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# **Gordon Institute of Business Science**

University of Pretoria

**Investigating the impact of a shared services intermediation on  
the perceptions of B2B buyer-supplier relationship benefits**

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**A research proposal submitted to the Gordon Institute of Business  
Science, University of Pretoria, in partial fulfilment of the requirements for  
the degree of Master of Business Administration**

**11 November 2013**

## ABSTRACT

It is clear that there is a strong drive for organisations to adopt the shared service model with the intention to gain some economic benefits. This research also acknowledges the theory on supplier relationship management, as well as relationship quality management and how these two bodies of knowledge are connected to shared service and ultimately how they affect the relationship benefits between buyers and sellers in business to business environments. With the growing importance to distinguish one's business from others to gain competitive advantage, relationships have become a crucial differentiator. It is important to appreciate whether the shared service model enhances relationships or not. This research therefore sought to examine the relationship quality measure elements such as trust, satisfaction and commitment as well as the relationship benefits; social, psychological and functional which are impacted by the introduction of a shared service.

The research findings offer some important insights into how the introduction of a shared service model into an organisational structure impacts these relationship benefits. When comparing a shared service structure to that of a decentralised model it was evident that all elements of relationship quality and benefits changed. The results indicated that once the shared service became the central point of contact and communication for many of the suppliers, relationship quality and relationship benefits declined. Further, the results found were that many of the anticipated benefits of shared service were also not seen or experienced by the suppliers.

This research involved two phases, a qualitative phase component and a quantitative phase. The qualitative phase involved face-to-face interviews with five significant suppliers to Sasol, companies in industries such as Civil, Manufacturing as well as industrial goods suppliers. The quantitative phase involved an electronic survey, distributed to all of Sasol's suppliers. The data gathered from these interviews and surveys, together with the reviewed literature helped to measure the affects of shared service on supplier relationships. One hundred and forty questionnaires were processed and data was subjected to a variety of statistical analysis.

This research will add to the limited knowledge of shared service as well as equip managers implementing shared service with some strategic insights. When implementing shared service it is imperative to look beyond mere cost savings and to

also consider the relationship affects for all concerned when changing the relationship dynamics.

## **KEY WORDS**

Shared service (SS), Relationship benefits, Relationship quality management

# DECLARATION

I declare that this research project is my own work. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Administration at the Gordon Institute of Business Science, University of Pretoria. It has not been submitted before for any degree or examination in any other University. I further declare that I have obtained the necessary authorisation and consent to carry out this research.

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11 November 2013

Bradley Noel Hirst

# ACKNOWLEDGMENTS

There are numerous people who I would like to thank for their support and understanding over the last two years.

- To my Lord Jesus Christ, from whom I derive all my strength.
- To my supervisor, Brett Kilpatrick: Thank you for your willingness, persistence and dedication when assisting me through this momentous task. Your constant affirmation was always encouraging to *slog on*.
- To Sasol and my colleagues and especially my manager Rob Meeding: Thank you for giving me the opportunity of completing my MBA. I will be forever grateful.
- To all my family and extended family: Thank you for the constant support and understanding.
- To my friends, for all the missed braais/rugby games and good “kuiers”: Thank you for your understanding.
- To my most amazing wife, Charlese: I give my final thanks; without you I would have never been able to complete my MBA. You have been my pillar of strength through the past two years. You have not dealt one complaint; only support, love and compassion. You are, without a doubt, the main reason for me surviving the past two years; I love you always.

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# **CHAPTER 1: INTRODUCTION**

## **1.1 Introduction**

According to Deloitte's (2013) shared service survey, organisations are actively implementing shared service centres (SSC) to maximise value and cost savings. The survey also mentioned that businesses are considering opportunities to expand and add value throughout all departments by means of a SSC. Many of the major multinational companies and government organisations worldwide have adopted the shared service model. And yet there has been little academic attention given to shared service research, thereby making this research applicable and relevant (Murray, Rentell, & Geere, 2008). According to Janssen (2006) the promises of the SSC are often not realistic and therefore there is a requirement for further research into the SSC concept. The shared service is an untapped reservoir because there has not been a significant amount of literature or research on procurement through the means of a SSC or shared service in general (Murray et al., 2008).

Shared service is a form of partnerships management which is seen as a core competency that is able to lead organisations into a knowledge-based competitive advantage. Therefore partnerships, between firms and their suppliers can be considered a critical manifestation to build this capability (Johnston, McCutcheon, Stuart, & Kerwood, 2004). According to Kelly & Scott (2012), value creation in a relational context can be characterized as a process dependent upon interaction and dialogue between buyers and sellers that build and sustain mutual commitment.

## **1.2 Research Problem**

According to Lui, Li and Zhang (2010), when a quality relationship exists both parties reflect the relationship strength in the degree to which both partners' needs and desires are satisfied, as well as the depth and atmosphere of the relationship. When business loses these relationships and the associated loyalty it is usually due to insufficient attention that has been given to these relationships (De Búrca, Fynes, & Roche, 2004). Companies have been encouraged to develop close relationships with suppliers and adopt relationship quality management tools to be successful (B. Fynes, Voss, & de Búrca, 2005).

Only one body in the shared service design has full responsibility for managing supplier relationships, known as the single service recipient. Irrespective of the diversity of the business units (BU) the relationships are handled by a single service recipient, and this therefore raises the question, “Can this arrangement facilitate a quality relationship?”

According to Ulaga and Eggert (2006) relationship quality as seen in almost all the literature must display all of the following elements: trust, commitment and satisfaction. These three elements must be present to establish a quality relationship; satisfaction will only turn into commitment if there is trust in the relationship. Once these three elements are present in a relationship you reap the relational benefits. Relationship benefits, such as psychological benefits, include trust which assists in addressing perceptions of reliability, empathy, support and understanding, and social benefits of sharing, affinity and friendship. By acknowledging these psychological and social benefits, it leads to a wider range of profits that extend beyond functional or economic benefits (J. C. Sweeney & Webb, 2007).

Turle (2010) conferred that shared service designs make no mention of the psychological and social relationship while focusing mainly on functional or economic benefits. The shared service centre (SSC) is being pushed as the best idea for larger organisations so that they are able to capitalise on optimisation and extensive economies. The shared service speaks greatly about consolidation and economies of scale and very little about psychological and social relationship benefits that used to exist between the suppliers and the BU procurement personnel.

The intention of this study is to determine whether these relationship aspects have been ignored and if so, how to assist the SSC to service the individual business units while maintaining relationship benefits (Ulbrich, 2006). When the SSC design calls for the consolidating of service providers, the SSC takes the organisation’s best interests to heart rather than that of the individual business units. The challenge is determining whether the SSC considers the BUs individual needs when establishing contracts and purchasing agreements as a collective.

According to Turle (2010), a line of communication could be created between the BU and the suppliers; this may however erode the benefits of the SSC which is meant to reduce the duplication of work and costs. Turle (2010) also suggested that the obvious answer is to provide a means of communication for the end-users to contact the suppliers directly; however this inhibits a great deal of the reason behind creating the shared service design. The intention of this study is primarily to determine whether the

SSC has resulted in the deterioration in relationship quality and the loss of the associated benefits due to the implementation of the SSC.

Developing a relationship and interacting with suppliers often results in strong partnerships forming, which in turn results in suppliers playing a much more proactive role in the design and new product development process. However for this partnership to form it requires that the suppliers become involved in the relationship early on as well as routinely in the design and development process. This involvement assists in the quality of the design as well as the process that culminates in the product (B. Fynes et al., 2005) (B. Fynes, de Búrca, & Mangan, 2008).

However Herbert (2010) stated that there is a problem in that there is no one actively engaged in the SSC who actually knows the end-users in the BU or how the business processes work. Therefore, the following question is posed: "How is the SSC able to assist in new product development and design processes when it is not even familiar with the BU it is serving?" The motive for developing relationships is to achieve mutually satisfying rewards (B. Fynes et al., 2008). According to De Burca *et al* (2004) cooperative behaviour maintains a relationship that is mutually beneficial. In a shared service, the goal is to achieve functional benefits for the buyers but not necessarily for the suppliers; this is therefore not mutually beneficial. The large concern from only analysing costs and cost reduction is that often the supplier loses out in these relationships (Kalwani & Narayandas, 1995).

According to Fynes, de Búrca, and Mangan (B. Fynes, de Búrca, & Mangan, 2008), by leveraging buyer seller relationships, relationship partners are able to utilise the relationship to acquire resources outside of the organisation. These relationships lead to the appropriation of these resources. With the knowledge available to the SSC and an embedded culture of command and control in the SSC, the amount of BU specific collaboration that actually takes place needs to be measured (Herbert & Seal, 2012). A major benefit of relationship quality is that it increases customer retention and provides competitive advantage, and because it is an intangible asset it is difficult to duplicate (Hyun, 2010). Relationship specific communication and coordination results in valuable routines being set up, which enhances the generation of specific knowledge regarding the capabilities of the relationship partner (Krause, Handfield, & Tyler, 2007). Alliances that add value to both parties in a partner relationship require collaboration as this creates joint value rather than a fundamentally nominal return on investment (Narasimhan & Nair, 2005).

Therefore when it comes to the execution of any task, there is an ease in assigning exactly which supplier is most capable to assist. Through this communication there is also a common language that develops so technical and design conversations become easier.

### **1.3 Research Objectives**

The shared service model is an organisational design utilised to improve the organisation's effectiveness and overall efficiency. The intention of this study is to determine the impact of the shared service model on the relationship benefits between the suppliers of the various goods and services and the end user in the business unit. The study also attempts to provide recommendations on how to repair that relationship, if it is found that the relationship has deteriorated due to the additional link. This additional link in the purchasing chain is the shared service centre (SSC) or office being added into the traditional decentralised organisational structure. The aim of the research is to assist the business units in maintaining critical supplier relationships despite the shared service centre. The purpose is to understand the impact of relationship benefits and to make suggestions on how organisations can successfully apply the shared service model.

# **CHAPTER 2: LITERATURE REVIEW**

## **2.1 Introduction**

The literature on shared service presents the many definitions, views and justifications for the implementation of a shared service design. Most of the motives and justifications for the implementation of a shared service design have been discussed with many of these motives being related to how a shared service design affects economic benefits. However, not much is mentioned regarding how this design affects the relationship benefits.

The literature review comprises of seven sections. First, a complete discussion of relationship quality management is made. Second, the intention and nature of shared service is explained as the motive for completing this research. Third, a comparison is drawn between what defines a quality relationship and the intention of a shared service model. Fourth, these aspects are harnessed to form a relationship called quality management in a shared service environment. In the ensuing sections of the literature review, the formation of relationship quality management is defined, namely through social capital, information exchange and frequency of contact as well as the drivers of relationship quality management, trust, satisfaction and commitment. Finally, the relationship benefits are defined by analysing functional, social and psychological benefits.

## **2.2 Relationship Quality Management**

Relationship quality management (RQM) has varying definitions but a distinct construct is required in order to understand how a connection can be classified as a quality relationship.

According to Huntley (2006) relationship quality is the degree to which buyers are satisfied with the overall relationship which is determined by the product and service quality. Furthermore, it is influenced by the price paid for the value received and the degree to which the relationship functions as a partnership. Relationship quality requires that the relationship's participants have a good understanding of the production system and product quality of each other (Song, Su, Liu, & Wang, 2012). A "quality relationship between buyers and sellers bind members to each other in such a

way that they are able to reap benefits beyond the mere exchange of goods” (De Búrca et al., 2004 p62).

Relationship quality is the meaningful measure of the positive relationship and strength that exists. The understanding of the strength of the relationship assists in being a significant predictor of what can be expected from that relationship based on how healthy it is (Choo, Jung, & Chung, 2009) (Crosby, Evans, & Cowles, 1990).

Lövblad, Hyder and Lönnstedt, (2012) suggested that in any relationship there is a psychological contract; the expectations of what is required from the other party in the relationship. Based on the psychological contract established between buyer and seller, there is a manner in which all relational aspects are perceived between buyers and seller. These psychological contracts are built based on that established relationship. As these psychological bonds mature, the more important the relationship becomes (Choo et al., 2009). The shared service centre is the custodian of the relationships with the suppliers, not the business units (M. Janssen, Joha, & Weerakkody, 2007). This begs the question, “If the relationship is being built between the SSC and supplier, what is the effect on the psychological contract established with the supplier and the business unit?”

According to Song (2012) there are two distinct levels of value between buyer-supplier relationships. The first level is the economical function; in other words, quality and price. The second level is the relationship value; these are the benefits due to the relationship that has been established. Therefore if a relationship partner wishes to extract the full value of a relationship, the relationship should see economic, technical, service and social benefits for the price it pays for the offering (Anderson, Narus, & Narayandas, 1999).

The benefits that occur from a relationship go beyond any technical, service or economic benefits that form part of the supplier’s offering; there are other benefits that can be achieved through long-term supplier relationships (Song et al., 2012). The benefit of RQM is that it results in close relationships that conclude in improved quality, service delivery and reduced cost. It also leads to sustainable improvements in the quality of the product or service. The result of this is innovation, enhanced competitiveness, product development, technology deployment and problem solving and increased market share (Kannan & Tan, 2006). The benefits of maintaining the relationship is that the exchanges that take place in the relationship become more predictable and reliable since both parties understand each one’s business operations.

The other benefit is the degree to which adaption takes place so that the relationship partner assists in attaining new markets and new product/service solutions (Song et al., 2012). According to Sean (2004) there are three characteristics of relationship quality:

- 1) Social dimension – if there is no trust there can be no relationship. Understanding the relationship needs is central to building a high quality buyer/seller relationship.
- 2) Technical dimension – this is the provision of the timely and relevant information, the professionalism of the technical support service and the knowledge and expertise of the technical support.
- 3) Economic Dimension – this is the fulfilment of the promises made during the negotiation or before the deal comes to its conclusion.

As the relationship matures and the quality of relationships with suppliers increases, the more the buyers build deeper trust relationships and mutual commitment. This then facilitates the behaviour of sharing knowledge and common networks (Choo et al., 2009) (Singh & Jayant, 2012). As this relationship progresses and matures, the functional benefits such as price, quality and design diminish in importance. Supplier and buyer expectations converge when this occurs and the expectations such as trust; reliability and integrity replace these concerns (Choo et al., 2009).

As the relationships converge to display satisfaction and trust, suppliers voluntarily commence scouting actions by passing on technical, exchange, or market related information. Therefore, simply by maintaining these relationships, suppliers are more likely to pass on information about the environment and the markets so the buyers can manoeuvre successfully. This information transfer regularly results in innovation development; and can be in the form of innovative ideas, supplying innovative components and productions facilities or even collaboration on development projects (Walter, Müller, Helfert, & Ritter, 2003b). Relationship quality leads to better operational performance and the building of success in the market (B. Fynes et al., 2008) (Rauyruen & Miller, 2007).

