7%</b>	<b>34.3%</b>	<b>22.9%</b>	<b>5.7%</b>	<b>31.4%</b>		<b>100.0%</b>
ZMDC	Managerial	Count	0	0	3	0	1	3.60	4
		%	0.0%	0.0%	75.0%	0.0%	25.0%		100.0%
	Non-managerial	Count	1	2	1	2	2	3.40	8
		%	12.5%	25.0%	12.5%	25.0%	25.0%		100.0%
	<b>Total</b>	<b>Count</b>	<b>1</b>	<b>2</b>	<b>4</b>	<b>2</b>	<b>3</b>	<b>3.50</b>	<b>12</b>
		<b>%</b>	<b>8.3%</b>	<b>16.7%</b>	<b>33.3%</b>	<b>16.7%</b>	<b>25.0%</b>		<b>100.0%</b>
ZUPCO	Managerial	Count	1	5	4	2	0	2.70	12
		%	8.3%	41.7%	33.3%	16.7%	0.0%		100.0%
	Non-managerial	Count	3	11	4	2	2	2.60	22
		%	13.6%	50.0%	18.2%	9.1%	9.1%		100.0%
	<b>Total</b>	<b>Count</b>	<b>4</b>	<b>16</b>	<b>8</b>	<b>4</b>	<b>2</b>	<b>2.65</b>	<b>34</b>
		<b>%</b>	<b>11.8%</b>	<b>47.1%</b>	<b>23.5%</b>	<b>11.8%</b>	<b>5.9%</b>		<b>100.0%</b>
<b>Total</b>	<b>Managerial</b>	<b>Count</b>	<b>14</b>	<b>38</b>	<b>37</b>	<b>6</b>	<b>7</b>	<b>2.45</b>	<b>102</b>
		<b>%</b>	<b>13.7%</b>	<b>37.3%</b>	<b>36.3%</b>	<b>5.9%</b>	<b>6.9%</b>		<b>100.0%</b>
	<b>Non-managerial</b>	<b>Count</b>	<b>11</b>	<b>55</b>	<b>46</b>	<b>5</b>	<b>35</b>	<b>2.53</b>	<b>152</b>
		<b>%</b>	<b>7.2%</b>	<b>36.2%</b>	<b>30.3%</b>	<b>3.3%</b>	<b>23.0%</b>		<b>100.0%</b>
	<b>Total</b>	<b>Count</b>	<b>25</b>	<b>93</b>	<b>83</b>	<b>11</b>	<b>42</b>	<b>2.48</b>	<b>254</b>
		<b>%</b>	<b>9.8%</b>	<b>36.6%</b>	<b>32.7%</b>	<b>4.3%</b>	<b>16.5%</b>		<b>100.0%</b>

Table 8.9 shows that 46.4%, (i.e. less than 50%) of the participants supported the view that the SOEs were providing personalised services. Therefore, one could conclude that, at the time of this research, the participating SOEs engaged in mass marketing of similar products and did not cater for special needs.

## 8.7 Creativity and innovation

The research also sought to establish the extent to which SOEs were encouraging innovation. Table 8.10 summarises the findings.



**Table 8.10: SOEs encourage creativity**

Name of SOE			Strongly agree 1	Agree 2	Disagree 3	Strongly disagree 4	Unsure 5	Mean	Total
Air Zim	Managerial	Count	7	3	0	0	0	1.30	10
		%	70.0%	30.0%	0.0%	0.0%	0.0%		100.0%
	Non-managerial	Count	12	4	12	4	2	3.01	34
		%	35.3%	11.8%	35.3%	11.8%	5.9%		100.0%
	Unspecified	Count	1	0	1	0	1	1.33	3
		%	33.3%	0.0%	33.3%	0.0%	33.3%		100.0%
<b>Total</b>	<b>Count</b>	<b>20</b>	<b>7</b>	<b>13</b>	<b>4</b>	<b>3</b>	<b>2.98</b>	<b>47</b>	
	<b>%</b>	<b>42.6%</b>	<b>14.9%</b>	<b>27.7%</b>	<b>8.5%</b>	<b>6.4%</b>		<b>100%</b>	
GMB	Managerial	Count	1	2	0	1	0	2.79	4
		%	25.0%	50.0%	0.0%	25.0%	0		100.0%
	Non-managerial	Count	0	2	2	1	0	2.80	5
		%	0.0%	40.0%	40.0%	20.0%	0		100.0%
	<b>Total</b>	<b>Count</b>	<b>1</b>	<b>4</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>2.80</b>	<b>9</b>
		<b>%</b>	<b>11.1%</b>	<b>44.4%</b>	<b>22.2%</b>	<b>22.2%</b>	<b>0</b>		<b>100%</b>
NOIC	Managerial	Count	1	4	1	0	0	2.80	6
		%	16.7%	66.7%	16.7%	0	0.0%		100.0%
	Non-managerial	Count	5	7	3	0	2	2.68	17
		%	29.4%	41.2%	17.6%	0	11.8%		100.0%
	<b>Total</b>	<b>Count</b>	<b>6</b>	<b>11</b>	<b>4</b>	<b>0</b>	<b>2</b>	<b>2.71</b>	<b>23</b>
		<b>%</b>	<b>26.1%</b>	<b>47.8%</b>	<b>17.4%</b>	<b>0</b>	<b>8.7%</b>		<b>100%</b>
NRZ	Managerial	Count	6	5	6	2	0	2.67	19
		%	31.6%	26.3%	31.6%	10.5%	0.0%		100.0%
	Non-managerial	Count	7	17	9	1	2	2.59	36
		%	19.4%	47.2%	25.0%	2.8%	5.6%		100.0%
	<b>Total</b>	<b>Count</b>	<b>13</b>	<b>22</b>	<b>15</b>	<b>3</b>	<b>2</b>	<b>2.60</b>	<b>55</b>
		<b>%</b>	<b>23.6%</b>	<b>40.0%</b>	<b>27.3%</b>	<b>5.5%</b>	<b>3.6%</b>		<b>100%</b>
ZESA	Managerial	Count	4	27	6	2	1	2.45	40
		%	10.0%	67.5%	15.0%	5.0%	2.5%		100.0%
	Non-managerial	Count	9	20	9	2	5	2.60	45
		%	20.0%	44.4%	20.0%	4.4%	11.1%		100.0%
	<b>Total</b>	<b>Count</b>	<b>13</b>	<b>47</b>	<b>15</b>	<b>4</b>	<b>6</b>	<b>2.54</b>	<b>85</b>
		<b>%</b>	<b>15.3%</b>	<b>55.3%</b>	<b>17.6%</b>	<b>4.7%</b>	<b>7.1%</b>		<b>100%</b>
ZINWA	Managerial	Count	0	12	2	0	2	2.40	16
		%	0.0%	75.0%	12.5%	0.0%	12.5%		100.0%
	Non-managerial	Count	2	8	3	2	4	2.31	19
		%	10.5%	42.1%	15.8%	10.5%	21.1%		100.0%
	<b>Total</b>	<b>Count</b>	<b>2</b>	<b>20</b>	<b>5</b>	<b>2</b>	<b>6</b>	<b>2.34</b>	<b>35</b>
		<b>%</b>	<b>5.7%</b>	<b>57.1%</b>	<b>14.3%</b>	<b>5.7%</b>	<b>17.1%</b>		<b>100%</b>
ZMDC	Managerial	Count	0	2	2	0	0	2.00	4
		%	0.0%	50.0%	50.0%	0.0%	0.0%		100.0%
	Non-managerial	Count	2	3	0	1	2	2.85	8
		%	25.0%	37.5%	0.0%	12.5%	25.0%		100.0%
	<b>Total</b>	<b>Count</b>	<b>2</b>	<b>5</b>	<b>2</b>	<b>1</b>	<b>2</b>	<b>2.66</b>	<b>12</b>
		<b>%</b>	<b>16.7%</b>	<b>41.7%</b>	<b>16.7%</b>	<b>8.3%</b>	<b>16.7%</b>		<b>100%</b>
ZUPCO	Managerial	Count	1	4	6	1	0	2.68	12
		%	8.3%	33.3%	50.0%	8.3%	0		100.0%
	Non-managerial	Count	3	7	9	3	0	2.75	22
		%	13.6%	31.8%	40.9%	13.6%	0		100.0%
	<b>Total</b>	<b>Count</b>	<b>4</b>	<b>11</b>	<b>15</b>	<b>4</b>	<b>0</b>	<b>2.73</b>	<b>36</b>
		<b>%</b>	<b>11.8%</b>	<b>32.4%</b>	<b>44.1%</b>	<b>11.8%</b>	<b>0</b>		<b>100%</b>
<b>Total</b>	<b>Managerial</b>	<b>Count</b>	<b>13</b>	<b>56</b>	<b>23</b>	<b>6</b>	<b>3</b>	<b>2.46</b>	<b>101</b>
		<b>%</b>	<b>12.9%</b>	<b>55.4%</b>	<b>22.8%</b>	<b>5.9%</b>	<b>3.0%</b>		<b>100.0%</b>
	<b>Non-managerial</b>	<b>Count</b>	<b>28</b>	<b>64</b>	<b>35</b>	<b>10</b>	<b>15</b>	<b>2.55</b>	<b>152</b>
		<b>%</b>	<b>18.4%</b>	<b>42.1%</b>	<b>23.0%</b>	<b>6.6%</b>	<b>9.9%</b>		<b>100.0%</b>
	<b>Total</b>	<b>Count</b>	<b>41</b>	<b>120</b>	<b>58</b>	<b>16</b>	<b>18</b>	<b>2.51</b>	<b>251</b>
		<b>%</b>	<b>16.2%</b>	<b>47.4%</b>	<b>22.9%</b>	<b>6.3%</b>	<b>7.1%</b>		<b>100%</b>