In any outsourced partnership or relationship there needs to be a common, clear vision and a goal to ensure the partnership's quality. Shared service acts as the partner between the BU and the supplier, and the social exchange between the two participants are activities to exchange valuable resources (Lee, 2001).



## 2.3 Shared Service

The term shared service was established in the early 1990s to transform the traditional means of completing the day-to-day administrative services that were scattered throughout the different business units. The idea was to consolidate these services into one centralised unit, generally named a shared service centre or shared service office (Marshall, 2010). According to Murray (2008) a shared service model is “a collaborative strategy or transitional process between a parent corporation and a business unit...created specifically to provide service to all or part of the parent corporation” (p.543). Ulbrich (2010) stated that “The essential principles behind the shared-services idea were to make better use of internal resources. This was done by elimination of costly duplication of staff functions in decentralised organisations and concentrating subsets of existing business function into one or a small number of new, semi-autonomous business units – the shared service centres” (p.251).

Murray (2008) posited that a shared service can provide aggregated buying. For example, the purchasing activities are broken down into categories to optimise corporate resources where purchasing activities are classified according to these categories (Ulbrich, 2006). A case in point is where one has consumables, civil, mechanical or process material categories. These categories were created by taking the procurement people from the decentralised organisation and placing them in the SSC and making them specialised in a specific category of procurement (Ulbrich, 2010).

The SSC is meant to be a strategic means to source or to be utilised as a sourcing arrangement that is focused on the long term. It allows for a number of business units to be consolidated into one semi-autonomous business unit with a management structure aimed at achieving efficiencies that results in cost savings, increased value and improved service (M. Janssen & Joha, 2006). The SS (shared service) model was an attempt to grasp the best of both worlds—the centralised and decentralised models. The assumption was that SS would gain the economies of scale similar to that of a centralised model as well as the relationships, flexibility and speed of service of the decentralised model. The belief was that, with relative ease, the service provided to one supplier could simply be duplicated and thereby the company could service many suppliers with relatively limited efforts (M. Janssen & Joha, 2006). However, there were some challenges in accepting that the benefits of both models could be achieved by utilising the SSC. The cost reductions and service improvements of the centralisation

were not really achieved. The closer relationships of the decentralised model were also not found. What was noticed was that there was less experimentation and there was a noticeable reduction in innovation (M. Janssen & Joha, 2006).

Some companies also categorise shared services into two distinct categories, namely transactional shared service and strategic shared services. This segregation is broadly based mainly on value and scarcity. The reason for this categorising is that there is the belief that not all relationships should be closely managed as a partnership. Rather, the type of relationship built should be based on the circumstances (Harland, 1996). Harland (1996) also explained that competitive advantage is gained by effectively harnessing the potential of the networks that are gained through relationships. There are many variations to this model but generally speaking, if a product is very valuable and scarce in terms of the number of suppliers, it is classified as a strategic item. Scarcity includes core technologies, system integration, rare commodities, as well as the intention to focus on added-value activities (Handfield, Ragatz, Peterson, & Monczka, 1999).

If, however, the product is commonly found and modestly priced it is classified as a transactional item. In the case where there are products that are extremely critical to an individual business there is a category of products known as BU retained products. However from a BU perspective there is not much difference in terms of treatment received from SSC to the end users, regardless of whether it is a transactional or a strategic good or service. There will, however be a difference in how the SSC manages these contracts internally. The adoption of a shared service requires a higher level of interdependence amongst the business units and organisational boundaries (M. Janssen, Joha, & Zuurmond, 2009).

Janssen (2009) stated that a shared service arrangement is a system where a semi-autonomous unit provides a set of pre-defined services to the business units within the organisation entity. Shared service is defined as “the concentration of dispersed service provisioning activities in a single organised entity” (p.16). Relationship management issues have to be managed to be able to gain the benefits of the shared service centres. To adequately manage relationships personnel require specific skills and competencies (Carr & Kaynak, 2007).

### 2.3.1 Supplier Relationship Management

Supplier relationship management performance is very dependent on the amount of information sharing that takes place; it is considered one of the crucial determiners of effective supply chain performance (Voigt & Inderfurth, 2012) (Johnston et al., 2004). However, in the SSC design the shared service practitioner is responsible for the relationship management therefore it moves from the BU to the SSC to manage the customers (M. Janssen et al., 2007).

Voigt (2012) stated that if there is information sharing and shared planning in the supply chain there would be a higher level of trust between the suppliers and the buyers. To succinctly add value through the strategic purchasing contribution through the SSC, it is argued that there needs to be a build-up of trust (Murray et al., 2008). Herbert (2010) stated that there is a problem in that there are no individuals who sit in the SSC who actually know the end-users in the BU or how the business processes work. Therefore it is difficult to discern early warning signs that something has gone wrong and requires urgent action. Johnston (2004) stated that the advantage of collaboration between buyer and seller is the provision of strategic information about any planned changes, either in capacity or future product changes. This collaboration makes for joint responsibility in problem solving and shared planning as well as flexibility in the relationship that deals with unanticipated business changes. The goal of these buyer-seller relationships is to achieve higher value for both parties that could not have been achieved by any one of them on their own (Wagner & Lindemann, 2008). When buyers and suppliers combined resources, the suppliers became a source of competitive advantage, but this is only when there were mutually beneficial outcomes (Jap, 1999).

These buyer and seller partnerships result in new products and service development. These partnerships can also result in both reduced cost and risk to acquire product market entry, due to the synergy in resources (Johnston et al., 2004; Wagner & Lindemann, 2008)(Johnston et al., 2004). The benefit of the SSC is that it allows for the suppliers to interact with one service recipient—that being the specific person in the supplier's business handling the contract (Turle, 2010). The concern with the shared service type of arrangement is that there is a lack of direct control of the relationship with the suppliers from the BU perspective (Turle, 2010). For the benefits of the supplier relationship there needs to be trust and trust occurs from frequent face-to-face

contact and sharing of critical information (Johnston et al., 2004) (Kumra, Agndal, & Nilsson, 2012).

The shared service design assists to free up resources so that the organisational business units have the capacity to concentrate on their core activities (M. Janssen et al., 2009). As much as the SSC frees up the BU to concentrate on core activity, competitive advantage is gained when supplier relationships assist in delivering value beyond core service alone (Dagger & O'Brien, 2010). The whole design of supplier relationship management is to be customised to the unique BU requirements and a core activity of the BU has to be coordination with the suppliers. These supplier relationships largely affect the BU's perception of quality, without them the perception may change (Dagger, David, & Ng, 2011).

Business units are expected to relinquish much of the authority and relationship to the SSC (M. Janssen et al., 2009). The distinguishing factor between the archaic arm's length relationship and the collaborative relationships is the degree to which buyer and seller coordinate (Johnston et al., 2004) (Kumra et al., 2012) (Jap, 1999). The control of the collaboration in the shared service design is passed over from the BU to the SSC. The problem with this is the SSC has an embedded culture of command and control which does not necessarily consider individual requirements within the BU and rather focuses on the activity (Herbert & Seal, 2012).

Sheth and Sharma, (1997) suggested that businesses are starting to realise that integrating business and suppliers is critical because the suppliers create much of the value. This value creation is evident in areas that include access to technology, access to markets as well as access to information. Developing these relationships with suppliers is critical for the successful functioning of firms. These relationships reduce transaction costs and uncertainty and therefore increase the efficiency of transactions (Sheth & Sharma, 1997). Effective integration of significant suppliers into the supply chain is what will assist manufactures in receiving the supply improvements that are necessary for a company to be successful and remain competitive (Handfield et al., 1999).

According to Handfield *et al.*, (1999) managing supplier relationships and involving them in new products, processes and service generation has the potential to reap company altering results. Involvement of suppliers during the design phase of new products results in shorter design cycles and faster introduction, which in turn increases the sales revenue (Handfield et al., 1999; Stanley & Wisner, 2001).

Businesses often desire supplier investment in technology to improve the level of service for their customers. If businesses have a relationship with suppliers, they would be more willing to invest in that asset or technology (Sheth & Sharma, 1997). Harland (1996) explained vertical disintegration—a process where businesses start working together to form relationships with suppliers. When barriers to communication are broken down, it is easier to ensure that business has the latest information and technology via these B2B relationships to remain competitive. Businesses are therefore able to fit into changing market conditions. By disintegrating barriers companies can improve service quality (Harland, 1996).

### **2.3.2 Service Quality**

In order to provide service quality, it is important that organisations are aware of what it is that the customer wants, as well as the criteria it uses to evaluate the service offering (Johnn-Yee Choy, Siew-Yong Lam, & Thean-Chye Lee, 2012). If there is a detachment between what the BU wants and what the supplier is offering and the SSC does not communicate this well, it directly affects the profitability of the service provider (Rahman, Khan, & Haque, 2012) (Stanley & Wisner, 2001) (Caceres & Paparoidamis, 2007). If the service quality is compromised, it affects the repurchase intention due to unsatisfied customers (Johnn-Yee Choy et al., 2012). Often, the problem with the SSC is that there is no one in the SSC who knows the end-users in the BU or how the business processes work, so it is difficult to know what the customer considers to be service quality (Herbert & Seal, 2012).

According to Hu, Kandampully, and Juwaheer (2009), service quality is centred on the customers and their pursuit of perceived superior customer service. This is very similar to the supplier relationship management mentioned earlier where collaboration uncovers this perceived superior service. Service quality is positively associated with the willingness to pay more for the service if it means it will be of a higher quality (Hu et al., 2009). However, cost reduction is often the primary reason why organisations adopt the SSC; it is about economies of scale and the provision of the optimal solution at the lowest possible cost (Ulbrich, 2006). Service quality can result in a more competitive organisation and higher levels of customer satisfaction, but that means the suppliers must be fully aware of the actions and function within the business units so they understand the service quality of the BU (Chen, Huang, Shu, & Wang, 2013). One of the significant dimensions of service quality is understanding and knowing the customer (Awan & Mahmood, 2013).

Caceres and Paparoidamis, (2007) stated that companies that provide better service quality are generally those that succeed; it is considered an essential strategy in the current competitive environment. Service quality assists companies in achieving higher than normal growth and therefore captures more market share. It is important to note the customer is not only examining the nature of the service (technical aspects) but also the functional quality of the service. These two aspects result in the perceived service which is what the customer will measure the expected service on (Caceres & Paparoidamis, 2007).

## **2.4 Relationship Quality Management in a Shared Service Environment**

Implementing a shared service is a major decision as it has a long-term and strategic impact. The intended benefits of the SSC often remain unmet. The reason for this is because the success is dependent on the relationship that is established between the Bus, the suppliers and the SSC. Because the BUs all have different needs, resources and capabilities and more importantly vastly different goals and interests, it is difficult for a SSC to manage all these complex and difficult relationships (M. Janssen et al., 2007).

The SSC has two roles; one is to deal with operations and the other role is the management of the relationships with the users. The SSC is responsible for maintaining and coordinating all the relationships from the customers (BUs) to the external suppliers. The shared service centre is the custodian of the relationships with the suppliers and not the business units (M. Janssen et al., 2007). Janssen depicted the relationship between the Bus, the suppliers and the SSC as having no connection between the BU and suppliers. The benefits from the buyer/seller dependence to some degree are lost, and this interdependence has an important implication for the collaboration and interaction between the relationship partners (B. Fynes et al., 2005).

According to M. Janssen and Joha, (2004) managing these relationships centrally save a great deal of the operating budgets of companies adopting shared service. By providing service from only one local department takes less effort. The SSC is seen as an individual business unit. The SSC centralises relationships so it is able to save a great deal of money. However the communication in RQM is the formal and informal sharing of information between the suppliers and buyers that assists in collaborations and the passing of critical knowledge. This collaboration and sharing assists buyers

and sellers in engaging in joint planning and the setting of goals (B. Fynes et al., 2005). Formal and informal sharing would be the flow of information between buyers and sellers; the SSC acting as the BU seems to have absorbed the direct link between buyer and seller.

The value in these supplier and buyer relationships lies in the exchange of knowledge and resources and developing further activities. Therefore it is critical that buyers have a close relationship with their suppliers to stay ahead of the competition (Chang, Cheng, & Wu, 2012). Based on the need for close buyer/supplier relationships, the SSC that acts as the relationship custodian seems to contradict that premise.

Chang *et al.*, (2012) confirmed that quality relationships are generated through a stable and healthy working relationship; these relationships act as a conduit where information and resources flow and this all aids in innovation. Power is the ability of one of the relationship partners to control or affect the other party's' activities. Therefore if a supplier complies due to force or power, that has a negative impact on the relationships (Mysen, Svensson, & Högevold, 2012).

Buyers and sellers often have divergent interests; buyers tend to analyse the technical aspects of this relationship where sellers are more concerned with the social dimension (De Búrca et al., 2004). These divergent interests are similar to Porter's Five Forces Model where suppliers and buyers compete for power. Suppliers want to obtain the highest reasonable price and the buyers generally want the cheapest price from the supplier, so these relationships are vulnerable to conflict (Gullett et al., 2009). If one of the relationship partners attempts to take advantage of the dependence of one of the other actors in that relationship, it is unlikely that there will be a quality relationship (Mysen et al., 2012) (Krause et al., 2007).

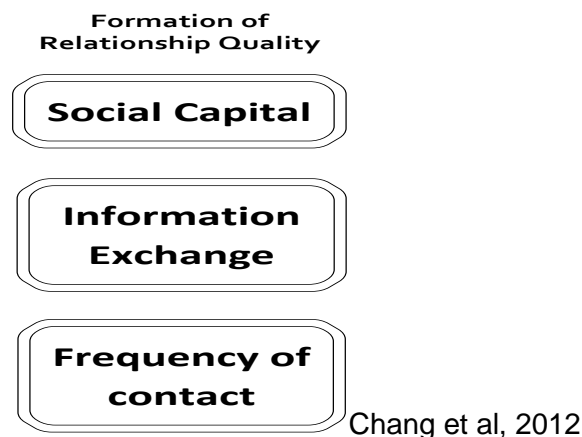
It might appear that the SSC is being advocated as the best idea for larger organisations so that they are able to capitalise on optimisation and extensive economies (Ulbrich, 2006). These are all based on economics to embrace economies of scale to leverage the purchasing power of the buyers, and it does not seem to consider the factor of the relationship. To be able to build a relationship between these two parties it requires trust, control and risk as they both want to pursue their distinct but syncretic agendas (Gullett et al., 2009). The stratification design through a shared service is there to consolidate suppliers to a reduced number of suppliers to enable closer relationships with these suppliers, which then enables relationship quality (Dorsch, Swanson, & Kelley, 1998). In the SSC there is limited BU specific knowledge, and yet it

is the SSC's responsibility to maintain cooperative relationships with these suppliers to the BU. To assist relationship quality the buyers must be involved in assessing and recognising important supplier characteristics to best service the BU (Song et al., 2012).

## 2.5 The Formation of Relationship Quality

By offering personalised service, goods and other benefits, the BU assists in fostering the drivers of trust, commitment and satisfaction (Kim, Lee, & Yoo, 2006). Relationships over time form bonds which in turn create social and financial switching barriers which, to a degree, protect the firms from competitor actions and facilitate relationship building (Hyun, 2010). The figures below are examples of actions from suppliers that assist in fostering those bonds.

**Figure 1: Adapted Conceptual Framework**



Social capital, information exchange and frequency of contact were found in all the literature in some form or another. Of the elements identified as critical for the fostering of RQ it was social capital, information exchange and frequency of contact that encompassed most of the elements.

### 2.5.1 Social Capital

According to Lawson, Tyler, and Cousins, (2008) social capital is seen as the glue that underlies effective supply chains and can result in an enduring source of competitive advantage. Social capital is an asset that becomes available due to access to resources through social relationships. Social capital facilitates the acquisition of knowledge and becomes a means of exploiting that knowledge to create value (Yli-



Renko, Autio, & Sapienza, 2001). Social capital between buyers and suppliers has been found to drive down costs and assist with problem solving and overall improved supply chain performance. As social capital increases between the buyers and sellers so does the goodwill and the knowledge on the social values and norms of the other party (Cousins, Handfield, Lawson, & Petersen, 2006).

Lawson (2008) expounded that there are three dimensions of social capital, namely cognitive, structural and relational. Cognitive relates to the resources and shared interpretations and systems of meaning, while the structural dimension denotes the roles of the networks and the structure of the relationship. Lastly, the relational dimension explains the personal relationships fostered over the period of the relationship due to interactions which leads to trust, obligations and reciprocity (Lawson et al., 2008). By investing in social capital the buyers and sellers build up a repository of benefits and goodwill which are able to turn into hard benefits. These benefits come in the form of overall reduction in supply chain costs and greater flexibility and reduced product development time (Cousins et al., 2006) (Lawson et al., 2008).

According to Krause *et al.*, (2007) tacit knowledge is shared with relationship partners, so that a shared understanding is developed where goals are communicated that results in a clear understanding of what constitutes improvement and how it is accomplished. Johnston (2004) stated that when there is knowledge shared, such as joint planning and activity with suppliers, there are benefits for the buyer. These benefits include joint responsibility for problem solving, more flexibility in dealing with unexpected situations and shared planning. Furthermore, these benefits result in improvements in product and service development due to synergy in resources, as well as reduced costs because there is a reduction in transactions costs as well as reduced time-to-market for new developments (Johnston et al., 2004).

Krause *et al.*, (2007) propound that once social capital is built there becomes a non-competitive stance to learning that culminates in rather leading a level of learning and relationship that exceeds other forms of alliances. Co-specialisation becomes a real opportunity in these types of relationships where joint investments in skills are adapted. Through social capital the information exchange goes beyond that of mere factual knowledge, such as production schedules from the buyer's side or available products and pricing from supplier's side. The sharing moves from being merely factual to the exchange of tacit knowledge which is the sharing of "sticky" knowledge, ideally the technology roadmaps and shared values (Krause et al., 2007).

### **2.5.2 Information exchange**

According to Carr and Kaynak, (2007) for any supply chain to be effective it is critical that there is a synchronised flow of materials and information between the suppliers and their customers. This information needs to be detailed enough and frequent enough and ideally the exchange of the information should not only be through enabling technologies but through face-to-face interaction as well.

Companies that perform well in the area of information sharing also perform well in supplier development which in turn results in a more committed relationship on the part of the supplier. The result of effective information exchange with strategic suppliers is that it can have a direct effect on the quality of the buyer's products (Carr & Kaynak, 2007). Effective collaboration and information sharing has become a vital means of gaining a competitive advantage. This formal and informal information exchange has been emphasised as being important in many studies, however the key to achieve this is trust between buyers and suppliers (Narasimhan & Nair, 2005).

Knowledge transfer is enhanced when working with well established relationships that exhibit relational transparency and maintain multiple connections between relationship partners. There must not be a competitive approach to knowledge sharing, there should be goal clarity and this requires frequent interactions (Krause et al., 2007).

The degree to which the suppliers of the organisation initiate behaviours that proactively discovers the buying organisation's needs and requirements and assists the buying organisation to be more competitive is termed initiating. If the buying organisation volunteers the information, the need for initiating may be less. However there are often opportunities that the buyers are not even aware of that may assist the supplier to serve them better. These initiating factors help build the relationship qualities that facilitate relationship benefits and tailor products and services to improve the buyer's competitiveness (Leuthesser, 1997).

The initiating behaviours displayed by supplier's signals to the buyer display the intent of the supplying organisation which is to improve the buying organisations' product offerings and is known as signalling. Signalling also entails advanced communication about changes on the supplier's side such as product design, pricing structure and billing procedures. The initiating behaviour ensures that the supplier is fully informed on the buyer's side where signalling assists in making the buyers aware of any changes on the supplier's side. This results in there being no surprises on the buyer's side as

they are given advanced notice so that they are informed of all impending changes (Leuthesser, 1997)

Disclosing is the term used to describe the sensitive information that the supplier is perceived to volunteer about itself, this is information is categorised beyond the normal exchanges for day-to-day business. Disclosing includes information that might place the supplier in a negative light or information on the internal workings. However, it is done with the objective to form a trust relationship with the buyers (Leuthesser, 1997).

Cooperation and information sharing is found to be higher when there is a higher frequency of contact (Krause et al., 2007).

### **2.5.3 Frequency of Contact**

Interaction frequency is defined as information that is provided over and above the usual interaction intervals. The intention of interaction frequency is to display commitment to the relationship and reduce any ambiguity from both sides. This results in better relationship communication and coordination, which in turn results in the buyers having more confidence in the suppliers (Leuthesser, 1997).

Richness is the quality of interaction between buyers and sellers, meaning the proportion of face-to-face time as opposed to telephonic or email transfers. Face-to-face interaction is always seen as a richer form of communication as it includes not just the verbal message but the facial expressions as well. The intent is to ensure, once again, that any ambiguity is minimised and that there is an accurate understanding of the buyer's needs and expectations (Leuthesser, 1997).

According to Handfield *et al.*, (1999) the more frequent the inter-company communication, building of trust as well as working in partnerships, the higher the likelihood of success. Sometimes this requires employing a product or collaboration champion to ensure that there is frequent communication. Stanley (2001) stated the more regular the communication and visits with suppliers, the larger the reduction in delivery and quality problems. The more regular contact also resulted in lower levels of inventory and fewer disruptions in productions' schedules. Partnerships and visits to suppliers are critical to external supplier performance (Stanley & Wisner, 2001). Trust arises from frequent face-to-face contact sharing of information—which is often proprietary information—all in an attempt to develop quality relationships (Johnston et

al., 2004). For improved supplier cycle time and completeness of orders, buying firms need to invest time and resources in suppliers (Carr & Kaynak, 2007).

## 2.6 The Drivers of Relationship Quality

Total value to the buyer is a combination of economic, technical, service and social benefits. Therefore value is the antecedent of the drivers of relationship quality trust, satisfaction and commitment which can be seen in Figure 2 (Ulaga & Eggert, 2006) (Auh & Shih, 2005).

Value is the trade-off between the benefits that the buyer can receive and the costs. Value has to be comparative with another supplier as the first priority before relationship benefits are considered (Mysen et al., 2012).

According to Wong and Sohal, (2002) relationships are a series of transactions between relationship partners, namely the drivers of the relationship trust, commitment and satisfaction. When these drivers of trust, satisfaction and commitment are present there are higher levels of retention and that ultimately results in organisational profitability and hopefully the accompanied relationship benefits. Relationship quality describes business relationships generally and this is typically conceptualised as a higher construct by some combination of trust, satisfaction and commitment (Ulaga & Eggert, 2006) (Rauyruen & Miller, 2007). There have been many studies on RQM but the only area of convergence is trust, commitment, and satisfaction (Athanasopoulou, 2009).

According to all the literature reviewed (See Appendix 1: Drivers of Relationship Quality Table) the most prominent elements driving relationship quality (RQ) are trust, satisfaction and commitment followed by adaption, communication, cooperation and dependence. All the drivers of RQ are listed in Appendix 1, however according to most of the research trust, satisfaction and commitment are the three crucial elements to RQ (Athanasopoulou, 2009; Auh & Shih, 2005; Caceres & Paparoidamis, 2007; Lin & Ding, 2005; Macintosh, 2007; Rauyruen & Miller, 2007; D. Skarmeas & Robson, 2008; Ulaga & Eggert, 2006; Walter, Müller, Helfert, & Ritter, 2003).

**Table 1: Drivers of Relationship Benefit Definitions**

Organisational measure of Relationship Quality	Definition	Reference
Trust	Trust is defined by relationship partners having confidence in each other's reliability and integrity	(Choo et al., 2009)

Satisfaction	Satisfaction is the social and economic exchanges within the relationship;	(D. Skarmeeas, Katsikeas, Spyropoulou, & Salehi-Sangari, 2008)
Commitment	Commitment is the psychological attachment and the loyalty resulting in a concern for the welfare of the relationship partner	(De Búrca et al., 2004)
Adaption	Adaptation is when the supplier adapts to the specific important customers and adapt to the capabilities of the specific supplies	(B. Fynes et al., 2005)
Communication	The formal as well as informal sharing of meaningful and timely information between firms.	(De Búrca et al., 2004)
Cooperation	Activities undertaken jointly (or in collaboration with others) that are directed towards common interests or achieving rewards.	(Song et al., 2012).
Dependence	A Firms need to maintain an exchange relationship to achieve desired goals.	(B. Fynes et al., 2005)

**Figure 2 Drivers of Relationship Quality**



### 2.6.1 Trust

Trust assists in creating closer buyer/seller relationships by reducing the desire of the relationship participants to take advantage of each other (De Búrca et al., 2004). Trust is defined by relationship partners having confidence in each other's reliability and integrity (Choo et al., 2009) (Lin & Ding, 2005) (Chang et al., 2012). Buyers and sellers that have a relationship with trust generally display a willingness to rely on the exchange partner in which it has confidence (Ulaga & Eggert, 2006) (D. Skarmeeas et al., 2008). Trust is the belief that suppliers only take actions that will benefit the organisation, and will not take actions that result in negative outcomes (B. Fynes et al., 2005) (B. Fynes et al., 2008) (Maboudi, Hoseinpour, & Rastar, 2011) (Walter, Müller, Helfert, & Ritter, 2003b).

In the context of buyer/seller relationships, trust is seen as the main construct in developing successful relationships in B2B markets and for the final achievement of

loyal relationships. Trust is seen as a prerequisite to loyalty, so if a shared service is to work there needs to be a trusting relationship between the SSC and the suppliers (Rauyruen & Miller, 2007).

According to Gullett *et al.*, (2009) trust is the propensity or willingness to take a chance or risk based on the social contract that has been established between buyer and seller. The opposite is therefore having a distrust relationship where there is a fear that the other party will act contrary to what is in the best interest of the other party. This behaviour results in the withholding of trust as there is a fear that the other party will violate their ethical obligation. A relationship without this trust will not facilitate knowledge sharing, innovation and loyalty. Trust is enhanced when both parties share information and work together to pursue aligned objectives (Gullett *et al.*, 2009). And due to innovation requiring knowledge sharing, it concludes that trust aids innovation (Chang *et al.*, 2012).

Wong and Sohal, (2002) stated trust is such an important construct in relational exchange because where trust has been established there is a strong desire from participants to commit to that relationship as they hold trust in such high regard. Trust is the cornerstone of any strategic partnership, and mistrust breeds mistrust, which in turn has a negative effect on commitment in the relationship (Morgan & Shelby D. Hunt, 1994).

### **2.6.2 Commitment**

Commitment has been seen to increase productivity, effectiveness and efficiency in the relational exchange (Lövblad *et al.*, 2012). Lovblad (2012) stated there are three types of commitment, namely cognitive, normative and affective commitment. Cognitive commitment is based on the need to be committed as opposed to the desire to be committed. Normative commitment is based on the belief that the relationship ought to be maintained, maybe due to cultural reasons. The last form of commitment is affective commitment which is commitment which is maintained because there is a real desire to maintain the relationship.

According to Lövblad *et al.*, (2012) affective commitment is vital for good performance in business to business (B2B) relationships; affective commitment is the best form of commitment to achieve loyalty in a relationship. It is crucial for B2B relationships to flourish and remain connected; these concepts are achieved by creating and maintaining affective commitment. Commitment is the psychological attachment and

the loyalty resulting in a concern for the welfare of the relationship partner; identification and pride are also associated with the relationship partner's organisation. Commitment is the most advanced stage of relationship quality (De Búrca et al., 2004). Commitment at such an advanced stage is viewed as either an implicit or explicit pledge to ensure relational continuity between buyer and seller relationships (Rauyruen & Miller, 2007).

Commitment is defined "as an enduring desire to maintain a valued relationship" (Ulaga & Eggert, 2006 p315). It has been established that the upfront benefits of a SSC are predominantly functional in nature, so the kind of commitment established solely for economic and extrinsic needs is a calculative contract. However, it is still questioned how the BU still maintains an affective commitment when the relationship is cost driven (Lövbld et al., 2012). Commitment is present when a relationship is valued and when a relationship is valued there is a higher level of obligations to make that relationship succeed and be mutually beneficial (Wong & Sohal, 2002). Commitment means the exchange partner believes that the on-going relationship is so important that it deserves maximum effort to maintain it; the relationship is worth working on so it endures indefinitely (Morgan & Shelby D. Hunt, 1994).

### **2.6.3 Satisfaction**

Choo *et al.*, (2009) stated that satisfaction is classified as an affective state as opposed to more rational outcomes. Relationship satisfaction is the accumulation of the impression made over time compared to mere satisfaction which is usually based on a specific transaction. Relationship satisfaction is not the only reason for a loyal relationship but it is an indispensable prerequisite.

Satisfaction is the comparison between the perceived performance and that of one or two other standards. Therefore the client is satisfied when the service expectation is met or exceeded (Ulaga & Eggert, 2006). As the level of satisfaction with the outcome of the supplier's work increases, the greater the possibility that the customer will be retained and that the relationship will deepen (Rauyruen & Miller, 2007). Satisfaction, in a nutshell, is the customer's overall experience and evaluation of the firm (Macintosh, 2007). Satisfaction is the social and economic exchanges within the relationship; however satisfaction as an outcome is unlikely to develop if trust and commitment are not present in the relationship (D. Skarmeas et al., 2008). Satisfaction is a prerequisite for RQ because if a customer is not satisfied, the relationship cannot continue (Hyun, 2010).