Table 8.10 shows that 67% of the managers and 60% of the employees agreed that creativity was encouraged in some of the SOEs. It is essential to encourage creativity and entrepreneurship in the SOEs. Creativity also facilitates openness to change and adaptation (Grant, 2008). Slightly more than 50% of the respondents were of the view that SOEs were open to change and adaptation. This is a positive development, because change and adaptation are essential in any institution. Cummings and Worley (2005), who argue that change implies difference, adaptation, innovation, and renewal, support this view.

## **8.8 Chapter summary**

This chapter presented data on the influence of time orientation on service delivery. It was established that some SOEs had improved where meeting deadlines was concerned, while others were still facing challenges in this regard. Delays in decision-making and action have been a characteristic in most SOEs. It was established that in some SOEs, organisational members make no meaningful efforts, as they are demotivated because of not being paid on time, no longer enjoying non-monetary benefits, and a lack of resources to use. The study also found that SOEs require effective leadership that would facilitate their efficient turnaround. The findings from interviews suggested that flexibility was a challenge in the SOEs, which were also not providing personalised services. However, it was held that creativity was encouraged in some of the SOEs, facilitating openness to changes and adaptation. The next chapter focuses on the influence of ownership orientation on decision-making.

## CHAPTER IX

### DATA PRESENTATION, ANALYSIS AND DISCUSSION: OWNERSHIP ORIENTATION AND ITS INFLUENCE ON DECISION-MAKING

#### 9.1 Introduction

This chapter presents a discussion on the influence of ownership orientation and its influence on decision-making. The focus is on the extent to which employees are able to work over-time and the effectiveness of decision-making and on the effectiveness of procurement and employee participation in decision-making.

#### 9.2 Ownership orientation and working hours

This researcher collected data on whether employees in the SOEs were committed towards the attainment of organisational goals. The respondents were asked whether all organisational members worked extra hard to ensure attainment of goals, and whether employees could work over-time even if there was no overtime allowance. When asked whether employees could work over-time, one interviewee said, "*it is difficult to work without overtime allowance*". One of the reasons why employees were reluctant to work extra hours was that there were no ownership claims to profit. One participant, who was interviewed, said that the ownership structure influences the extent to which management is committed towards realising profits. SOEs, by virtue of being owned by government, are characterised by the 'no ownership' culture, thereby limiting drive towards profits. This research agrees with literature and, according to Omoyefa (2008), loss making in SOEs, results in a push for privatisation, which was a marked feature of the structural adjustment programmes (SAPs). Commercialisation of SOEs is a major reform that dominated public service reforms during the structural adjustment programs (SAP). Developing countries adopted privatisation as a major reform from the late 1980s. Privatisation is

meant to reduce external borrowing. It furthermore addresses economic challenges, and fosters economic growth (Omoyefa, 2008). Within the framework of liberalisation, by 1996, all African countries had embarked on privatisation of SOEs. Most enterprises privatised but the challenge was that the reforms produced lukewarm results (Jerome, 2008).

The study also asked the question whether SOEs were making an effort to identify the least-cost suppliers and whether employees were encouraged to make recommendations on how to reduce costs and maximise revenue. When responding to a question on cost savings, one of the managers interviewed stated, "there is less concerted effort towards identifying the least-cost suppliers. SOEs are known for being wasteful because there are no ownership claims to profit". In line with this argument, literature showed that SOEs have failed to fulfil their mandate (Omoyefa, 2008). However, parastatals have failed to contribute to the economic development of African countries, which was largely due to the reluctance of governments to ensure that there is transparency within the entities (Rondinelli, 2005). Regulation of privatised entities is crucial because they are believed to be more efficient (Omoyefa, 2008). When an SOE is privatised, management will be accountable to many stakeholders, such as regulatory bodies, media, clients, and the public as well. All these pressurise the organisation to perform. Managers will be obliged to operate efficiently within limited budgets, as the organisation has to survive within the harsh environment. The environment has many demands where the entity has to outperform competitors. Thus, privatised entities perform better than fully SOE (Omoyefa, 2008). Jerome (2008) argues that when the state over-controls the SOEs, they fail to achieve results, as SOEs need to have adequate autonomy. Ministerial interventions affect the decision-making capacity of SOEs. As Woetzel (2008:-31) argues, "the Chinese government privatised and commercialised most [Chinese] SOEs." The directors of SOEs in China became accountable for the

successes and the failures of their institutions. In short, SOEs in China underwent a process of change in organisational culture. A similar process of change could be beneficial to SOEs in Zimbabwe.

### **9.3 Decision making in procurement**

The study further asked whether managers in the SOEs were able to make timely decisions, especially when procuring inputs. When responding to questions on timely decisions in procurement, the managers interviewed highlighted that, there were challenges. As one manager in GMB pointed out, there were difficulties encountered because of the liquidity crisis and before dollarization, there was a slow pace of business in maintenance, and they had a huge backlog of items to be purchased. It was stated that GMB usually meets 50% of its targets as the company sometimes, the company delays payments and at other times, suppliers withdraw their services. The findings suggest that, at the time of this research most, of the people tasked with the responsibility to procure resources lacked the requisite skills. This finding is supported by literature and Biti (2011) points out that the tender to supply ZESA with prepaid meters was flawed, since it was the state procurement adjudicators who were at fault. Delays in decision-making were indicated by 100% of the participants as a challenge in public procurement.

Irregularities and delays in the making of purchasing decision negatively affect supply chain performance in the SOEs because procurement is the key administrative function in any organisation. Managers have to be precise and transparent in their procurement strategies. Furthermore, there are major aspects in terms of the procurement procedure. One of the major aspects is the budget involved. This is essential because it determines all the activities adopted. Other aspects considered are the activities performed and the challenges that the

organisation is likely to face. There might be complications when it comes to the needs of the SOEs, against value for money when procuring.

The study showed that many things are considered during the procurement process. One of the interviewees argued, “time, financial resources and sustainability are crucial aspects in procurement”. A key objective in procurement is whether the organisations have clear and comprehensive policies for procurement activities. All procurement procedures have to be done before the actual procurement, and all procedures have to be satisfactory to the organisation. In most organisations, internal control assurance is there to promote independence within the internal audit committees. All internal audit reports are directed to the chief executive to ensure independency. The good governance standards have to govern all SOEs.

In addition, one of the managers interviewed said, “in procurement, what matters is value for money”. SOEs used to believe that the cheapest product is the right item to procure. The price matters but it is not the sole aspect considered in procurement. Participants said that there were guidelines for procurement, but whose effectiveness was questionable. The researcher noted that since the commercialisation of most SOEs, the contribution of the purchasing departments to the achievement of organisational objectives had been minimal. Although the SOE departments are open to market forces, its processes, and procedures are still being governed and dictated by the State Procurement Authority on behalf of government. This study showed that the SOEs are not involved proactively in the make or buy decisions since they were compelled to follow the laid-down rules and procedures on an arm’s length relationship.

In fact, with reference to the ownership, competition, and regulation model, the findings showed that, at the time of this research, there was no ultimate

deregulation of government policies to motivate managers to exercise their managerial skills to attain efficiency gains especially the purchasing departments in SOEs, who are just facilitators of paper work. Therefore, the procurement function has to be improved to remove bureaucracy. There is a need to ensure that raw materials are bought directly from producers thereby cutting out intermediaries. In the light of the preceding findings, most managers and employees said that there were in the making of timely decisions.