The SSC is about economies of scale and standardisation, and it attempts to acquire fewer people to do more work due to this standardisation. With satisfaction being intangible it can only be managed if it is constantly monitored for each individual service encounter; these would be the encounters between the service provider and service receiver (Lin & Ding, 2005). According to Stanley (2001) many studies suggest that profit and growth are the results of the loyalty of customers which is due to the customer being satisfied. This customer satisfaction is derived from loyal employees being able to provide value in their service and customers were in turn satisfied with the high quality of service (Stanley & Wisner, 2001). Satisfaction of a supplier is an accumulation of the experience of a relationship and not an outcome of a specific transaction in the relationship (Caceres & Pappas, 2007).

## **2.7 Relationship Benefits**

Sweeney (2007) stated that there are three benefits derived from business to business relationships, namely functional, psychological and social benefits. Many studies have focused on the functional benefits of inter-firm relationships, these being reduced costs and contract predictability and purchasing efficiency (J. C. Sweeney & Webb, 2007). The shared service literature mentions many of the functional benefits of the shared service design. The SSC leverages economies of scale to drive down the supplier pricing and therefore the organisation's costs (Marshall, 2010). A shared service promises both high-quality service provision and cost reduction and a higher degree of leverage (Ulbrich, 2010)(Huff-Rousselle, 2012) (Herbert & Seal, 2012). The outcome from a shared service should be reduced costs in the forms of economies of scale and fewer personnel combined with more efficient operations (Murray et al., 2008).

When a relationship has been established with a supplier it is not uncommon to receive preferential treatment or additional service that is provided to non-regular suppliers. When suppliers have this relationship, it allows for a base of knowledge on tastes and preferences to be enhanced, allowing for better treatment and improved customer satisfaction for the supplier (Gwinner, Gremler, & Bitner, 1998). Relationships that are constructed between buyers and suppliers provide a feeling of security, control, trust and a sense of reduced risk when dealing with the relationship partner. It is vital that the relationship benefits both organisations. From the supplier's side they benefit from increased loyalty and from the customer who will not easily switch suppliers and provides positive word-of-mouth referrals, thereby assisting in generating new business for the supplier (Wang, Lo, Wu, & Lu, 2005).



### **2.7.1 Functional Benefits**

Functional benefits are the economic gains that are derived through cost savings due to the increase in business with the relationship partner. These benefits are defined by economic and strategic advantages (J. C. Sweeney & Webb, 2007). Gwinner (1998) explained that there are price breaks and discounts endorsed for the customers with whom suppliers have developed these relationships. There is also a non-monetary benefit in that there is a time saving, as mentioned in social benefits, when the supplier is aware of the customer's tastes and preferences so therefore can provide speedy service the client when required.

Shared service centres, due to the consolidation of purchasing power, are being implemented to acquire more power so that they are able to negotiate better terms and prices (Ulbrich, 2006). Even so, many of the benefits derived from close relationships with the supplier such as fast cycles times, high quality decision making and improved competitiveness cannot be measured (Jap, 1999). The large concern, when cost and cost reduction have been analysed, is that often the supplier loses out in these relationships (Kalwani & Narayandas, 1995). Sweeney (2007) further commented that too often only the economic benefits are emphasised while there are also psychological and social benefits to these relationships.

### **2.7.2 Psychological Benefits**

Psychological benefits like trust assists in addressing perceptions of reliability, empathy, support and understanding. This trust is confidence in the person that is being dealt with and not necessarily the organisation; this trust relationship is where the benefits are derived (J. C. Sweeney & Webb, 2002).

Once these relationships are well established there is often a feeling of comfort and a sense of increased security in the relationship, this in turn results in reduced anxiety for the customers. Psychological benefits are also referred to as confidence benefits, the feeling of comfort and security in the relationships with suppliers (Gwinner et al., 1998) (Qingmin & Mingli, 2009).

### **2.7.3 Social Benefits**

Sweeny (2007) further stated that social benefits are the result of the relationship that has been developed, and these benefits supersede the benefits that are received as a

part of the core service. Gwinner (1998) stated that it is a type of fraternisation, as this process is mutually enjoyable. The social benefits of sharing, affinity and friendship, and the acknowledgement of these psychological and social benefits lead to a wider range of benefits beyond merely functional profits. The benefit of these social and psychological bonds is that it cements the supplier and customer relationship, which creates a barrier to competition as well as a strategic advantage in the market place (J. C. Sweeney & Webb, 2007) (J. C. Sweeney & Webb, 2002). The level of these relationship benefits are related to the amount of commitment that the customers feel towards the supplier (Dagger et al., 2011).

Relationship benefits are similar to Sweeney's classification of social benefits, only using different terms. Ulaga (2001) stated there are product related benefits which include superior quality and improved performance received in the products from suppliers; the functional benefits. Strategic benefits are the transfer of know-how and new product development with suppliers; personal benefits are the benefits from knowledge of the counterpart increasing the ease of doing business with that relationship's partner. These are similar to the psychological and social benefits mentioned by Sweeney (Ulaga & Eggert, 2001).

## **2.8 Relationship Benefits and Shared Service**

Dagger (2010) stated that experienced customers like the ones in the BUs are often able to accurately evaluate and find benefits that inexperienced customers may not be able to. This explains why the SSC not having intimate knowledge of the BUs can miss these benefits. Industry specific knowledge is important to be able to manage any personal relationships; the lack of knowledge and intimacy that the SSC has with the BUs and operations could impede the ability of the SSC to source the required service (Herbert & Seal, 2012). The focal reason why relationships are built is to attain the relationship benefits from that relationship (Song et al., 2012).

The benefits of the SSC are that it assists to streamline and standardise and therefore there is no longer the need to customise to unique requirements in the different business units (Marshall, 2010). According to Dagger (2010) managers need to reconsider the way their relationships are managed and that treating all customers the same is not the answer; a degree of customisation is possible and necessary. The relationship between the supplier and the customer assists in gaining knowledge on the

specific needs of the customers and enables the supplier to proactively better meet those needs (Dagger et al., 2011).

## 2.9 Conclusion

In the literature review it has been established that the shared service model is where a single shared service centre (SSC) is created to assist numerous business units in their sourcing arrangement that is long term focused. It allows for a number of business units to be consolidated into one semi-autonomous business unit with a management structure aimed at achieving efficiencies that result in cost savings to increase value and improved service (M. Janssen & Joha, 2006).

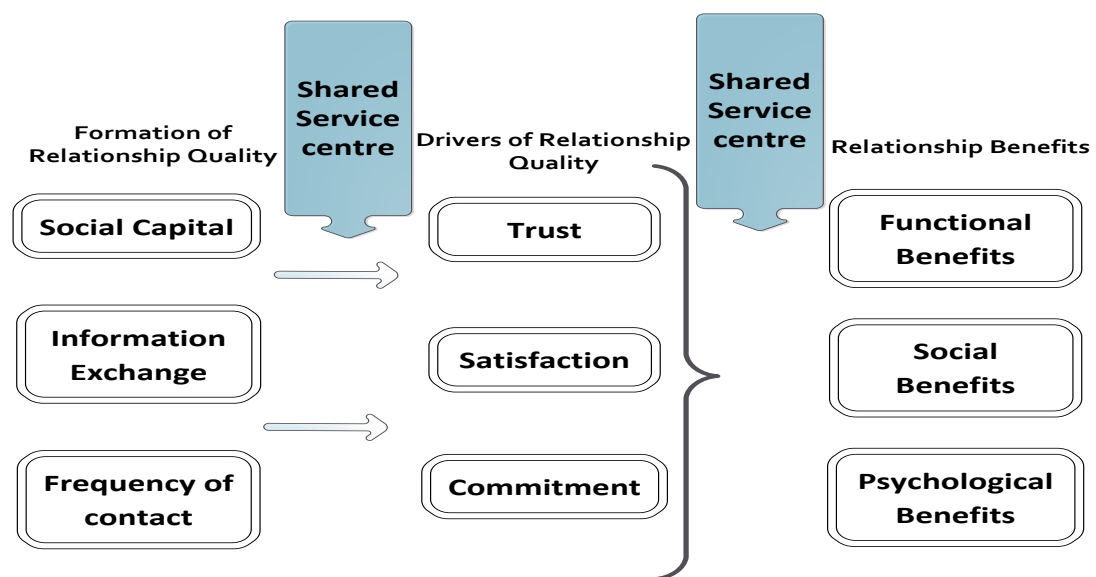
According to Krause *et al.*, (2007) in the SSC there is a single person allocated to a number of Bus, often with little to no specific knowledge about the technical and design side of the business. There is much emphasis in the economies of scale and cost savings drive of a shared service model. However, according to Song (2012) there are two distinct levels of value between buyer-supplier relationships. The first level is the economical function that can be explained in terms of quality and price. The second level is the relationship value; these are the benefits due to the relationship that has been established. The emphasis on this research is on the second level. If a relationship partner wishes to extract the full value of a relationship, the relationship should see economic, technical, service and social benefits for the price it pays for the offering (Anderson, Narus, & Narayandas, 1999). The value achieved by the buyer and supplier's dependence has major impact on the ability to explain the improvement in performance as well as costs and total cost. However, as mentioned the suppliers now deal with a single person in the SSC and not with the buyers in the BUs. It is known that the dependency between the BUs and suppliers would reap benefits of cost reduction and joint problem solving capabilities (Krause et al., 2007).

According to Chang *et al.*, (2012) the elements identified as critical for the fostering of relationship quality is social capital, information exchange and frequency of contact. These three elements are required if the suppliers and buyers are to foster a quality relationship. What maintains and enhances this relationship quality is typically conceptualised as a higher construct by some combination of trust, satisfaction and commitment (Ulaga & Eggert, 2006). According to Sweeney (2007) there are three benefits derived from quality business to business relationships, namely functional, psychological and social benefits.

In the literature it was discovered that there were many outcomes used by the proponents of the shared service design to encourage its implementation. These outcomes from shared service should be reduced costs in the forms of economies of scale and fewer personnel combined with more efficient operations (Murray et al., 2008). All these outcomes are functional benefits; this research is attempting to determine the effects shared service has on social and psychological benefits. The current research demonstrates that buyer and seller partnerships can result in new products and service development. These partnerships can also result in reduced cost and risk to create market entries for products, due to the synergy in resources (Johnston et al., 2004; Wagner & Lindemann, 2008) (Johnston et al., 2004).

The objective of this research is to better understand how social and psychological benefits are affected with the introduction of a shared service design. The proposed framework in Figure 3 aims to illustrate the literature review in this chapter. It explains the introduction of the shared service centre and how it affects the quality relationships built and subsequently the relationship benefits received from the suppliers.

**Figure 3 Relationship quality's evolution into relationship benefits**



# CHAPTER 3: RESEARCH QUESTION AND HYPOTHESES

The primary objective of this research is to understand how relationship benefits are affected when introducing a shared service model. Specifically, the effect that the SSC has on the relationship benefits received from suppliers by the organisation implementing it is investigated.

## 3.1 Research question

The literature review has been completed with the objective to answer the research question.

**Research Question:** The relationship benefits that are derived from a good business to business relationship have been identified. With the implementation of a shared service centre, has this resulted in an increase or decrease in relationship benefits received from the suppliers? Therefore the following research question was proposed:

Does the implementation of a procurement shared service design have any impact on the relationship benefits received from suppliers?

### Hypothesis 1:

*H0: Trust between Sasol and its suppliers is not affected by the implementation of shared service (SS)*

*H1: Trust (T) between Sasol and its suppliers is affected by the implementation of shared service (SS).*

### Hypothesis 2:

*H0: Level of satisfaction (S) between Sasol and its suppliers is not affected by the implementation of shared service (SS).*

*H1: Level of satisfaction (S) between Sasol and its suppliers is affected by the implementation of shared service (SS).*

**Hypothesis 3:**

**H0:** Commitment (C) between Sasol and its suppliers is not affected by the implementation of shared service (SS).

**H1:** Commitment (C) between Sasol and its suppliers is affected by the implementation of shared service (SS).

**Hypothesis 4:**

**H0:** Functional benefits (FB) received between Sasol and their suppliers was not affected by the implementation of shared service (SS).

**H1:** Functional benefits (FB) received between Sasol and their suppliers was affected by the implementation of shared service (SS).

**Hypothesis 5:**

**H0:** Psychological benefits (PB) received between Sasol and their suppliers was not affected by the implementation of shared service (SS).

**H1:** Psychological benefits (PB) between Sasol and their suppliers was affected by the implementation of shared service (SS).

**Hypothesis 6:**

**H0:** Social benefits (SB) received between Sasol and their suppliers was not affected by the implementation of shared service (SS).

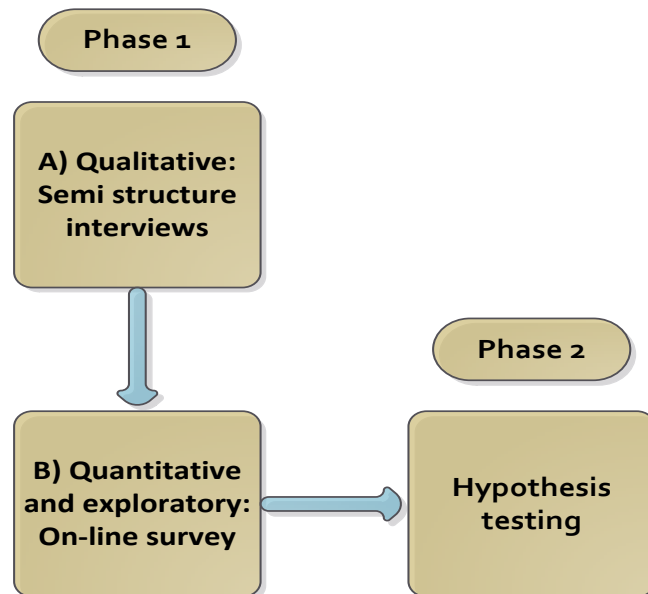
**H1:** Social benefits (SB) between Sasol and their suppliers was affected by the implementation of shared service (SS).

# CHAPTER 4: RESEARCH METHODOLOGY

## 4.1 Introduction

Research methodology is the application of varied methods and techniques to be able to retrieve knowledge scientifically using objective methods and procedures (Welman & Kruger, 2005). This study has taken on a qualitative as well as quantitative approach known as the mixed methods approach. Johnson and Onuegbuzie, (2004) propounded that this use of qualitative and quantitative methods strengthens both methodologies.

Figure 4: Research model



Descriptive research assists in answering the *who, what, when and where* questions (Zikmund, 2003). Descriptive statistics also seeks to describe persons, events and situations so it is appropriate for asking the “what” questions (Saunders & Lewis, 2012). Therefore this research has the nature of a descriptive quantitative research design.

The reason for quantitative research, in this case, is to determine what impact the shared service design has had on the relationship benefits received by buyers and suppliers. The shared service is an untapped reservoir because there has not been a significant amount of literature or research on procurement through the means of a SSC or shared service in general (Murray et al., 2008). There has been little academic attention given to shared service research (Murray et al., 2008).

The motivation to complete this study is due to the affect that shared service currently has on organisations and how speedily organisations are implementing this new structure. Adopting a shared service centre design is a major decision that affects all the participants involved and requires significant buy-in from both suppliers and the end-users (M. Janssen et al., 2009).

The idea of the SSC is to provide service to all customers equally (Ulbrich, 2010). The desire of this study is to determine whether the planned outcomes and benefits of shared service is materialising. Murray (2008) stated that in his study of shared service the benefits which he anticipated did not come to fruition, but rather demonstrated the decrease in the number of personnel and improved service. Janssen (2009) stated the disadvantages of shared service were the longer response time and the perceived level of service.

The research was concentrated on the affect that the adoption of the shared service design has had on the suppliers. While most the studies expressed the clear economic benefits achieved for the client introducing the shared service, they did not demonstrate considerable benefits for the suppliers.

## 4.2 Research Design

Phase 1 (A) consisted of semi-structured interviews with key account managers at some of the organisation's larger suppliers. The motive for completing Phase 1 (A) to was to vet and improve the survey before commencing with Phase 1 (B) of the study. Table 2 below explains the titles and industries with whom interviews were held. On average, the interviews lasted an hour.

**Table 2 List of titles and industries used in the Phase 1 (A) study**

Position	Company
Marketing manger	Petro-chemical
Owner	Catering company
Marketing manger	Process materials
Marketing manger	Civil company
Marketing manger	Industrial goods

The qualitative research introduced in Phase 1 was an anonymous self-administered questionnaire, this questionnaire was the primary data collection tool used in this phase of exploratory research.



Phase 1 (B) was a quantitative study; the intention was to survey as many of the suppliers dealing with shared services as possible. This assisted in analysing the suppliers' experiences regarding the shared service design. The survey was made available electronically, an email was sent out briefly describing the study as well as providing a link to the questionnaire. Respondents who did not respond to the questionnaire were sent a reminder email the week after the initial invitation to join the survey.

#### **4.2.1 Phase 1 (A)**

##### *4.2.1.1 Target Population*

Based on the research problem and question, the universe would be defined as all businesses that have either implemented a shared service model or interact with businesses that have the shared service model in place. The population for this study would be the suppliers to organisations who have implemented a shared service model. However due to the size of this population it was further limited to the suppliers to Sasol; Sasol has already implemented the shared service model.

The above mentioned population was selected due to the experience the organisation has already experienced with a pre- and post-shared service model. This ensured that the suppliers have the required frame of reference to objectively measure the shared service model.

##### *4.2.1.2 Sampling*

A non-probability sampling technique was used because the researcher did not have access to the entire population (Saunders & Lewis, 2012). The sampling technique that was best suited to this study is a combination of convenient and purposive sampling. Convenient sampling includes the ability to gather a large number of questionnaires as economically as possible (Zikmund, 2003). Purposive sampling was required where the researcher's judgment was used to actively seek out respondents based on a range of possible reasons and premise. In the case of this study the researcher selected five suppliers with a high concentration of interaction with the SSC.

##### *4.2.1.3 Research Instrument*

Semi-structured interviews were used in the pilot phase of this study; the intention of this action was to act as a vetting process to test whether all the aspects were covered in the questionnaire. The respondents were encouraged to speak openly about their

experiences—positive or negative—regarding their interaction with the Sasol shared service, with little direction from the interviewer. The researcher had sufficient knowledge to explore. However, the researcher did not make use of a predetermined list of questions.

## **4.2.2 Phase 1 (B)**

### *4.2.2.1 Target Population*

Based on the research problem and question, the universe was defined as all businesses that have either implemented a shared service model or interact with businesses that have the shared service model in place. The population for this study would be the suppliers to organisations who have implemented a shared service model. However, due to the size of this population it was further limited to the suppliers to Sasol; Sasol has already implemented the shared service model.

### *4.2.2.2 Sampling*

A non-probability sampling technique was used as the researcher did not have access to the entire population (Saunders & Lewis, 2012). The sampling technique that was best suited to this study is a combination of convenient and purposive sampling. Convenient sampling includes the ability to gather a large number of questionnaires as economically as possible (Zikmund, 2003). The sample required purposive sampling to actively seek suppliers; where they were the suppliers who have regular interaction with the shared service model as opposed to once-off or irregular suppliers.

### *4.2.2.3 Research Instrument*

An on-line questionnaire was employed. Respondents were emailed a letter stating the motive behind the research. Included in the email was a link to an online survey tool.

The questionnaire had two columns for the suppliers to respond to. The first column was their pre-shared service response, the second column was for their post-shared service response, the questions asked were identical. Only suppliers who had experienced both Sasol's pre-shared service structure and post-shared service structure were eligible to complete the survey.

The motive to use an on-line tool was due to the vast number of recipients; in the case of the suppliers there were over 4000. Therefore, to be able to distribute the survey the on-line tool was the easiest and most affordable means. Also, due to the often weak

response, the more surveys that were disseminated increased the chances of receiving sufficient numbers.

Appendix 2 represents the summarised questions considered for the final survey. The final survey was designed by considering the feedback on the semi-structured interviews completed in Phase 1 A. When the qualitative unstructured interviews were conducted there was a common theme that was noticed regarding payment and invoicing issues. Based on that feedback from the unstructured interviews the survey was altered and the first three questions from the “General” category were added to the finalised survey; additions are available for perusal in Appendix 3.

Table 3 displays the sections of the questionnaire.

**Table 3: Sections of Questionnaire**

<b>Section</b>	<b>Proponents of Section according to Literature Review</b>
Trust	(Walter, Müller, Helfert, & Ritter, 2003) (Choo, Jung, & Chung, 2009) (Ulaga & Eggert, 2006) (B. Fynes, de Búrca, & Mangan, 2008)(Huntley, 2006) (Liu, Li, & Zhang, 2010) (Chang, Cheng, & Wu, 2012)
Satisfaction	(Walter et al., 2003) (Choo et al., 2009) (Ulaga & Eggert, 2006) (B. Fynes, Voss, & de Búrca, 2005)
Commitment	(Walter et al., 2003) (Ulaga & Eggert, 2006) (B. Fynes et al., 2005) (Huntley, 2006) (Liu et al., 2010) (Caceres & Papparoidamis, 2007) (Chang et al., 2012)
Social, Psychological and Functional Benefits	(Sweeney & Webb, 2007)
Shared Service Advantages and Disadvantages / General	(Murray, Rentell, & Geere, 2008)(Ulbrich, 2010)(Janssen, Joha, & Zuurmond, 2009)(Farndale, Paauwe, & Hoeksema, 2009)(Ulbrich, 2006)

### 4.3 Data Analysis

All the sections of the questionnaire made use of a seven-point Likert scale to determine to what degree the suppliers believe relationship benefits have improved or declined with the introduction of the SSC. The seven categories are strongly disagree, disagree, slightly disagree, neutral, slightly agree, agree and strongly agree; the middle category or value would be “4” which indicates a neutral response to the question.

The data that was gathered was managed and collated by an electronic data processing and statistical analysis tool. From these tools many descriptive statistics

could be inferred, as well as other statistical analysis relevant to this study. The statistical analysis that was performed was a logical thought process to ensure the research questions and hypothesis could be adequately addressed and answered. The below paragraphs summarise some of the statistical tools used in this research.

Descriptive statistics were used which simply describe what the data is showing.

- According to Hair, Black, Babin, Anderson, and Tatham (2006) **reliability** is considered an assessment of the degree of consistency between multiple measurements of a variable. It is a measurement concept that represents the consistency with which an instrument measures a given performance or behaviour. This study made use of Cronbach's Alpha which is a widely used measure.
- Hair *et al.* (2006) stated that **validity** is a measurement concept that is concerned with the degree to which a measurement instrument actually measures what it purports to measure.
- Pallant (2011) explained that **the paired sample T-Tests** (also called repeated measures) are used when there is an interest in changes in scores for participants tested at Time 1, and then again at Time 2 (often after some intervention or event). This test is ideal for this study as the suppliers were tested on Time 1, before shared service and again on Time 2 after shared service.
- The **p-value** represents the probability of error that is involved in accepting the observed result as valid, that is, as "representative of the population." In many areas of research, the p-value of .05 is customarily treated as a "border-line acceptable" error level.

#### 4.3.1 Descriptive Statistics

Descriptive statistics simply describes the data. It provides the researcher with a 'bird's eye' view of the data. The below descriptive statistics were used in the analysis:

- The **Mean** was used which is calculated by summing the values of a variable for all observations and then dividing by the number of observations (Norusis, 2005). This describes the central tendency of the data.
- **Standard Deviation** as a descriptive is calculated as the square root of the variance (Norusis, 2005). This describes the dispersion of the data and is a direct form of Variance, and it will be used in place of the latter when reporting.

- The **Median** is considered another measure of central tendency and is the middle value when observations are ordered from the smallest to the largest (Norusis, 2005).
- **Skewness** is also a powerful descriptive and is a measure of symmetry of a distribution; in most instances the comparison is made to a normal distribution (Hair et al., 2006). Schepers (undated) emphasises that those variables with skewness higher than 2 should be avoided.
- **Kurtosis** is a measure of the peakedness or flatness of a distribution when compared with the normal distribution (Hair, Black, Babin, Anderson, and Tatham, 2006).
- **Leptokurtosis** is normally associated with low reliabilities and should be avoided at all costs. Indices as high as 7 are rather extreme and signify very low reliabilities (Schepers, undated).

#### 4.3.2 Reliability and Validity

In order to establish the reliability and validity of each research instrument, it is necessary firstly, to clarify these concepts and secondly, to relate them to the research in question.

Validity is a measurement concept that is concerned with the degree to which a measurement instrument actually measures what it purports to measure. Hair *et al.* (2006) indicated that validity is present in many forms and the five most widely accepted forms of validity are convergent, discriminant, nomological, content, and construct validity which are discussed below:

- Convergent validity assesses the degree to which two measures of the same concept are correlated. This was determined through a factor analysis for each instrument.
- Discriminant validity is the degree to which two conceptually similar concepts are distinct. This was argued both in the previous and current chapter and thus the researcher is satisfied with the level of discriminant validity of the three constructs.
- Nomological validity refers to the degree that the summated scales of each construct make accurate predictions of the other concepts in a theoretically based model. Theoretical relationships were established in the previous

chapter, and these are tested on a practical level as described in the following chapter.

- Content validity (or face validity) subjectively assesses the correspondence between the individual items and the concept. The objective is to ensure that the selection of scale items extends past merely empirical issues to include also theoretical and practical considerations. All measurement instruments have already been constructed and subsequently tested based on these terms; thus the researcher is satisfied with the level of content validity.

Construct validity is the extent to which a set of measured variables actually represent the theoretical latent constructs they are designed to measure. This was investigated by means of factor analysis. Factor analysis is a particularly useful as a tool for examining the validity of tests or the measurement characteristic of attitude scales. It is discussed further regarding the statistical analyses that were passed.

#### **4.3.3 Independent Samples T-Test**

Independent Sample T-Tests are used when two groups (e.g. males and females) or two sets of data (before and after), are compared using the mean score on some continuous variable. For this research, the pre- and post-shared services were dealt with. Pallant (2011) further elaborated on the two main types of T-Tests. Paired sample T-Tests (also called repeated measures) are used when there is an interest in changes in scores for participants tested at Time 1, and then again at Time 2 (often after some intervention or event).

#### **4.3.4 P-Value**

The statistical significance of a result is the probability that the observed relationship (e.g., between variables) or a difference (e.g., between means) in a sample occurred by pure chance (“luck of the draw”), and that in the population from which the sample was drawn, no such relationship or differences exist. Using less technical terms, it can be stated that the statistical significance of a result explains something about the degree to which the result is “true” (in the sense of being “representative of the population”).

More technically, the p-value represents a decreasing index of the reliability of a result. The higher the p-value, the less likely that the observed relation between variables in the sample is a reliable indicator of the relation between the respective variables in the

population. Specifically, the p-value represents the probability of error that is involved in accepting the observed result as valid, that is, as “representative of the population.” In many areas of research, the p-value of .05 is customarily treated as a "border-line acceptable" error level (Norusis, 2005).

Norusis (2005) emphasised that if the p-value is small enough (usually less than 0.05), the null hypothesis should be rejected. Traditionally, 0.05 is used as the threshold for “small enough,” although a more stringent criterion of 0.01 is also used. These criteria are called the significance levels or alpha levels for a statistical significance test. If the p-value is less than 0.05, then the results are said to be “statistically significant” at the 5% level.

#### **4.4 Potential Limitations to the Study**

Due to the depth of the potential to this research there are many limitations that have been identified.

The survey was sent to all suppliers from only one company. However, to preserve the suppliers' positions they may not have been willing to divulge their true feelings about the service received from the SSC.

Due to the fact the SSC is relatively new in Sasol (less than 5 years old) there may still be lingering relationships that exist from prior to the induction of the shared service design. It is possible that only once those relationships have dissipated, will the business feel the true effect of the SSC being the custodian of supplier relationships.

The study of psychological and social benefits is very difficult to quantify in that the benefits are often derived from informal conversations between buyer and seller. Due to the informal nature in which these buyers and sellers used to communicate, it makes it very difficult to measure the value that is lost.

This study tested the pre- and post-shared service impressions in the same survey. For future research, it is recommended that this be done at two separate dates.

# **CHAPTER 5: DISCUSSION OF RESEARCH RESULTS**

## **5.1 Introduction**

In the previous chapter, the research design was explained and the intended approach and methodology to be used to analyse the data was gathered. A quantitative research approach was chosen, with a small qualitative component used to test the validity and appropriateness of the questionnaire.

This chapter discusses the results for the quantitative research. The aim of this chapter is to answer the research question posed in Chapter 3. Observations are made regarding the most significant of the results.

The demographics and supplier names have been omitted from the study due to the sensitive nature of the information. More than 4000 surveys were disseminated to active Sasol suppliers. One hundred and forty responded to the survey, therefore approximately 3, 5% of the suppliers responded.

## **5.2 Phase 1 Results**

A total of five semi-structured interviews were conducted. The companies approached were petro-chemical, catering, process materials, civil and industrial goods companies.

The data that was gathered during the semi-structured interview phase were analysed for common themes or terminology that were cited by the different respondents. The analysis was initiated by capturing all the respondents' insights and comments. A raw data table was created so the data could be viewed to facilitate the extraction of the common themes that were identified.

The tabulated data was then examined for common themes or terminology that could be added to the questionnaire that was not already included. Confusion regarding the questionnaire's structure or terminology could be identified and this information was used to revise the questionnaire before it was used in the data collection phase. For example, there were no questions regarding the invoicing and payments aspect of shared service performance which was then supplemented as it was a common theme in the semi-structured interviews.