Furthermore, it is paramount for SOEs to have sound procurement control systems. The need to have sound control systems is supported by Nyoni (2012), who argued that management control is the process by which managers ensure that there is acquisition and effective and efficient use of resources in accomplishing organisational objectives. Improved control systems do not materialise automatically, however, and multiple external factors, such as socio-economic, political, and cultural environments, influence the choice of control systems. Moreover, oversight approaches are also dependent on the internal firm environment. One of the managers interviewed argued:

*“Within organisations, management control systems play a pivotal role, as they serve as an instrument to survive in an uncertain environment. In a dynamic climate, management is ‘forced’ to adapt continuously. Responding to environmental dynamism requires the active involvement of a large number of organisational participants.”*

The preceding findings are supported by literature. According to Johnson and Scholes (2010), active control systems require the empowerment of the lower-level employees in the organisation, which means giving the lower levels in the group both authority and responsibility. As a result, lower-level managers are encouraged to take whatever action is necessary to achieve the organisational goals. In this context, work groups at all levels can use management control systems as oversight tools. Studies on performance measurement suggest that the integration of both financial and non-financial control methods facilitates the

achievement of corporate objectives (Kaplan & Norton, 1992). In addition, Johnson and Scholes (2010) stress the significance of two control areas, namely, the internal and external environment.

In the internal environment, control requires honesty. In addition, ethical values, such as management and employee professional competencies (level of knowledge, skills and experience), are critical. Oversight also considers the scope of tasks, the rights, and responsibilities of organisational units, and the identification of the sensitive tasks.

In the external environment, much of the focus is on risk management. The aim of this type of control is to increase the probability of achieving unit objectives. Leaders determine the best approach for monitoring the implementation of tasks and the identification and analysis of risks. The task is about establishing and measuring opportunities and threats related to unit operational plans for measurable objectives. Risk management also involves recording deviations from procedures, instructions, or guidelines. Managers also determine the best way of ensuring continuity of operations, in spite of negative conditions. There is also selective and controlled access of people to financial, material, and informational resources. Management of risk can be through IT system control mechanisms, such as passwords for sensitive documents.

#### **9.4 Employee participation in decision-making**

The study asked a question pertaining to the extent of employee participation in decision-making and whether there is consultation with clients before making decisions that affect them. The interviews with senior management in SOEs revealed that no employees at shop-floor level, the lower-level staff make decisions that affect their daily work. Participating managers said that lower-level staff members were not consulted during any strategic planning process or when



making decisions. To this end, the researcher believes that even if employees are encouraged to be innovative when performing their duties, a lack of participation does not motivate them, since they do not make decisions. Managers are still using the authoritarian style of management and the '*carrot continues to shrink while the stick is thickening*'. The managers interviewed said that work reports were required periodically, and there is constant supervision. An employee should regularly get orders from his or her supervisors and failure to do attracts the stick, which is negative reinforcement. Employees are dismissed very easily, and this has a negative impact on employee job security. Authors such as Armstrong (2005) and Shahzard (2012) are against such leadership styles, criticising managers who adopt one leadership style. Leaders have no best way of doing things; they blend and mix styles, using a variety of skills depending on the need. The best leaders use a contingency approach. Their style is situational, involving the implementation of the strategies that are necessary at the given time.

Many factors determine the choice of leadership in any given organisation. Organisations are unique, and have different values. Nevertheless, there are common elements that most organisations use in order to determine the type of leadership style to adopt, for instance, the educational skills and professional qualifications that employees possess, their level of maturity, and the level of trust given to them. The present study found that less qualified employees are trusted less. This, however, demotivates employees and may therefore contribute to counterproductive work behaviour. Employers do not consider the contributions of such workers, treating them as inferior. This culture runs contrary to the principles of participatory management. In a people-centred management approach, employees have the room to make decisions. If employees do not participate, this reduces their effectiveness. They will not implement the strategies since they feel that they do not experience a sense of ownership and

lack they drive. Even if employees are aware of the vision of the organisation, there will be no drive to ensure attainment of organisational goals.

More than 60% of managers interviewed said that, in most SOEs, employees do not participate in decision-making. Regardless of poor involvement of workers, employee participation is crucial. For there to be sustainable employee empowerment, they have to participate actively within organisational decision-making. Participation should be done up to the formulation stage. The researcher believes that managers should not only consult staff members but should also involve them actively in decision-making. It is when employees develop the ability to make their own decisions independently that they can be innovative, improving organisational effectiveness. These findings are in line with Grant (2008), who points out that employee empowerment means giving them 'authority and freedom'. Another form of empowerment is financial in nature. Johnson and Scholes (2010) argue that empowerment involves giving employees greater autonomy, freedom, and self-control and trusting them with their decision-making capability. Employees have to be responsible for their own work. However, according to Grant (2008), empowerment has proved to be difficult to measure scientifically, since it is not quantifiable and purely subjective. It therefore relies on one's judgement, and the relevant indicators to appreciate that the achievements are qualitative ones.

Empowerment means bringing in change gradually to the workforce within the organisation and it involves the whole process of employee participation. Success is characterised by open management, team building and employee autonomy. Open management is a management style actively involving the members of the organisation in regular meetings and in assessing and analysing organisational policy issues, decision-making, strategic planning and proffering

solutions. The employees are empowered and their skills are developed through capacity (Grant, 2008).

This study found that one of the factors affecting effective decision- making in the SOEs was the corporate culture. Ineffective SC performance is partly attributable to corporate culture in SOEs. The results of the study showed that board functions were not understood or it did not function effectively. Board reports, for instance revealed that board members of SOEs in the transport sector were holding not enough meetings. The Ministry responsible for SOEs reports revealed that some boards were not 'represented', with vacant positions still yet to be 'filled'. Board minutes and reports revealed that some board members were continuously absent.

The research found that 55% of the managers and employees in the study strongly agreed and 12% agreed that there was facilitation of regulatory compliance at SOEs under the study. However, 9% disagreed and 7% strongly disagreed that there was limited effort to ensure regulatory compliance. Of respondents, 17% were not sure whether there was regulatory compliance. Various forms of secondary data reports revealed that the organisations under the study had no mechanism for monitoring and evaluating the performance of the boards in terms of the soundness of strategies and policy development, strategy implementation and control. The study noted that there were no mechanisms for evaluating the performance of the boards. At the time of this research, the management of SOEs was solely in the hands of the government and there was a danger of unjust and inflexible implementation of policies and procedures. Centralisation of power manifests as gross corruption and poor service delivery (World Bank, 2006).

Moreover, some SOEs under study did not have audit and corporate governance committees. This absence resulted in internal auditors reporting directly to the board and the executive officers of the organisation. According to Dube (2015), the independence of internal auditors is compromised by such unavailability of audit committees. Therefore, this undermines the principles of good governance within SOEs. The boards usually lack the capacity to oversee the activities of the SOEs adequately (Dube, 2015). This is because it is policy prescription and standard that every board should have an audit committee and a corporate governance committee. These are the backbone of transparency and accountability within the SOEs. The committees should oversee the internal audit system. The committees are responsible for ensuring compliance by the internal auditors on the standards and regulations of the industries pertaining to corporate governance issues. The mandate of corporate governance boards is to ensure that all the SOEs' reporting systems comply with the national standards. The role of the committees is to ensure that there is transparency and independency within the auditing system of the SOE.

Some SOEs have audit committees. These committees have not been effective as expected because they do not have clear terms of reference (Biti, 2011), and they are not defined as required in the corporate governance code. Absence of definition and documentation may make it impossible for those committees to meet their intended purposes and to perform effectively. The establishment of a board of committee means that terms of reference have to be stated and there is need for clarity in terms of functions of the committee. Alternatively, sub-committees are set up for advice, and to commend the board on performing its function and to enhance the efficiency of the board.

In addition, the research showed that SOEs were not practising good governance within the SOEs, there was no clarity in terms or roles and functions within the

boards of committees. The chairperson of a board has a role in the committee. In line with Dube (2015), a lack of sound corporate governance will have a negative influence on the overall board decisions. In most cases, the chair makes major decisions, and there is no independence in decision-making because boards are appointed by ministers (Nyoni, 2012). Therefore, the boards and management of the SOEs under study did not have independence when making decisions for the good of their organisations.

According to Biti (2011), the Corporate Governance Framework (CGF) of Zimbabwe states that the board should comprise competent individuals with integrity, relevant complementary expertise, and experience. Biti (2011) also argues that the CGF set up by the government of Zimbabwe in 2010 states that there is a need for effective boards in SOEs. Interviews with the managers of the SOEs showed that the board and the management of SOEs under the study were not held accountable for decisions made in relation to their organisations. The researcher also observed that the SOEs under study were criticised of non-disclosure of financial accounts, ineffective functioning of the board and a lack of complete information and an absence of the evaluation of the effectiveness of the board. Furthermore, in 2012, the Auditor-General declared that it had exposed gross abuse of state resources. In a report of the first quarter of 2012, the Auditor-General indicated that resources possessed by ministers, deputy ministers, permanent secretaries and heads of parastatals such as cars, laptops and cell phones were stolen, but no reports had been made to the police. The Auditor-General revealed financial irregularities in several government departments, which failed to account for substantial amounts of money in 2012 (*The Chronicle*, 8 November 2013). Related to this, the World Bank (2006) revealed that SOEs are public entities but they report less revenue to the public. Most information within SOEs accounts is treated as classified information and the public is not allowed to access such information, yet the enterprises are

making losses. In most cases, the SOEs find themselves being accountable to government agents who regulate them (World Bank, 2006).

Presentation of financial statements to other government agents does not promote accountability within the SOEs. Normally, government agents do the auditing, and they rarely scrutinise issues like the ability of SOE to meet their objectives or the financial performance of the entities. Therefore, the researcher observed that there was lack of accountability in participating SOEs. The lack of transparency limits accountability in the SOEs at all levels. This has a negative influence on the budgets and on finances and expenditures within the SOEs in general. A Lack of transparency affects the financial stability of the SOEs, and there is a lack of disclosure of the activities of the entity to the entire public sector. The participating SOEs were struggling because are not accountable to the public. SOEs harbour corrupt activities. The state enterprises have not been able to perform effectively due to their liability to be transparent.

Commenting on responsibility, the managers interviewed indicated that boards and managements of the SOEs under study were not responsible for the good of their organisations. The researcher also observed that the participating SOEs were being criticised for failure to have better access to capital, and to have corporate objective statements. Also noted was the absence of a competitive board composition and performance-based contracts, the duties of the secretary of the board not being 'understood' and lack a of training and development of board members. The results of this study suggest that the role of the board is to formulate and maintain an effective corporate governance framework. However, the study also noted that the SOEs being studied were not responsible for improving the wellbeing of the organisation. Further, the relevant authorities were not responsible for ensuring an effective legal and regulatory environment (Nyoni, 2012).

The boards and management of SOEs under study were not transparent in their business dealings (*The Chronicle, 8 November 2013*). Most SOEs received 'qualified' reports from the Auditor General were criticised for lack of transparency (*The Chronicle, 8 November 2013*). These results suggest a lack of transparency in these organisations. As the World Bank (2006) asserts, transparency is important in addressing the specific governance challenges faced by SOEs. To enhance transparency of the ownership function, clear reporting systems should be in place and coordinating boards should follow proper reporting channels. Aggregate reporting enhances the image of the organisation. Management should direct all reports and presentations to the interested stakeholders within the interested sectors. The boards present to the parliamentary committees, government departments and agents. Public accountants should play their oversight role in the SOEs.

The World Bank (2006) notes that at enterprise level, it is crucial that SOEs present adequate information to the public. They should be transparent on their goals, policy intentions, visions, as well as their intended projects. All SOEs should comply with the international policy prescriptions on financial reporting by the boards, which includes changes in management, changes in boards, transactions and agreements done by the SOEs (World Bank, 2006). The public should have a list of performance indicators that are used by all SOEs. In similar vein, Nyoni (2012) points out that there is a need for internal controls within SOEs overseen by external auditors. SOEs should constantly engage statutory auditors to enhance transparency.

According to Dube (2015), the fairness principle was not being observed in Zimbabwean SOEs. Related to the principle of fairness, the OECD principles of corporate governance (2004) prescribe that a company, in running its operations, must consider the interests of shareholders and other stakeholders based on the

fairness principle. Fairness means that a company gives equal opportunity to stakeholders to have their say for the sake of the company, and also treats all employees equally. If these views are incorporated, all stakeholders should be involved in policy formulation, implementation and evaluation of SOE performance. The researcher observed that the appointment process for SOE board members was done by politicians (ministers), and this did not lead to adequate authority and independence. The selection process for nominees to SOEs boards is not related to competence, but rather factors such as political affiliation. It is essential to note that SOE boards are appointed by ministers, who are politicians (Nyoni, 2012). In addition, *The Chronicle*, 8 November 2013, pointed out that the Auditor General was concerned about the absence of ethical conduct in the SOEs. Accordingly, there is a need to ensure the availability of a formal code of conduct defining the standards of personal behaviour, and directors must act in the interests of the company as a whole, ensuring full disclosure of conflicts or potential conflicts to the board. On the issue of ethics, Grant (2008) suggests that large organisations managed by managers who have a long-term vision and long-term goals, have to be accountable to the vision and goals of the organisation in particular. Corporations have to value their images for them to be successful in the market. Thus, there is a need for corporations to adhere to ethical considerations.

Increased scrutiny from the media, pressure groups, competitors, and regulatory bodies undermines the corporate image. Contracts with which corporations engage have mutual rights and obligations (Chapman, 2010). This is in agreement with findings by Biti (2011), namely that, corporate governance approaches that include independence, responsibility, transparency, fairness, accountability, and ethics were not effective in the SOEs under study. Nyoni (2012) also concurred that there were challenges that were affecting the



implementation of corporate governance principles. The succeeding paragraphs highlight some of the challenges.

The first problem is that there is limited authority of the boards. In his study, Nyoni (2012) observed that limited authority of the board was a challenge for the effective implementation of corporate governance principles in SOEs in Zimbabwe. This challenge was compromising the independence of board members and management, since the legal framework frequently gives the state special powers (Nyoni, 2012). The situation in Zimbabwe is different to the protocols on corporate governance in the public sector of other countries. For example, there are variances with provisions of the Zimbabwe Code on Corporate Governance (Dube, 2015). The Zimbabwe Code on Corporate Governance lists a number of areas of responsibility for the board, which has absolute responsibility for the performance of the specific SOE (Dube, 2015).

The second challenge had to do with institutional capacity. Biti (2011) observed that SOEs in Zimbabwe lack institutional capacity. This is therefore one of the challenges affecting the implementation of corporate governance approaches in SOEs in Zimbabwe. The country's political and economic situation has been very unstable and yet has to recover fully from the economic recession experienced between the years 2000 and 2008 (Nyoni, 2012).

Furthermore, there is a problem of multiple accountabilities in the SOEs. Nyoni (2012) notes that, at the time of his research, the challenges affecting corporate governance in SOEs in Zimbabwe were related to multiple-accountability in the public sector, where the management principle of unity of command was not being applied. Nyoni's (2012) study respondents were of the opinion that the existence of a soft budget was encouraging poor performance, as relevant authorities and the government at large would financially bail out struggling

SOEs. These findings show that SOEs have to be independent and accountable to ensure that their organisations move forward and prosper.

Related to the need for SOEs to be independent, Omoyefa (2008) emphasise that the existence of a soft budget constraint does not have to make the managers of SOEs lazy. Rondinelli (2005) postulates that professional managers, whether they are running an SOE or a private enterprise, should know that they will be sanctioned as a result for poor management, and therefore it is unlikely they will mismanage these enterprises. According to Dube (2015), the management and boards of SOEs in his study tended to be self-seeking and more concerned about their personal welfare than about the survival of the organisations they run. The World Bank (2006) has postulates that if the management and the boards of the SOEs know that they will be held accountable and that they will be 'sanctioned' for poor management, the adverse influence on soft budget constraints on SOE efficiency will be 'reduced'.

## **9.5 Chapter summary**

This chapter focused on the influence of ownership orientation on decision-making in the SOEs. It was established that employees were reluctant to work overtime if there is no allowance. Moreover, the study found that there were challenges in procurement, and most of the people tasked with the responsibility to procure resources were incompetent. The study also found that lower level-employees were not 'allowed' to make the decisions affecting their duties. There was no consultation with lower-level staff in decision-making, and if there was, it occurred after resolutions had been made. Moreover, one of the factors affecting effective decision-making in the SOEs was ineffective corporate governance. The next chapter concludes this research report and presents the summary, conclusions, and recommendations.

## CHAPTER X

### SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

#### 10.1 Introduction

This chapter concludes the thesis. It provides an overall summary of the study, outlining the reasons why the study was conducted, the literature reviewed, the research methodology, and the major findings. The chapter also presents the conclusions, in line with the research objectives. Finally, the chapter presents recommendations and suggestions for further study.

#### 10.2 Summary of the study

This study aimed to explore the extent to which organisational cultural factors, such as time, profit, and no-ownership orientation have an influence on SC performance of SOEs in Zimbabwe. The research was motivated by the fact that SOEs in Zimbabwe were failing to fulfil their mandates and were making losses, thereby not supporting and facilitating economic growth. Most of the SOEs were making losses, for example Mafumbe (2011) reported that Air Zimbabwe, NOCZIM, NRZ, and GMB made a combined loss of \$40.9 million during the first six months of 2010 (January to June). Due to the underperformance of SOEs, the Zimbabwean government had to finance their deficits, putting pressure on limited financial resources. Therefore, the need for reform within SOEs was considered paramount to prevent the economy from sinking further.