## 5.2.1 Phase 1 Semi-Structured Interview Responses

Below is the summary of the significant findings according to the respondents/suppliers from the qualitative semi-structured interviews. From these responses, the questionnaire was altered and the first three questions from the “General shared service” category of questionnaire were added to the finalised questionnaire and additions can be seen in Appendix 3.

### 5.2.1.1 Process Material Companies’ Responses

There have been numerous payment issues, since the introduction of the shared service (SS) *“The accounts receivables have climbed drastically.”* When there was a decentralised structure there was a long-term and established arrangement between the business units (BUs) and themselves. However suddenly that changed with the introduction of SS. For example, the supplier used to receive a budget for the stock they needed and would reconcile later based on the invoicing. However, the process now works on a consignment stock basis where the required stock needs to be stated up front, meaning that the supplier buffers everything to attempt to ensure they do not run out of stock. The problem is if the stock is limited, the supplier has to go through a long a tedious process to get more stock signed off which could have a negative effect on the business.

Invoicing in the decentralised business was handled in such a way that the supplier knew who handled their invoices and could easily phone and query payments. However, now there are many people in the shared service, and the suppliers struggle to track payments and therefore payments are generally late. According to the respondent *“Trust is built over five years”* so in the business units there were established buyer-supplier relationships with clear expectations. Shared service however has resulted in *“less personalised contact and that trust is not maintained.”* The respondents stated that there is no communication flow between themselves and the SS to be able to do the checks and balances to run an effective business. One respondent mentioned that the reason their company has managed through the communication problems is because *“We have an onsite presence so we able to maintain the old relationships.”*

### 5.2.1.2 Industrial Goods Company’s Responses

The respondent stated that in the decentralised model the people they dealt with understood the plants and processes. In the case of the SS they do not necessarily

have a grasp on the issues in either the BU or the supplier's business so they cannot fairly evaluate or manage supplier contracts. *"The relationship with BU allowed for the technical as well as commercial relationship."* According to the suppliers, if they were not on-site with easy access to the BU personnel a large part of the technical side would be lost. The supplier believed if they were not on site the relationship would be purely about price and volume. The fear from the supplier was expressed that the BU could lose good suppliers when evaluating on that context as they will miss the value they offer. In the case of emergencies when dealing with the BU, the suppliers knew many of the people in the specific department. Interacting with the SS means the suppliers know fewer people and when the time comes for urgent action the suppliers do not always know the people on the floor like they used to when it was decentralised.

*"Reduced contact with the BU would result in more safety stock being kept and higher working capital."* The supplier believed because there is less insight into the Sasol business as well as less informal communication with the people in the BU, and this concludes in the reduction in the passing of tacit knowledge. Dealing with one procurement advisor in the SS means when that person is on leave, times of crisis become more difficult to manage. *"There is a one way relationship with SS, the supplier always runs after the business not the other way around"*. The supplier believed that the suppliers could offer more meaningful services if the SS would consult them. According to the supplier *"When a relationship is built the supplier will jump through hoops to assist."*

### 5.2.1.3 Petro-Chemical Company's Responses

*"The supplier has lost contact with the people in the BU who use the products."* According to the supplier, in the past they could easily contact the correct people in the business who understood the business unit. *"But unfortunately the current contacts do not know what happens in the BU."*

*"Decisions would be made quickly when dealing directly with the BU."* The supplier believed that SS has slowed down decision making and made for cumbersome communication channels. The supplier stated that SS is less informed on the BUs so it is difficult for a solution to be designed for the business when the SS personnel who deal with them do not know the issues in the business unit. "Payment process is cumbersome"; the supplier mentioned that they cannot trace the problem solvers in SS like they could do in the business units.

Because of the invoicing issues caused by the SS model, the suppliers find they often have to block the accounts until the outstanding accounts are settled. The suppliers find that the responses from SS are slow and that could be *“because they do not understand the gravity of the situation affecting the BU.”* According to a supplier *“One size does not fit all”*, so shared service treating one supplier working for many BUs all at the same is not the answer. The supplier believes SS is confusing because some BUs have a fair amount of autonomy while with others, the SS is the starting point for all discussions. *“The communication channels are unclear”*

*“Lack of contact with the technical people in the business.”* The supplier believed there has been some loss in the understanding of total cost of ownership because when SS goes out and gets quotes for the goods or service the SS people are not familiar with all the additional value the supplier provides. With the point of contact being in SS and not the BU, the supplier considered *“there is less information sharing such as market trends or potential innovations that could assist the BU.”* According to the supplier *“the only time the SS people are seen is when they drop off tender documents, making it difficult to build up relationships.”* The supplier accepted that the communication and preparation for the role out for shared service was not done well. The supplier felt that when they want to produce new and innovative products they do not know who to speak to as the SS personnel do not understand the BU requirements very well. According to the supplier the SS design has, in some ways, made the supplying process more cumbersome. They say this because if there is a signed-off price escalation the BU is not able to make the changes on SAP but has to wait for SS to make the changes. This sometimes results in delayed payments to suppliers and in that case they often forced to block supply.

### **5.3 Descriptive Statistics**

Descriptive statistics simply describe the data. It provides the researcher with a ‘bird’s eye’ view of the data.

Each variable used in this study has been classified into two parts, which will be represented in two tables. The first table shows the descriptive statistics as well as the mean and skewness of each item from the questionnaire for the pre-shared service results. The second table shows the descriptive statistics as well as the mean and skewness of each item from the questionnaire for the post-shared service results.

The below two keys assist in understanding the tables that follow. The mean and skewness are demonstrated in the tables and further descriptive statistics such as the median, standard deviation and kurtosis can be found in Appendix 4.

**Table 4: Key for Description of Answers from Questionnaire**

<b>SD</b>	Strongly Disagree
<b>D</b>	Disagree
<b>SLD</b>	Slightly Disagree
<b>N</b>	Neutral
<b>SLA</b>	Slightly Agree
<b>A</b>	Agree
<b>SA</b>	Strongly Agree
<b>M</b>	Mean
<b>SK</b>	Skewness

**Table 5: Key for Description of Information**

<b>Q1</b>	Point of interest for further investigation, either an outlier or highest of lowest point in the data.
<b>Q2</b>	Yellow indicates question was reversed.
<b>Q3</b>	Red indicates the largest drop in mean score from pre-shared service to post-shared service.

### 5.3.1 Shared Service: General

The below questions and statements are related to general shared service queries and were taken from the following researchers: Murray, Rentell and Geere, 2008, Ulbrich, 2010, Janssen, Joha and Zuurmond, 2009, Farndale, Paauwe and Hoeksema, 2009, Ulbrich, 2006.

1. Payment issues are quickly dealt with.
2. Managing the receiving of payment is cumbersome.
3. Sorting out invoice issues is relatively simple.
4. I receive sufficient personalised contact.
5. Technical requirements are well understood.
6. Procurement personnel have sufficient knowledge on the business unit I am serving.
7. Innovative solutions I may have for a business unit problem are not well understood.

8. Procurement advisors understand the gravity of crisis situations affecting the different business units.

### 5.3.1.1 Pre-Shared Service (Shared Service General)

The below table is the consolidated responses from the suppliers when they were asked about the shared service general survey questions regarding the Sasol pre-shared service implementation.

**Table 6 Descriptive statistics, mean and skewness – Pre SSC General**

		SD	D	SLD	N	SLA	A	SA	Total	M	SK
<b>Q1</b>	Count	7	8	4	22	19	48	13	121	4.9	-1.0
	Row %	5.8%	6.6%	3.3%	18.2%	15.7%	39.7%	10.7%	100.0%		
<b>Q2</b>	Count	8	29	4	45	7	16	7	116	3.8	0.2
	Row %	6.9%	25.0%	3.4%	38.8%	6.0%	13.8%	6.0%	100.0%		
<b>Q3</b>	Count	6	30	4	27	14	27	11	119	4.2	-0.1
	Row %	5.0%	25.2%	3.4%	22.7%	11.8%	22.7%	9.2%	100.0%		
<b>Q4</b>	Count	18	10	9	8	18	43	24	130	4.7	-0.7
	Row %	13.8%	7.7%	6.9%	6.2%	13.8%	33.1%	18.5%	100.0%		
<b>Q5</b>	Count	4	5	6	31	14	46	12	118	5.0	-0.8
	Row %	3.4%	4.2%	5.1%	26.3%	11.9%	39.0%	10.2%	100.0%		
<b>Q6</b>	Count	8	11	8	27	9	45	11	119	4.7	-0.6
	Row %	6.7%	9.2%	6.7%	22.7%	7.6%	37.8%	9.2%	100.0%		
<b>Q7</b>	Count	15	13	6	17	18	41	7	117	4.4	-0.6
	Row %	12.8%	11.1%	5.1%	14.5%	15.4%	35.0%	6.0%	100.0%		
<b>Q8</b>	Count	3	6	6	19	13	52	19	118	5.2	-1.1
	Row %	2.5%	5.1%	5.1%	16.1%	11.0%	44.1%	16.1%	100.0%		

The lowest mean value and therefore the closest to a negative response for the above table was 3.8 and that was when the researcher asked the respondents if managing the receiving of payment was cumbersome. This question was reversed due to its negative sentiment compared to the positive sentiment of all other questions in the section. The highest mean value and the most favourable response was 5.2 which related to when the suppliers were asked if the procurement advisors understood the gravity of crisis situations affecting the different business units; 44.1% of suppliers “Agree” to that statement.

The above frequency table clearly indicates that the respondents’ answers to the questions have a negative skewness, indicating that that the questions were favourably answered. This shows a positive inclination towards the general questions associated with shared service. This is further supported by the fact that the majority of the

questions experienced a higher than average mean value. Since the 7-point likert scale used is divided into seven categories (strongly disagree, disagree, slightly disagree, neutral, slightly agree, agree and strongly agree) the middle category or value would be “4” which indicates a neutral response to the question. Most of the items scored higher than “4” suggesting an overall positive inclination to the general questions associated with shared service.

### 5.3.1.2 Post-Shared Service (Shared Service General)

**Table 7 Descriptive statistics, mean and skewness – Post SSC General**

		SD	D	SLD	N	SLA	A	SA	Total	M	SK
<b>Q1</b>	Count	19	13	4	19	15	41	10	121	4.3	-0.5
	Row %	15.7%	10.7%	3.3%	15.7%	12.4%	33.9%	8.3%	100.0%		
<b>Q2</b>	Count	7	24	5	45	10	14	11	116	4.0	0.1
	Row %	6.0%	20.7%	4.3%	38.8%	8.6%	12.1%	9.5%	100.0%		
<b>Q3</b>	Count	9	23	5	16	14	22	30	119	4.6	-0.3
	Row %	7.6%	19.3%	4.2%	13.4%	11.8%	18.5%	25.2%	100.0%		
<b>Q4</b>	Count	34	13	9	8	12	33	22	131	4.1	-0.2
	Row %	26.0%	9.9%	6.9%	6.1%	9.2%	25.2%	16.8%	100.0%		
<b>Q5</b>	Count	12	8	8	31	7	37	14	117	4.5	-0.5
	Row %	10.3%	6.8%	6.8%	26.5%	6.0%	31.6%	12.0%	100.0%		
<b>Q6</b>	Count	15	12	9	24	9	40	10	119	4.3	-0.4
	Row %	12.6%	10.1%	7.6%	20.2%	7.6%	33.6%	8.4%	100.0%		
<b>Q7</b>	Count	31	15	9	9	8	31	13	116	3.8	0.0
	Row %	26.7%	12.9%	7.8%	7.8%	6.9%	26.7%	11.2%	100.0%		
<b>Q8</b>	Count	7	11	10	16	10	46	17	117	4.9	-0.7
	Row %	6.0%	9.4%	8.5%	13.7%	8.5%	39.3%	14.5%	100.0%		

The lowest mean value and therefore the closest to a negative response for the above table was 3.8 and that was when the respondents were asked if their innovative solutions that they may have for a business unit problem is not well understood. This question was reversed due to its negative sentiment compared to the positive sentiment of all other questions in the section. The highest mean value and the most favourable response was 4.9 which was when the supplier was asked whether the procurement advisors understood the gravity of crisis situations affecting the different business units, 39.3% of suppliers “Agree” to that statement.

The above frequency table visibly indicates that the respondents’ answers to the questions have a negative skewness, indicating that that the questions were favourably answered. This demonstrates a positive inclination towards the general questions

associated with shared service. This is further supported by the fact that the majority of the questions experienced a higher than average mean value. Since the 7-point likert scale used is divided into seven categories (strongly disagree, disagree, slightly disagree, neutral, slightly agree, agree and strongly agree) the middle category or value would be “4” which indicates a neutral response to the question. Most of the items scored higher than “4” suggesting an overall positive inclination to the general questions associated with shared service.

The largest decline in mean score from pre-shared service to post-shared service was in question 1, when respondents were asked if payment issues are quickly dealt with.

### 5.3.2 Shared Service Disadvantages

The below questions and statements related to what some of the research suggests are “disadvantages” of shared service and were taken from the following researchers: Murray, Rentell and Geere, 2008, Ulbrich, 2010, Janssen, Joha and Zuurmond, 2009, Farndale, Paauwe and Hoeksema, 2009, Ulbrich, 2006.

1. I feel alienated from the end user in Sasol.
2. I feel Sasol is sufficiently reactive to me.
3. There have been longer response times to me as a supplier.
4. I believe the business has become innovative.
5. I perceive the service levels to be good.

The below table is the consolidated responses from the suppliers when they were asked the shared service disadvantages survey questions regarding Sasol pre-shared service implementation.

#### 5.3.2.1 Pre-Shared Service (Shared Service Disadvantages)

**Table 8 Descriptive statistics, mean and skewness – Pre SSC Disadvantages**

		SD	D	SLD	N	SLA	A	SA	Total	M	SK
<b>Q1</b>	Count	1	7	3	29	9	53	15	117	5.2	-0.9
	Row %	.9%	6.0%	2.6%	24.8%	7.7%	45.3%	12.8%	100.0%		
<b>Q2</b>	Count	21	34	9	34	6	20	6	130	3.4	0.3
	Row %	16.2%	26.2%	6.9%	26.2%	4.6%	15.4%	4.6%	100.0%		
<b>Q3</b>	Count	4	7	3	22	12	55	14	117	5.2	-1.1
	Row %	3.4%	6.0%	2.6%	18.8%	10.3%	47.0%	12.0%	100.0%		
<b>Q4</b>	Count	8	8	8	23	17	62	9	135	4.9	-1.0

Row %	5.9%	5.9%	5.9%	17.0%	12.6%	45.9%	6.7%	100.0%		
<b>Q5</b> Count	9	21	14	33	18	17	6	118	3.9	0.0
Row %	7.6%	17.8%	11.9%	28.0%	15.3%	14.4%	5.1%	100.0%		

The lowest mean value and therefore the closest to a negative response for the above table was 3.4 and that was when the respondents were asked if they felt Sasol is sufficiently reactive to them. The highest mean value and the most favourable response was 5.2 which was shared by two questions. The first of these questions asked whether the respondents felt alienated from the end user in Sasol and second, whether there had been longer response times to them as a supplier. These questions were both reversed, due to their negative sentiment compared to the positive sentiment of all other questions in the section. Therefore this indicates that the suppliers do not feel alienated from Sasol or that there are not any longer response times.