The main objective of the study was to explore the influence of dimensions of organisational culture, such as time orientation, profit orientation and no ownership culture on supply chain performance (SC) of SOEs in Zimbabwe. There were seven specific research objectives, the first one being to review literature on organisational culture and its influence on SC performance. The

second research objective was to assess the effectiveness of the SOEs in terms of financial targets, customer satisfaction, internal business processes, and learning and growth perspectives. The third research objective was to understand the influence of time orientation on the SC metric of delivery in SOEs in Zimbabwe. The fourth research objective was to understand the influence of time orientation on the SC metric of flexibility in SOEs in Zimbabwe. The fifth research objective was to understand the influence of profit orientation on cost reduction in SC activities in the SOEs in Zimbabwe. The sixth research objective was to understand the influence of no ownership culture on decision-making in SCM in SOEs in Zimbabwe. The last research objective was to establish the level of customer satisfaction in SOEs.

The researcher recognised the epistemological chasm between qualitative and quantitative methods, and therefore made no assumptions regarding the convergence of data. Rather, he adopted the view that a multi-method approach would be able to generate a more complete set of data. The population for the study comprised managers, employees, and clients of eight SOEs in Zimbabwe. The population sizes for managers, employees and clients were 1724, 12953, and 16.8 million respectively. The researcher noted that there were multiple counts when it came to the clients, for instance, one person could be a client of all eight SOEs, implying that the contribution of that person to the population would be eight. The researcher used a combination of sampling strategies. Judgmental sampling was used to select the SOEs to be studied. Managers and employees were selected using random sampling, while clients were selected through convenience sampling. Participants were grouped into three categories comprising of managers, employees, and clients. The sample sizes for managers, employees, and clients were 176, 470, and 421, respectively. Therefore, the sample had 1 067 elements. Questionnaires and interviews were used as research instruments. There were two sets of questionnaires. One

questionnaire was administered to clients to capture their perceptions on the levels of customer satisfaction. Another questionnaire was administered to managers and employees, and included a section containing items relating to dimensions of organisational culture and one with items relating to SC performance metrics. Given that the study was also qualitative and the researcher was part of the research process, observations on the performance of SOEs were made. During primary data collection, the researcher observed ethical principles, such as informed consent, confidentiality, and protection of participants from harm. The researcher used SPSS to analyse statistical data and to conduct regression analysis and t-tests. Qualitative data was analysed using thematic analysis. The findings are presented in sections, in line with the research objectives. The next section presents the major findings of the study.

### **10.3 Major findings**

The major findings are presented in accordance with the research questions. The succeeding paragraphs present the findings.

#### **10.3.1 Supply chain performance in SOEs**

It was established that all eight SOEs failed to meet financial targets, were making losses, and were draining the Treasury. Therefore, there is a need for action to avoid the closure of some of the SOEs. One possible course of action might be the establishment of alliances or partnerships, which are crucial for the survival of SOEs. In addition, the SOEs were failing to meet the needs of clients and there were delays in responding to the complaints of clients. For instance, ZETDC, a subsidiary of ZESA, which deals with the distribution of electricity to consumers, did not respond to faults in time. In terms of internal business processes, the present study found that the SOEs were failing to acquire appropriate equipment, for instance Air Zimbabwe was using Boeing planes whose useful period had lapsed. Finally, it was established that the SOEs were

able to allocate resources for training and development, although innovation was lacking because employees were not allowed to participate in decision-making.

### **10.3.2 Influence of time orientation on the supply chain metric: delivery**

It was established that some SOEs had improved on meeting deadlines, while others were still facing challenges in terms of delivering services on time and responding to the complaints of clients. Delays in decision-making and action were characteristic of most SOEs. In some SOEs, no meaningful employees made effort towards goal attainment because they were demotivated about not being paid on time, no longer getting non-monetary benefits, and not having resources to use.

### **10.3.3 Influence of time orientation on the supply chain metric: flexibility**

The findings from interviews suggested that flexibility was a challenge in the SOEs being studied. Although creativity was encouraged in some of the SOEs, there were delays in decision-making, which made it impossible for timely decisions to be made. The extent to which the SOEs adapted to changes was affected by bureaucratic red tape in the making of decisions. For instance, decisions like increases in prices, products and services need approval by oversight bodies and this compromised efficiency. For example, ZESA tried to make electricity tariff increases so that they could be competitive but failed to do so due to a lack of approval by the Zimbabwe Energy Regulatory Authority of Zimbabwe (*The Financial Gazette*, 21 July 2016). The delays in decision-making on matters pertaining to operations make SOEs inflexible to environmental changes. The SOEs take long to make the necessary adjustments and this led to ineffective SC performance.

### **10.3.4 Influence of Profit orientation on cost reduction**

It was found that the equipment in use in Zimbabwe SOEs was not efficient, and there were wastages during operations due to a need for frequent repairs. For

instance, power generation equipment in ZESA is now old and requires frequent maintenance, which needs money, and during the maintenance period, some clients will have no electricity. In addition, Air Zimbabwe is using old Boeing planes whose useful period had lapsed and the new planes are now in need of regular repair.

The research established that some SOEs were adopting cost-saving strategies, such as cutting salaries. However, remuneration was not based on performance, and management was accused of receiving 'mega salaries'. It was held that the SOEs that had not implemented a prepaid system for services did not have sound debt management strategies. The fact that SOEs are not oriented towards profit-making makes the need to reduce costs a secondary or even peripheral issue, and this leads to inefficiencies in SCM.

#### **10.3.5 Influence of no ownership culture on decision**

SOEs are wholly owned by government and there are no ownership claims to profit. There is a limited drive towards cost reduction and efficiency in SC performance. Moreover, the researcher, as a procurement practitioner, observed that there were challenges relating to procurement, and most of the people tasked with the responsibility of procuring resources seemed to be corrupt and incompetent. The study also found that lower-level employees were not allowed to make decisions affecting duties assigned to them. The research further found that there was no consultation with lower-level staff in decision-making, and if there was, this occurred after resolutions had been made. Moreover, the study showed that one of the factors affecting effective decision-making in SOEs was ineffective corporate governance and corruption.

#### **10.3.6 Level of customer satisfaction in SOEs**

The study found that the SOEs were failing to meet customer needs. Courtesy was low in SOEs, for instance, in ZESA, clients' complaints were not addressed

in time. In this regard, the study found out that some ZESA clients went without electricity for more than five months due to delays by the SOE in making the repairs. The loss in clients by SOEs, which are subject to competition, such as Air Zimbabwe and ZUPCO, could be the result of low customer satisfaction. The situation in the SOEs is against the prescription that customer satisfaction should be the core feature of any effective organisation. Improvements in customer satisfaction could lead to an increase in revenue and a decrease in promotional expenses.

One of the reasons for low customer satisfaction is low employee motivation. In most Zimbabwean SOEs, however, the needs of employees are not met. For instance, at the time of this research, employees in SOEs such as NRZ, had salary backlogs of over six months, which compromised service quality. However, the study found that there was convenience in terms of SOE products and services and the prices and quality of the products were acceptable.

#### **10.4 Conclusion**

There has been limited research on the influence of culture and supply chain performance in the Zimbabwean SOEs. Some of the previous studies on SOEs in Zimbabwe included Masuku (2011) and Mzumara (2012), who examined the performance of SOEs in Zimbabwe and found that the weaknesses in governance structures were the major cause of poor performance affecting state enterprises in Zimbabwe. Muzapu, Havadi, Mandizvidza, and Xiongyi (2016) echoed the sentiments that the weaknesses in governance structures were the major cause of poor performance affecting state enterprises in Zimbabwe. Mugunzva (2016) also carried out a research study and focused on how the dimensions of organisational culture, profit, and ownership affected the performance of supply chain of the SOEs in Zimbabwe. Mugunzva's (2016) study was focused on only one SOE, the National Museums, and Monuments of



Zimbabwe, and how culture affected the management of heritage sites in Zimbabwe. In addition, most of the literature on organisational culture and its influence of organisational performance largely focused on the private sector, for example, the works of Awadh and Saad (2013), Nelson and Quick (2011), Olughor (2014), Schein (2010), and Taylor (2014). The limited research in the public sector, in general, and in the SOEs, in particular, for example, Ahmed and Shafiq (2014), Drum (2012), and Quy (2011), which advocated for cultural change, had been conducted in other countries, whose situations are different from Zimbabwe.

This study focused on examining the influence of culture on the performance of selected eight SOEs in Zimbabwe. Based on the conceptualised study within the framework illustrated in Figure 1.1 on page 10, the study found that organisational cultural variables such as, time, ownership and profit orientation have a direct influence on the behaviour of human resources and a resultant influence on customer satisfaction, cost saving and profitability in the SOEs. The research found out that the SOEs in Zimbabwe had similar culture, which did not promote productivity, especially dimensions such as time, profit, and ownership orientation. There was ineffective application of business strategies, a lack of capitalisation, political influence, bureaucracy, and low employee motivation. Despite the adverse performance, the SOEs continued to reward the managers 'handsomely', and there did not appear to be any effort to align managerial remuneration with performance. For instance, the senior managers in the SOEs were accused of receiving 'mega-salaries', in a developed that was labelled 'salarygate'.

The research showed that the internal stakeholders in the Zimbabwean SOEs, managers and employees, have a negative mind-set towards the issue of time, and have a well-relaxed attitude and behaviour. There is no sense of urgency or

sound approaches towards emergency cases, no desire to meet time lines or deadlines. There is rather a carefree attitude towards the execution of business processes. This attitude of not appreciating the importance of time, ultimately affects the intervening variables of the supply chain (sourcing, procurement and logistics). For example, failure to be time-conscious in terms of the planning of procurement issues, such as when to initiate a purchase requisition, causes delays in the procurement or purchasing cycle. This eventually affects the dependent variables of the SC through failure to meet the timely delivery schedules for production to produce goods and services. This results in the SOEs failing to meet the deadlines for delivery of goods and services to the final customer affecting the performance of the SC in the SOEs in Zimbabwe.

In addition, the SOEs are not committed towards profit making. Most of the SOEs are monopolies on the market, and do not realise the importance of adopting the best management strategies in order to make profits. This effect on the intervening variables within the SC, such as the BSC, leads to failure to organise and co-ordinate the HR and capital resources towards achieving customer satisfaction. This, in turn, will have a negative influence on the dependent variables in the SOEs by failing to achieve profits. This is because the perception and behaviour of people in the SOEs are not positive or proactive to anticipate and accept challenges in their business operations. Even if they render a poor service because of poor management, they know they will retain the customer since they are the only service provider, and this will lead to poor performance of the SC in the SOEs in Zimbabwe.

The fact that managers or employees of SOEs do not have a stake in the ownership of these organisations has led to the development of negative attitudes and irresponsible behaviour towards the execution of activities. This adverse human behaviour resulted in most of the SOEs failing to meet

performance targets. In addition, employees do not have the motive or self-encouragement to work hard or to be innovative in order to contribute positively to the organisational goals. The no-ownership culture is deeply rooted in the employees' mind-sets because it means that no individual is answerable to poor performance. Since the SOEs are wholly owned by the government, it is therefore responsible and accountable for their activities. For example if they make loses or offers poor service delivery it is government who shoulders the blame. However, this human behaviour adversely affects on the aim to achieve customer satisfaction (dependent variable) since the intervening variables or the SC metrics, such as the customer service index, has had a negative effect on SC performance on SOEs in Zimbabwe. Because of the absence of 'ownership claims to profit' were also rigid, and were not effective in responding to environmental changes.

Moreover, the SCM in SOEs cannot perform effectively to enable the SOEs to achieve their objectives, such as profits, which enable them to meet their social obligations for the development of the economy. Leadership is failing to change the mind-set and perception of employees (human behaviour) to think positively towards their operational processes (intervening variables, such as sourcing, procurement and logistics or coordination). The study also found that organisational culture influences the most valued assets at the disposal of an organisation, namely people. Culture determines human behaviour, the level of ethical conduct, and the quality of corporate governance in the SOEs, which in turn has an influence on flexibility, delivery and quality goods and services. Ultimately, the extent to which an organisation satisfies clients and is profitable is dependent on the behaviour of human resources in terms of the mind-set, attitude, and perception of employees.

This study showed that organisational culture plays an important role in SC performance. Supply chain management is concerned about obtaining value for money for the organisation or value for money in terms of service delivery to the customers. Nevertheless, there are other challenges, which affect the achievement of this goal in organisations besides being well financially sound or well resourced in terms of qualified personnel, and this challenge is the value of culture in supply chain management. This is because the value of culture to an organisation is also influenced by the mindset, attitude, and perception of the employees. Value is that extra benefit which is obtained by an individual or which accrues to the organisation without incurring any extra cost when involved in the transaction.

The research makes another unique contribution to theory and practice in as far as the views of managers and employees are concerned. Participating managers and employees shared the same sentiments on most questions. In addition, the management and employees in the Zimbabwean SOEs had the same opinions on most issues pertaining to the performance of the organisations. This is contrary to popular belief, presented by HR and industrial relations practitioners like Desller (2005), Armstrong (2008), and Grobler et al, (2011) that the interests of management and employees vary and are always in conflict.

### **10.5 Recommendations**

The following are recommendations that could ensure improvement of organisational culture and SC performance in SOEs. There are two categories of recommendations. The first section of the recommendations is in line with the objectives of the study, while the other section presents the general suggestions.

## **10.5.1 Recommendations on the influence of time orientation on the supply chain metric of delivery**

### **10.5.1.1 Effective Leadership**

The study found that commitment of leadership is essential for effective strategy implementation in the SOEs. The culture that SOE leaders have cultivated is a travesty (an opposite) of effective delivery. The study found out that the leaders of the SOEs were accused of selfishness and receiving mega salaries, which are not in line with performance. Culture is the obstacle to the performance of SOEs, This is because individual behaviour and perceptions-if not managed well-will have a negative influence on the performance of the organisation and customer satisfaction. Therefore, this study recommends that there is a need for a positive change in the mind-set, attitude, and behaviour of senior management, including ordinary employees on their operational business approaches. Performance-based remuneration should be introduced for senior managers. The leaders should also behave ethically and uphold principles of sound corporate governance, and ensure a positive mind-set on human resources. Ethical and committed leadership could be achieved through appointing and promoting job incumbents based on merit. Capacitating oversight institutions, like the Zimbabwe Anti-corruption Commission, could also help to ensure that leadership behave ethically.

### **10.5.1.2 Staff Training in time management and employee participation**

Staff training in changing the perception of human behaviour is also recommended to ensure effective SC performance. No organisation should neglect employee training. In addition, time is an essential resource that needs sound management. Therefore, the use of time management tools, like the daily calendar logs and progress reports, is also recommended to ensure improvement in time orientation. In addition, the leaders in SOEs need to involve staff in strategy formulation, to ensure that employees have an understanding

and ownership of strategies. Over and above this, employees should be encouraged to take decisions on their own, and mechanisms need to be created for the upward transmission of vital information to senior managers. It is also essential to review existing communication processes to ensure that they include the need to provide feedback. Critical response is necessary for strategy implementation, as it helps in the identification of problems and facilitates corrective action.

#### **10.5.2 Recommendations on the influence of time orientation on the supply chain metric of flexibility**

A change in the behavioural attitude of senior and ordinary employees in SOEs is recommended in order to carry out environmental scanning constantly to avoid surprises, identify threats and opportunities, gain competitive advantage, and improve long and short-term planning. Leaders must be flexible and willing to continue their learning. In the SOEs, analysis of the environment will help the firm to understand what is happening both inside and outside the organisation. SOEs need to increase the probability that the organisational strategies developed will reflect the institutional climate appropriately. Environmental scanning is necessary because there are rapid changes taking place in the globalised world. Constant environmental scanning by carrying out supplier market research and identifying the most appropriate suppliers who can be incorporated into the SOEs business processes would help to turn around the fortunes of the SOEs. The reason is there would be flexibility on the decision to consider the engagement of suppliers who are already linked in the SC. For instance, a positive attitude towards considering the engagement of suppliers for public-private-partnerships would be flexible and appropriate if there is constant environmental scanning of the supplier market. Consequently, this would result in fast delivery or attainment of the business goals.

### **10.5.3 Recommendations on the influence of profit orientation on cost reduction in supply chain activities**

The study has found that salaries and benefits were not always in line with performance. Since salaries constitute a major expense in SOEs, remuneration should be in line with performance. There is a need to adopt a positive culture of reasoning by paying salaries, which are commensurate with performance. This is paramount to reducing financial costs, which, at the time of this research, were depriving the SOE of the much-needed working capital to finance the SC obligations when acquiring goods and services for their organisations.

### **10.5.4 Recommendations on the influence of no ownership culture on decision-making in supply chain management**

This section focuses on the influence no ownership culture on decision-making on the performance of SCM in SOEs.

#### **10.5.4.1 Accountability and transparency are essential in SOEs**

The research found that at the time of this research, there was a lack of sound corporate governance in the Zimbabwean SOEs. Accordingly, there is a need for disclosure, and timely reporting of financial statements is essential. SOEs also need to abide by the reports of the Auditor General, most of which were adverse. In addition, the Zimbabwe Code on Corporate Governance provides that the SOEs need to be transparent.

It is also recommended that an external audit by an independent auditor be carried out on SOEs. The requirement for an audit applies to all the SOEs in which the government has an ownership interest. In addition to external financial audits, the SOEs could be subject to state performance audits conducted under the auspices of the Auditor General, who oversees public spending. The study recommends the adoption of internationally recognised financial reporting standards.

#### **10.5.4.2 The need to evaluate the performance of SOE boards**

The study observed that, at the time of this research, the SOEs did not have a mechanism to monitor and evaluate the performance of the board and chairpersons. The study recommends that the boards of the SOEs need to design performance evaluation mechanisms. For this reason, directors ought to be assessed both individually and collectively as a board. Evaluation of board performance is critical as it acts as a control measure to foster quick action in the implementation of organisational strategies and policy. The study also recommends that board members understand their functions that they hold regular meetings, and that vacant board seats be filled as soon as possible.