The above frequency table indicates that the respondents' answers to the questions have a negative skewness, indicating that that the questions were favourably answered. This means there was a positive inclination towards the disadvantages associated with shared service. This is further supported by the fact that the majority of the questions experienced a higher than average mean value. Since the 7-point likert scale used is divided into seven categories (strongly disagree, disagree, slightly disagree, neutral, slightly agree, agree and strongly agree) the middle value was "4" which indicates a neutral response to the question. Most of the items scored higher than "4" suggesting an overall positive inclination to the disadvantages associated with shared service.

### 5.3.2.2 Post-Shared Service (Shared Service Disadvantages)

**Table 9 Descriptive statistics, mean and skewness – Post SSC Disadvantages**

		SD	D	SLD	N	SLA	A	SA	Total	M	SK
<b>Q1</b>	Count	7	8	5	24	12	42	19	117		
	Row %	6.0%	6.8%	4.3%	20.5%	10.3%	35.9%	16.2%	100.0%	4.9	-0.8
<b>Q2</b>	Count	16	29	7	27	7	25	19	130		
	Row %	12.3%	22.3%	5.4%	20.8%	5.4%	19.2%	14.6%	100.0%	4.0	0.0
<b>Q3</b>	Count	12	12	9	21	10	38	16	118		
	Row %	10.2%	10.2%	7.6%	17.8%	8.5%	32.2%	13.6%	100.0%	4.6	-0.5
<b>Q4</b>	Count	17	19	15	18	11	41	14	135		
	Row %	12.6%	14.1%	11.1%	13.3%	8.1%	30.4%	10.4%	100.0%	4.2	-0.3
<b>Q5</b>	Count	9	22	5	22	14	30	17	119		
	Row %	7.6%	18.5%	4.2%	18.5%	11.8%	25.2%	14.3%	100.0%	4.4	-0.3



The lowest mean value and therefore the closest to a negative response for the above table was 4.0 and that was when the respondents were asked whether they felt Sasol was sufficiently reactive to them. The highest mean value and the most favourable response was 4.9 which was when they were asked whether they feel alienated from the end user in Sasol. This question was reversed due to its negative sentiment compared to the positive sentiment of all other questions in the section; therefore this indicates that the supplier does not feel alienated from the end user.

The above frequency table specifies that the respondents' answers to the questions have a negative skewness, indicating that the questions were favourably answered, therefore meaning a positive inclination towards the disadvantages associated with shared service. This was further supported by the fact that the majority of the questions experienced a higher than average mean value. Since the 7-point likert scale used was divided into seven categories (strongly disagree, disagree, slightly disagree, neutral, slightly agree, agree and strongly agree) the middle value was "4" which indicates a neutral response to the question. Most of the items scored higher than "4" suggesting an overall positive inclination to the disadvantages associated with shared service.

The most notable descent in mean score from pre-shared service to post-shared service was in question 4, when respondents were asked whether they believe the Sasol business has become innovative.

### **5.3.3 Shared Service Advantages**

The below questions are related to what some of the research suggests are "advantages" of shared service and were taken from the following researchers: Murray, Rentell and Geere, 2008, Ulbrich, 2010, Janssen, Joha and Zuurmond, 2009, Farndale, Paauwe and Hoeksema, 2009, Ulbrich, 2006.

1. My business has profited on possible economies of scale.
2. I have a one stop shop for all the business units I serve.
3. Sasol's procurement model has helped reduce my business costs.
4. I find that the Sasol procurement personnel are competent.
5. I find it simple to understand who manages my contract in Sasol.

### 5.3.3.1 Pre-Shared Service (Shared Service Advantages)

The below table is the consolidated responses from the suppliers when they were asked the shared service advantages survey questions regarding Sasol's pre-shared service implementation.

**Table 10 Descriptive statistics, mean and skewness – Pre SSC Advantages**

		SD	D	SLD	N	SLA	A	SA	Total	M	SK
<b>Q1</b>	Count	9	17	6	17	8	48	14	119	4.7	-0.6
	Row %	7.6%	14.3%	5.0%	14.3%	6.7%	40.3%	11.8%	100.0%		
<b>Q2</b>	Count	3	4	7	25	7	55	18	119	5.2	-1.0
	Row %	2.5%	3.4%	5.9%	21.0%	5.9%	46.2%	15.1%	100.0%		
<b>Q3</b>	Count	3	13	2	30	9	42	20	119	5.0	-0.7
	Row %	2.5%	10.9%	1.7%	25.2%	7.6%	35.3%	16.8%	100.0%		
<b>Q4</b>	Count	3	13	3	43	21	32	5	120	4.5	-0.5
	Row %	2.5%	10.8%	2.5%	35.8%	17.5%	26.7%	4.2%	100.0%		
<b>Q5</b>	Count	8	21	9	48	14	19	2	121	3.9	-0.1
	Row %	6.6%	17.4%	7.4%	39.7%	11.6%	15.7%	1.7%	100.0%		

The lowest mean value and therefore the closest to a negative response for the above table was 3.9 and that was when the respondents were asked if they find it simple to understand who manages their contract in Sasol. The highest mean value and the most favourable response was 5.2 which was when the supplier was asked if they have a one-stop-shop for all the business units they serve; 46.2% of suppliers "Agree" to that statement.

The above frequency table displays that the respondents' answers to the questions have a negative skewness, indicating that the questions were favourably answered. This denotes a positive inclination towards the advantages associated with shared service. This is further supported by the fact that the majority of the questions experienced a higher than average mean value. Since the 7-point likert scale used was divided into seven categories (strongly disagree, disagree, slightly disagree, neutral, slightly agree, agree and strongly agree) the middle category or value would be "4" which indicates a neutral response to the question. Most of the items scored higher than "4" suggesting an overall positive inclination to the advantages associated with shared service.

### 5.3.3.2 Post-Shared Service (Shared Service Advantages)

The below table is the consolidated responses from the suppliers when they were asked the shared service advantages survey questions regarding Sasol post the shared service implementation.

**Table 11 Descriptive statistics, mean and skewness – Post SSC Advantages**

		SD	D	SLD	N	SLA	A	SA	Total	M	SK
<b>Q1</b>	Count	25	16	8	14	7	37	12	119	4.0	-0.2
	Row %	21.0%	13.4%	6.7%	11.8%	5.9%	31.1%	10.1%	100.0%		
<b>Q2</b>	Count	9	9	8	20	9	48	15	118	4.8	-0.8
	Row %	7.6%	7.6%	6.8%	16.9%	7.6%	40.7%	12.7%	100.0%		
<b>Q3</b>	Count	8	10	1	27	8	37	26	117	5.0	-0.8
	Row %	6.8%	8.5%	.9%	23.1%	6.8%	31.6%	22.2%	100.0%		
<b>Q4</b>	Count	8	16	8	35	19	31	3	120	4.2	-0.4
	Row %	6.7%	13.3%	6.7%	29.2%	15.8%	25.8%	2.5%	100.0%		
<b>Q5</b>	Count	26	23	9	35	6	18	4	121	3.3	0.2
	Row %	21.5%	19.0%	7.4%	28.9%	5.0%	14.9%	3.3%	100.0%		

The lowest mean value and therefore the closest to a negative response for the above table was 3.3 and that was when the respondents were asked if they find it simple to understand who manages their contract in Sasol. The highest mean value and the most favourable response was 5.0 which was when the supplier was asked if Sasol's procurement model has helped them reduce their business costs; 31.26% of suppliers "Agree" and 22.2% "Strongly Agree" to that statement.

The above frequency table indicated that the respondents' answers to the questions have a negative skewness, representing that the questions were favourably answered, meaning a positive inclination towards the advantages associated with shared service. This is further supported by the fact that the majority of the questions experienced a higher than average mean value. Since the 7-point likert scale used is divided into seven categories (strongly disagree, disagree, slightly disagree, neutral, slightly agree, agree and strongly agree) the middle would be "4" which indicates a neutral response to the question. Most of the items scored higher than "4" suggesting an overall positive inclination to the advantages associated with shared service.

The largest decline in mean score from pre-shared service to post-shared service was in question 1, asking if their business has profited on possible economies of scale due to shared service.

### 5.3.4 Trust

#### 5.3.4.1 Pre-shared service (Trust)

The below questions are related to the trust element of relationship quality and were taken from the following researchers: Walter, Müller, Helfert and Ritter, 2003, Choo, Jung and Chung, 2009, Ulaga and Eggert, 2006, B. Fynes, de Búrca and Mangan, 2008, Huntley, 2006, Liu, Li and Zhang, 2010, Chang, Cheng and Wu, 2012.

1. I can count on Sasol to keep their promises made to my firm.
2. I have a friend-like relationship with Sasol.
3. Sasol is genuinely concerned that my business succeeds.
4. Sasol considers my welfare as well as its own when making important decisions.
5. I can be open in my discussions with Sasol.
6. Sasol can be relied on to keep its promises.

The below table is the consolidated responses from the suppliers when they were asked the trust survey questions regarding Sasol's pre-shared service implementation.

**Table 12 Descriptive statistics, mean and skewness – Pre SSC Trust**

		SD	D	SLD	N	SLA	A	SA	Total	M	SK
<b>Q1</b>	Count	3	5	3	18	11	50	28	118	5.5	-1.2
	Row %	2.5%	4.2%	2.5%	15.3%	9.3%	42.4%	23.7%	100.0%		
<b>Q2</b>	Count	6	8	6	12	16	59	24	131	5.3	-1.2
	Row %	4.6%	6.1%	4.6%	9.2%	12.2%	45.0%	18.3%	100.0%		
<b>Q3</b>	Count	8	16	4	27	14	41	10	120	4.6	-0.6
	Row %	6.7%	13.3%	3.3%	22.5%	11.7%	34.2%	8.3%	100.0%		
<b>Q4</b>	Count	6	11	1	19	13	55	14	119	5.0	-1.1
	Row %	5.0%	9.2%	.8%	16.0%	10.9%	46.2%	11.8%	100.0%		
<b>Q5</b>	Count	10	8	10	36	18	40	15	137	4.6	-0.6
	Row %	7.3%	5.8%	7.3%	26.3%	13.1%	29.2%	10.9%	100.0%		
<b>Q6</b>	Count	9	15	3	40	13	33	6	119	4.3	-0.4
	Row %	7.6%	12.6%	2.5%	33.6%	10.9%	27.7%	5.0%	100.0%		

The lowest mean value and therefore the closest to a negative response for the above table was 4.3 when the respondents were asked if Sasol can be relied on to keep its promises. The highest mean value and the most favourable response was 5.5 when the supplier was asked if they can count on Sasol to keep their promises made to their firm; 42.4% of suppliers "Agree" and 23.7% "Strongly Agree" to that statement.

The above frequency table indicates that the respondents' answers to the questions have a negative skewness, indicating that that the questions were favourably answered. This denotes a positive inclination towards trust in their relationship. This is further supported by the fact that the majority of the questions experienced a higher than average mean value. Since the 7-point likert scale used, is divided into seven categories (strongly disagree, disagree, slightly disagree, neutral, slightly agree, agree and strongly agree) the middle value would be "4" which indicates a neutral response to the question. Most of the items scored higher than "4" suggesting an overall positive inclination towards trust in their relationship.

#### 5.3.4.2 Post-Shared Service (Trust)

The below table is the consolidated responses from the suppliers when they were asked the trust survey questions regarding Sasol post the shared service implementation.

**Table 13 Descriptive statistics, mean and skewness – Post SSC Trust**

		SD	D	SLD	N	SLA	A	SA	Total	M	SK
<b>Q1</b>	Count	6	8	5	18	9	46	26	118	5.2	-1.0
	Row %	5.1%	6.8%	4.2%	15.3%	7.6%	39.0%	22.0%	100.0%		
<b>Q2</b>	Count	17	15	11	12	12	41	21	129	4.5	-0.5
	Row %	13.2%	11.6%	8.5%	9.3%	9.3%	31.8%	16.3%	100.0%		
<b>Q3</b>	Count	15	21	6	26	13	29	10	120	4.1	-0.2
	Row %	12.5%	17.5%	5.0%	21.7%	10.8%	24.2%	8.3%	100.0%		
<b>Q4</b>	Count	12	16	9	18	7	43	14	119	4.5	-0.5
	Row %	10.1%	13.4%	7.6%	15.1%	5.9%	36.1%	11.8%	100.0%		
<b>Q5</b>	Count	19	22	8	28	8	41	12	138	4.1	-0.2
	Row %	13.8%	15.9%	5.8%	20.3%	5.8%	29.7%	8.7%	100.0%		
<b>Q6</b>	Count	20	22	7	34	5	25	6	119	3.7	0.1
	Row %	16.8%	18.5%	5.9%	28.6%	4.2%	21.0%	5.0%	100.0%		

The lowest mean value and therefore the closest to a negative response for the above table was 3.7 and that was when the suppliers were asked whether Sasol can be relied on to keep its promises. The highest mean value and the most favourable response was 5.2 which was when the suppliers were asked if they can count on Sasol to keep their promises made to their firm; 39% of suppliers "Agree" and 22% "Strongly Agree" to that statement.

The above frequency table demonstrates that the respondents' answers to the questions have a negative skewness, indicating that that the questions were favourably

answered, meaning a positive inclination towards trust in their relationship. This is further supported by the fact that the majority of the questions experienced a higher than average mean value. Since the 7-point likert scale used was divided into seven categories (strongly disagree, disagree, slightly disagree, neutral, slightly agree, agree and strongly agree) the middle value would be “4” which indicates a neutral response to the question. Most of the items scored higher than “4” suggesting an overall positive inclination to trust in the relationship.

The largest descent in mean score from pre-shared service to post shared service was in question 2, when the suppliers were asked if they have a friend-like relationship with Sasol.

### 5.3.5 Commitment

The below questions are related to the commitment element of relationship quality and were taken from the following researchers: Walter et al., 2003, Ulaga and Eggert, 2006, B. Fynes et al., 2005, Huntley, 2006, Liu et al., 2010, Caceres and Paparoidamis, 2007, Chang et al., 2012.

1. Sasol puts the long term cooperation with my business before short term profits.
2. My relationship with Sasol deserves my business’s maximum effort to maintain.
3. The relationship that my business has with Sasol is something I am very committed to.
4. My business is willing to invest considerable effort in maintaining my relationship with Sasol.
5. I would defend Sasol in front of other colleagues and external partners.
6. My relationship with Sasol is something I really care about.