Moreover, it is recommended that SOEs in Zimbabwe adopt the two-tier board structure, comprising a supervisory board and a management board. The supervisory board should be 'appointed' for a collective four-year mandate with all members appointed at the same time. The power of the supervisory board should be executed effectively through its capacity to appoint and recall members of the management board. Direct swapping of board memberships amongst managers should not be allowed. If the manager of one company is on the supervisory board of another company, then the reverse situation is not 'allowed'. Secondly, an individual is not able to sit on more than three boards in total, be they supervisory, management, or single tier-boards. One consequence of legislation is that it places a significant limitation on the capacity of individuals to operate as professional board members. Anecdotally, some few people earn most of their income through board positions. The government of Zimbabwe has a controlling stake in a number of large companies, and has used its position to influence board appointments to companies in which they have a dominant or important stake. In some instances, the criteria by which appointees were selected were based on political affiliation.



#### **10.5.4.3 SOEs need to ensure regulatory compliance**

There has been a growing requirement for SOEs around the world to meet reporting and disclosure requirements as regards financial information, and environmental, social and governance data. If SOEs put in place a sound corporate governance programme, they will be effective in SC performance.

#### **10.5.4.4 Ensuring complete and effective information**

The study noted that information prepared by the SOEs under study was not complete. Thus, it is recommended that more board meetings be conducted, and there must be proper communication before annual general meetings, including the timeous notice of meeting. In addition, there should be effective use be made of internal magazines and other communication tools.

#### **10.5.4.5 Need for SOE boards and management to reduce corruption**

The study noted that the boards of SOEs were not accountable to their stakeholders, and that the SOEs under study had experienced and were scrutinised for corruption in past years. The study further noted that the boards and managements of these SOEs had failed to put in place effective corporate governance procedures that promote accountability in the public sector. Accountability is difficult to achieve because of widespread corruption. The study established that the SOEs under study had failed to publish the financial position and business performance. SOEs also did not inform stakeholders about this and had failed to put in place accountability measures. Most of the SOEs have failed to fully embrace the new public management approach, whose main agenda is to ensure that SOEs are accountable to their stakeholders. The Auditor General should be responsible directly or indirectly for the quality of this audit.

#### **10.5.4.6 Separation of ownership and regulation**

The study recommends the effective separation of the role of the government as an owner of the SOEs, and its role as regulator on the other, particularly with regard to market regulation. There is a need for the government of Zimbabwe to adopt a highly centralised or coordinated approach to managing its ownership function in SOEs. It should enact legislation, establishing a new central ownership agency that will be responsible for ownership functions, which can then be separated from the other functions of the State in the SOEs. The fact that ownership responsibility is currently devolved from the Office of the President and Cabinet and the line ministry may create particular challenges for ensuring an effective separation of ownership and other state functions. It also results in an apparent lack of coherence across government in terms of the overarching policy objectives of state ownership, and there are no processes established at central governmental level to facilitate the development of such objectives.

#### **10.5.4.7 Need to establish an audit and corporate governance committee**

In accordance with the code of conduct for SOEs, it is recommended that all state entities have, at least an audit committee, and a corporate governance committee. The study noted that some SOEs under study had not set up these committees, obliging internal auditors to report directly to the chief executive officer (CEO), thereby compromising their independence and objectivity, and preventing the board from exercising adequate oversight. The study noted that, in the few cases where the required board committees were properly constituted, there was no clear definition and documentation, as required by the national code of conduct. This prevented committees from achieving their intended purpose and performing effectively.

#### **10.5.4.8 The need for a reduction in political interference**

The study found that there was political interference in the operations of the SOEs being studied, and therefore recommends that respective ministries and authorities refrain from interference. The existing CGF does not have sound principles for eliminating political interference in the operations of the SOE, reflecting a lack of professionalism, and a tendency amongst politicians and bureaucrats to use SOEs as tools in carrying out their agendas. The study therefore recommends that SOEs avoid being involved in political activities, such as giving donations to political parties, funding elections, legislative candidates and bureaucrats. The Zimbabwean code of corporate governance should address the governance issue by providing particular principles, in addition to laws and regulations that deliberately separate SOEs from political interests.

#### **10.5.5 Recommendations on the level of customer satisfaction in SOEs**

This section focuses on the level of customer service provided by SOEs in Zimbabwe.

##### **10.5.5.1 Structural engineering and improving service processes**

The study found that participating SOEs all failed to improve their business processes and that they were unable to acquire efficient machinery. There is therefore a need for re-engineering, so that SOEs are able to improve service delivery. Structural engineering and the improvement of service processes are critical for improved service quality in the public sector. Accordingly, structural re-engineering of the SOEs is therefore recommended, with the infusion of new culture, values, professionalism, accountability and, responsiveness. SOEs, like ZESA, need to be market-oriented and to put the needs of clients first. A situation in which ZESA clients go for more than four months without electricity because the repairs are not done in time is a travesty of the idea of market orientation. It is paramount for the SOEs in Zimbabwe to be free from political interference. There

is a need to appoint leaders of the SOEs based on merit not on political affiliation.

#### **10.5.5.2 SOEs should be market-oriented institutions**

The research found that SOEs were not able to provide services that are in line with the needs of the clients because the level of customer satisfaction was low. For instance, ZESA's clients had to endure long periods without electricity, and ZINWA was failing to provide adequate water to consumers. It is therefore recommended that these institutions become market-oriented and respond to the needs of clients.

#### **10.5.6 General recommendations**

There is a need for the SOEs to be effective in strategy formulation and implementation. It is recommended that managers of SOEs ensure that there is adequate monitoring and evaluation of operations and projects, in a continuous search for better strategies. The process of evaluating performance and initiating corrective actions is an important task to which management of SOEs should give adequate attention.

Strategic alliances or partnerships are also essential in the SOEs. It is therefore recommended that SOEs identify strategic partners. In fact, Zimbabwe's economic policy, the ZIM-ASSET, identifies private-public partnerships (alliances) as one of the ways of financing capital projects of SOEs. The need for strategic alliances or strategic partners came about because most SOEs need to be recapitalised and government does not have adequate resources to finance the turnaround.

The study also found that there were challenges in the procurement function in the SOEs. Given that procurement is one of the core functions of organisations, accounting for about 30% of expenditure, it is paramount to improve the process.

There is a need for SOEs to adopt professional procurement practices, which would help to maintain a reasonable culture of business approaches. In fact, by putting procurement in the right hands, there will be effective management of the critical resources within the organisation. Employing the right people, who can implement professional procurement practices effectively, would ensure that the appropriate management of resources is, from the procurement point of view, not an option, but a must for SOEs. It is therefore prudent for government to professionalise and modernise the procurement systems or laws in the country. This includes all the stages of the procurement process from procurement planning to, tendering, awarding of the contract, contract management, and disposal of public assets. This is because the procurement function has the potential to act as a strategic lever to advance socio-economic and environmental objectives of Zimbabwe.

Moreover, in order to ensure professionalism it is recommended that procurement practitioners be issued with licenses to practice to enhance competence and integrity in order to improve the SC performance in SOEs. To ensure transparency in the awarding of tenders, it is also recommended that tenders be awarded to deserving companies, irrespective of nationality and political affiliation.

#### **10.6 Suggestions for further study**

This study found that most of the challenges in SOEs relate to cultural human behaviour and corporate governance issues. There is therefore a need for a study to assess the improvements in human behaviour and corporate governance in SOEs, where ownership structure has a considerable bearing on SC performance. Therefore, it might be necessary to revisit the privatisation debate. The state might need to roll back its frontiers again; however, informed decisions, through research are essential.

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## APPENDIX I: RESEARCH INSTRUMENTS

### Appendix 1a: Questionnaire to Managers and Employees in State Owned Enterprises

My name is Michael Musanzikwa, PhD student with University of Kwazulu Natal, in South Africa. I am conducting a study on the influence of dimensions of organisational culture on supply chain performance in selected state owned enterprises (SOEs) in Zimbabwe. It would be appreciated if you would participate in the survey by answering this questionnaire. Your participation is greatly valued because this study could help improve supply chain performance in SOEs so that the institutions make positive contributions towards economic development in Zimbabwe. I would like to assure you that the information you supply shall be treated as confidential. There is no need for you to provide your name and contact details. In addition, you are not being forced to participate in this study and you are free to withdraw your participation any time. If there are any questions you may want to ask me concerning the study feel free to contact me on 0735 036 702 or 0777 870 453.

Name of SOE: .....

Mandate of SOE: .....

#### Section 1: Personal Details

1.1 Gender                      1. Male                                       2. Female

1.2 Current Occupation    1. Management                       2. Non-managerial

1.3 Age (years)  
1. <25                       2. 25<30                       3. 35<40                       4. >40



2.2b If answer to 2.2a is yes, give comments on the financial performance of the SOE from 2009 to 2013

	<b>Performance Indicator</b>	<b>1. 2009</b>	<b>2. 2010</b>	<b>3. 2011</b>	<b>4. 2012</b>	<b>5. 2013</b>	<b>6. 2014</b>	<b>7. No idea</b>
2.2b1	Return on Capital Employed (%)							
2.2b2	Profitability ratio (%)							
2.2b3	Current Ratio							
2.2b4	Quick Ratio							
2.2b5	Trade Receivables Collection Period (days)							
2.2b6	Trade Payables Payment Period (days)							
2.2b7	Gearing ratio (%)							
2.2b8	Interest cover (times)							

Any additional comments on financial performance.....  
 .....

2.3 The SOE was able to meet the expectations of clients in 2013

		<b>1. Exceed expectations</b>	<b>2. Meet most expectations</b>	<b>3. Meet few expectations</b>	<b>4. Does not meet any expectations</b>	<b>5. Unsure</b>
2.3.1	Price					
2.3.2	Quality					
2.3.2	Availability of products/service					

Any additional comments.....  
 .....

2.4 What is the extent to which the SOE was able to acquire new equipment for its operations during the period 2009 to 2013?

<b>1. 100% of requirements</b>	<b>2. More than 50% of requirements</b>	<b>3. 20-49% of requirements</b>	<b>4. 0-20% of requirements</b>	<b>5. Unsure</b>

Any comment on answer.....  
 .....



2.5 The SOE was able to allocate adequate resources towards employee training and management development during the years 2009 to 2013

		1. Strongly Agree	2. Agree	3. Disagree	4. Strongly Disagree	5. Unsure
2.5.1	Management Development					
2.5.2	Employee Training					

Any comment on answer.....  
 .....  
 .....

2.6 Comment on the level of innovation and individual initiative in the SOE

		1. Very High	2. High	3. Low	4. Very Low	5. Unsure
2.6.1	Innovation					
2.6.2	Individual initiative					

Any comment on answer.....  
 .....  
 .....

**Section 3: Time Orientation and its influence on Delivery**

3.1 Employees devote more time towards attainment of organisational goals

1. Strongly Agree	2. Agree	3. Disagree	4. Strongly Disagree	5. Unsure

Any comment on answer.....  
 .....

3.2 Comment on the level of efforts made by organisational members to ensure that deadlines are met

1. Very High	2. High	3. Low	4. Very Low	5. Unsure

Any comment on answer.....  
 .....

3.3 All members of the organisation make an effort to be punctual

		1. Strongly Agree	2. Agree	3. Disagree	4. Strongly Disagree	5. Unsure
3.3.1	When coming to work in the morning					
3.3.2	When coming from lunch					
3.3.3	When attending meetings					

Any comment on answer.....  
 .....

3.4 There is use of time management tools so that tasks are prioritised and timely completed

	Tool	1. Always	2. Sometimes	3. Not often	4. Rarely	5. Unsure
3.4.1	Daily calendar logs					
3.4.2	Gantt charts					
3.4.3	Network analysis					
	Other tools (specify)					

Any comments on answer .....  
 .....

3.5 Influence of time orientation on service delivery

		1. Strongly Agree	2. Agree	3. Disagree	4. Strongly Disagree	5. Unsure
3.5.1	Products and services are provided to clients on time					
3.5.2	Weak time orientation causes the SOE products/services late					
3.5.3	There is a gap between customers' preferred delivery times and the SOE's capacity					
3.5.4	Punctuality is a problem in the SOE					
3.5.5	Employees are encouraged to work extra hours to provide services					

Any additional comments.....  
 .....

**Section 4: Influence of Time Orientation on Flexibility**

		1.Strongly Agree	2. Agree	3. Disagree	4. Strongly Disagree	5. Unsure
4.1	The SOE is able to provide service after hours					
4.2	The SOE provides services during public holidays					
4.3	The SOE is able to provide personalised products and services					
4.4	Flexitime is used in the SOE					
4.5	Creativity is encouraged					
4.6	There is openness to changes and adaptability					

Any additional comments.....  
 .....  
 .....

**Section 5: Influence of Profit Orientation on Cost Reduction**

		1. Strongly Agree	2. Agree	3. Disagree	4. Strongly Disagree	5. Unsure
5.1	Managers are expected to ensure that the SOE makes profit and always make cost saving strategies					
5.2	There is use of efficient technology so that wastage are minimised					
5.3	There are effective debtor management strategies and bad debts are minimal					
5.4	Salaries in the SOE are linked to performance					

Any additional comments.....  
 .....  
 .....

**Section 6: Ownership Orientation and Its Influence on Decision Making**

6.1 All organisational members work extra hard to ensure attainment of goals

<b>1. Strongly Agree</b>	<b>2. Agree</b>	<b>3. Disagree</b>	<b>4. Strongly Disagree</b>	<b>5. Unsure</b>

Any comment on answer.....

.....

6.2 Employees can work overtime even if there is no overtime allowance

<b>1. Strongly Agree</b>	<b>2. Agree</b>	<b>3. Disagree</b>	<b>4. Strongly Disagree</b>	<b>5. Unsure</b>

Any comment on answer.....

.....

6.3 When looking for suppliers, efforts are made to identify the least costs

<b>1. Always</b>	<b>2. Sometimes</b>	<b>3. Not often</b>	<b>4. Rarely</b>	<b>5. Unsure</b>

Any comment on answer.....

.....

6.4 Employees are encouraged to make recommendations on how to reduce costs and maximise revenue

<b>1. Strongly Agree</b>	<b>2. Agree</b>	<b>3. Disagree</b>	<b>4. Strongly Disagree</b>	<b>5. Unsure</b>

Any comment on answer.....

.....

6.5 Bonuses are paid in line with profits

<b>1. Strongly Agree</b>	<b>2. Agree</b>	<b>3. Disagree</b>	<b>4. Strongly Disagree</b>	<b>5. Unsure</b>

Any comment on answer.....

.....

6.6 Give comments on the influence of ownership orientation on decision-making

		1. Strongly Agree	2. Agree	3. Disagree	4. Strongly Disagree	5. Unsure
6.6.1	Management is able to make timely decisions					
6.6.2	There is employee participation in decision making					
6.6.3	There is consultation of clients before making decisions that affect them					

Any additional comments.....  
 .....  
 .....  
 .....

Thank you for your time and effort

## **Appendix 1b: Interview Guide for Managers in State Owned Enterprises**

My name is Michael Musanzikwa, PhD student with University of Kwazulu Natal, in South Africa. I am conducting a study on the influence of dimensions of organisational culture on supply chain performance in selected state owned enterprises (SOEs) in Zimbabwe. It would be appreciated if you would participate in the survey by answering this questionnaire. Your participation is greatly valued because this study could help improve supply chain performance in SOEs so that the institutions make positive contributions towards economic development in Zimbabwe. I would like to assure you that the information you supply shall be treated as confidential. There is no need for you to provide your name and contact details. In addition, you are not being forced to participate in this study and you are free to withdraw your participation any time. If there are any questions you may want to ask me concerning the study feel free to contact me on 0735 036 702 or 0777 870 453.

Name of SOE: .....

Mandate of SOE: .....

1. To what extent has your SOE managed to meet targets for 2013 (Financial targets, customer needs, internal business processes, and learning and growth).
2. Provide information about the financial performance of your SOE between 2009 and 2013. Comment about profitability and liquidity performance.
3. To what extent has the SOE able to acquire new equipment for its operations during the period 2009 to 2013?
4. What is your opinion regarding time orientation in your SOE?
5. Comment on the level of efforts made by organisational members to ensure that deadlines are met.
6. Comment on the level of flexibility in the SOE.
7. Comment on cost reduction efforts in the SOE.

Thank you for your time and effort







**Section 4: Transactions, Methods, and Systems**

Provide comments in the following table

		1. Strongly Agree	2. Agree	3. Disagree	4. Strongly Disagree	5. Unsure
4.1	There is convenience when paying for products/services					
4.2	There is use of electronic payment systems					
4.3	Product or service delivery time is acceptable					

Any additional comments.....  
 .....

**Section 5: Pricing**

Provide comments on the following aspects of price

		1. Very High	2. High	3. Low	4. Very Low	5. Unsure
5.1	Affordability					
5.2	Consultation when effecting price increases					
5.3	Clarity and correctness of billing documents					

Any additional comments.....  
 .....  
 .....

**Section 6: Products and Services**

		1. Very High	2. High	3. Low	4. Very Low	5. Unsure
6.1	Product range					
6.2	Quality					
6.3	Reliability of service					

Any additional comments.....  
 .....

Thank you for your time and effort

## **APPENDIX II: LETTERS OF AUTHORITY TO CONDUCT RESEARCH**