The below table is the consolidated responses from the suppliers when they were asked the commitment survey questions regarding Sasol’s pre-shared service implementation.

#### 5.3.5.1 Pre-Shared Service (Commitment)

**Table 14: Descriptive statistics, mean and skewness – Pre SSC Commitment**

SD	D	SLD	N	SLA	A	SA	Total	M	SK
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<b>Q1</b>	Count	2	2	2	21	4	51	35	117	5.7	-1.3
	Row %	1.7%	1.7%	1.7%	17.9%	3.4%	43.6%	29.9%	100.0%		
<b>Q2</b>	Count	2	1	1	12	3	39	59	117	6.1	-2.0
	Row %	1.7%	.9%	.9%	10.3%	2.6%	33.3%	50.4%	100.0%		
<b>Q3</b>	Count	4	5	3	22	8	52	39	133	5.5	-1.3
	Row %	3.0%	3.8%	2.3%	16.5%	6.0%	39.1%	29.3%	100.0%		
<b>Q4</b>	Count	0	2	0	9	3	41	75	130	6.4	-2.1
	Row %	0.0%	1.5%	0.0%	6.9%	2.3%	31.5%	57.7%	100.0%		
<b>Q5</b>	Count	12	17	7	30	22	41	8	137	4.4	-0.5
	Row %	8.8%	12.4%	5.1%	21.9%	16.1%	29.9%	5.8%	100.0%		
<b>Q6</b>	Count	1	0	1	7	2	47	61	119	6.3	-2.4
	Row %	.8%	0.0%	.8%	5.9%	1.7%	39.5%	51.3%	100.0%		

The lowest mean value and therefore the closest to a negative response for the above table was 4.4, and that was when the respondents were asked if they would defend Sasol in front of other colleagues and external partners. The highest mean value and the most favourable response was when asking if the supplier would invest considerable effort to maintain their relationship with Sasol; 57.7% of respondents strongly “Agree” to that statement.

The above frequency table plainly specifies that the respondents’ answers to the questions have a negative skewness, indicating that that the questions were favourably answered meaning a positive inclination towards commitment. This is further supported by the fact that the majority of the questions experienced a higher than average mean value. Since the 7-point likert scale used was divided into seven categories (strongly disagree, disagree, slightly disagree, neutral, slightly agree, agree and strongly agree) the middle value would be “4” which indicates a neutral response to the question. All of the items scored higher than “4” suggesting an overall positive inclination to commitment.

#### 5.3.5.2 Post-Shared Service (Commitment)

The below table is the consolidated responses from the suppliers when they were asked the commitment survey questions regarding Sasol’s post-shared service implementation.

**Table 15 Descriptive statistics, mean and skewness – Post SSC Commitment**

		<b>SD</b>	<b>D</b>	<b>SLD</b>	<b>N</b>	<b>SLA</b>	<b>A</b>	<b>SA</b>	<b>Total</b>	<b>M</b>	<b>SK</b>
<b>Q1</b>	Count	4	5	4	21	3	44	36	<b>117</b>	5.5	-1.2
	Row %	3%	4%	3%	18%	3%	38%	31%	<b>100%</b>		

<b>Q2</b>	Count	2	2	2	14	2	34	61	<b>117</b>	6.1	-1.8
	Row %	2%	2%	2%	12%	2%	29%	52%	<b>100%</b>		
<b>Q3</b>	Count	5	10	2	17	5	50	43	<b>132</b>	5.5	-1.3
	Row %	4%	8%	2%	13%	4%	38%	33%	<b>100%</b>		
<b>Q4</b>	Count	2	6	0	11	3	28	81	<b>131</b>	6.2	-2.0
	Row %	2%	5%	0%	8%	2%	21%	62%	<b>100%</b>		
<b>Q5</b>	Count	18	28	12	21	11	38	10	<b>138</b>	4.0	-0.1
	Row %	13%	20%	9%	15%	8%	28%	7%	<b>100%</b>		
<b>Q6</b>	Count	2	0	3	10	2	33	69	<b>119</b>	6.2	-2.1
	Row %	2%	0%	3%	8%	2%	28%	58%	<b>100%</b>		

The lowest mean value and therefore the closest to a negative response for the above table was 4.0 and that was when the respondents were asked if they would defend Sasol in front of other colleagues and external partners. This value falls exactly at a “Neutral” response which is “4”. The highest mean value and the most favourable response of 6.2 was shared between the questions asking whether the supplier would invest considerable effort to maintain their relationship with Sasol with 62% of respondents who strongly “Agree” to that statement. The second question with the mean score of 6.2 asked if the relationship with Sasol was something the supplier cares a great deal about with 58% of respondents who “Strongly Agree” to that statement.

The above frequency table clearly indicates that the respondents’ answers to the questions have a negative skewness, indicating that that the questions were favourably answered. This denotes a positive inclination towards commitment. This is further supported by the fact that the majority of the questions experienced a higher than average mean value. Since the 7-point likert scale used was divided into seven categories (strongly disagree, disagree, slightly disagree, neutral, slightly agree, agree and strongly agree) the middle value would be “4” which indicates a neutral response to the question. All of the items scored higher than “4” suggesting an overall positive inclination to commitment.

The most significant decrease in mean score from pre-shared service to post-shared service was in question 5 that asked if the supplier would defend Sasol in front of colleagues or partners.



### 5.3.6 Satisfaction

#### 5.3.6.1 Pre-shared service (Satisfaction)

The below questions are related to the satisfaction element of relationship quality and were taken from the following researchers: Walter et al., 2003, Choo et al., 2009, Ulaga and Eggert, 2006, B. Fynes, Voss and de Búrca, 2005..

1. Compared to my expectations, I am very satisfied with Sasol as a customer.
2. I expect this relationship with Sasol will lead to increasing sales and profits in the future.
3. I am satisfied with the cooperation we get from Sasol.
4. It is pleasant to be in a partnership with Sasol.
5. My business regrets the decision to do business with Sasol.
6. Frequency of complaints about Sasol as a customer is low.

The below table contains the consolidated responses from the suppliers when they were asked the satisfaction survey questions regarding Sasol's pre- shared service implementation.

**Table 16 Descriptive statistics, mean and skewness – Pre SSC Satisfaction**

		SD	D	SLD	N	SLA	A	SA	Total	M	SK
<b>Q1</b>	Count	5	6	5	20	13	53	27	129	5.3	-1.1
	Row %	3.9%	4.7%	3.9%	15.5%	10.1%	41.1%	20.9%	100.0%		
<b>Q2</b>	Count	3	11	6	30	8	49	11	118	4.9	-0.7
	Row %	2.5%	9.3%	5.1%	25.4%	6.8%	41.5%	9.3%	100.0%		
<b>Q3</b>	Count	4	6	3	19	15	60	12	119	5.2	-1.3
	Row %	3.4%	5.0%	2.5%	16.0%	12.6%	50.4%	10.1%	100.0%		
<b>Q4</b>	Count	1	8	1	23	13	66	17	129	5.4	-1.2
	Row %	.8%	6.2%	.8%	17.8%	10.1%	51.2%	13.2%	100.0%		
<b>Q5</b>	Count	3	2	6	14	8	53	30	116	5.6	-1.4
	Row %	2.6%	1.7%	5.2%	12.1%	6.9%	45.7%	25.9%	100.0%		
<b>Q6</b>	Count	67	27	2	15	2	2	4	119	2.0	1.8
	Row %	56.3%	22.7%	1.7%	12.6%	1.7%	1.7%	3.4%	100.0%		

The lowest mean value and therefore the closest to a negative response for the above table was 2.0, which is the lowest result for all questions in the survey and that was when the respondents were asked whether the frequency of complaints about Sasol as a customer is low. The highest mean value and the most favourable response was 5.6 and was received from the answer to the question that asked the respondents if the supplying business regrets the decision to do business with Sasol. This question was

reversed so the answers were all in the same direction. Therefore this indicates that the suppliers do not regret doing business with Sasol and 45.7% of suppliers “Agree” and 22.7% “Strongly Agree” with this statement.

The above frequency table clearly indicates that the respondents’ answers to the questions have a negative skewness, indicating that that the questions were favourably answered meaning a positive inclination towards being satisfied with the relationship. This is further supported by the fact that the majority of the questions experienced a higher than average mean value. Since the 7-point likert scale used is divided into seven categories (strongly disagree, disagree, slightly disagree, neutral, slightly agree, agree and strongly agree) the middle category would be “4” which indicates a neutral response to the question. Five of the items scored higher than “4” suggesting an overall positive inclination towards being satisfied with the relationship.

### 5.3.6.2 Post-Shared Service (Satisfaction)

The below table is the consolidated responses from the suppliers when they were asked the satisfaction survey questions regarding Sasol post the shared service implementation.

**Table 17 Descriptive statistics, mean and skewness – Post SSC Satisfaction**

		SD	D	SLD	N	SLA	A	SA	Total	M	SK
<b>Q1</b>	Count	12	13	8	21	16	31	29	130	4.7	-0.6
	Row %	9.2%	10.0%	6.2%	16.2%	12.3%	23.8%	22.3%	100.0%		
<b>Q2</b>	Count	10	13	8	24	5	45	12	117	4.6	-0.6
	Row %	8.5%	11.1%	6.8%	20.5%	4.3%	38.5%	10.3%	100.0%		
<b>Q3</b>	Count	12	10	10	12	15	47	11	117	4.6	-0.7
	Row %	10.3%	8.5%	8.5%	10.3%	12.8%	40.2%	9.4%	100.0%		
<b>Q4</b>	Count	6	14	4	26	12	46	21	129	4.9	-0.7
	Row %	4.7%	10.9%	3.1%	20.2%	9.3%	35.7%	16.3%	100.0%		
<b>Q5</b>	Count	8	1	11	15	7	41	32	115	5.3	-1.1
	Row %	7.0%	.9%	9.6%	13.0%	6.1%	35.7%	27.8%	100.0%		
<b>Q6</b>	Count	68	27	1	12	4	4	3	119	2.0	1.7
	Row %	57.1%	22.7%	.8%	10.1%	3.4%	3.4%	2.5%	100.0%		

The lowest mean value and therefore the closest to a negative response for the above table was 2.0 which is the lowest result for all questions in the survey and that was when the respondents were asked if the frequency of complaints about Sasol as a customer is low. The highest mean value and the most favourable response was 5.3 which was when the respondents were asked if the supplying business regrets the

decision to do business with Sasol. This question was reversed due to its negative sentiment compared to the positive sentiment of all other questions in the section. Therefore, this indicates that the supplier does not regret doing business with Sasol and 35.7% of suppliers “Agree” and 27.8% “Strongly Agree” with this statement.

The above frequency table demonstrates that the respondents’ answers to the questions have a negative skewness, indicating that the questions were favourably answered, meaning a positive inclination towards being satisfied with the relationship. This is further supported by the fact that the majority of the questions experienced a higher than average mean value. Since the 7-point likert scale used was divided into seven categories (strongly disagree, disagree, slightly disagree, neutral, slightly agree, agree and strongly agree) the middle value would be “4” which indicates a neutral response to the question. Five of the items scored higher than “4” suggesting an overall positive inclination towards being satisfied with the relationship.

The largest descent in mean score from pre-shared service to post shared service was in question 1, when the respondents were asked if, compared to the supplier’s expectations, they are very satisfied with Sasol as a customer.

### **5.3.7 Functional Benefits**

The below questions are related to the functional benefits of a relationship and were taken from Sweeney and Webb (2007).

1. Having a relationship with Sasol enables me to become more competitive in the market.
2. My business is able to capitalise on the value Sasol offers.
3. My relationship with Sasol enables me to enhance financial outcomes.
4. Sasol and my organisation complement each other in terms of expertise.
5. My relationship with Sasol enables me to proactively identify opportunities.

#### *5.3.7.1 Pre-shared service (Functional)*

The below table is the consolidated responses from the suppliers when they were asked the functional benefits survey questions regarding Sasol’s pre-shared service implementation.

**Table 18 Descriptive statistics, mean and skewness – Pre SSC Functional**

		SD	D	SLD	N	SLA	A	SA	Total	M	SK
<b>Q1</b>	Count	3	5	6	33	8	45	18	118	5.1	-0.7
	Row %	2.5%	4.2%	5.1%	28.0%	6.8%	38.1%	15.3%	100.0%		
<b>Q2</b>	Count	7	4	3	35	10	55	8	122	4.9	-1.0
	Row %	5.7%	3.3%	2.5%	28.7%	8.2%	45.1%	6.6%	100.0%		
<b>Q3</b>	Count	5	12	2	30	10	52	17	128	5.0	-0.8
	Row %	3.9%	9.4%	1.6%	23.4%	7.8%	40.6%	13.3%	100.0%		
<b>Q4</b>	Count	4	12	3	34	12	54	11	130	4.9	-0.8
	Row %	3.1%	9.2%	2.3%	26.2%	9.2%	41.5%	8.5%	100.0%		
<b>Q5</b>	Count	3	8	1	23	12	55	16	118	5.2	-1.1
	Row %	2.5%	6.8%	.8%	19.5%	10.2%	46.6%	13.6%	100.0%		

The lowest mean value and therefore the closest to a negative response for the above table was shared at 4.9 and that was when the respondents were asked if their businesses were able to capitalise on the value Sasol offers. The second question was if Sasol and the supplying organisation complement each other in terms of expertise. The highest mean value and the most favourable response was 5.2 when the respondents were asked the supplier if the relationship with Sasol enables them to proactively identify opportunities; 46.6% of respondents “Agree” to that statement.

The above frequency table indicates that the respondents’ answers to the questions have a negative skewness, indicating that that the questions were favourably answered, meaning a positive inclination towards the functional benefits of the relationship. This is further supported by the fact that the majority of the questions experienced a higher than average mean value. Since the 7-point likert scale used was divided into seven categories (strongly disagree, disagree, slightly disagree, neutral, slightly agree, agree and strongly agree) the middle category would be “4” which indicates a neutral response to the question. All the items scored higher than “4” suggesting an overall positive inclination to the functional benefits of the relationship.

#### 5.3.7.2 Post-Shared Service (Functional)

The below table is the consolidated responses from the suppliers when they were asked the functional benefits survey questions regarding Sasol’s post-shared service implementation.

**Table 19 Descriptive statistics, mean and skewness – Post SSC Functional**

		SD	D	SLD	N	SLA	A	SA	Total	M	SK
<b>Q1</b>	Count	6	10	6	32	5	37	21	117	4.8	1.8
	Row %	5.1%	8.5%	5.1%	27.4%	4.3%	31.6%	17.9%	100.0%		
<b>Q2</b>	Count	12	13	4	31	7	47	8	122	4.5	1.8
	Row %	9.8%	10.7%	3.3%	25.4%	5.7%	38.5%	6.6%	100.0%		
<b>Q3</b>	Count	15	18	5	26	6	43	17	130	4.4	2.0
	Row %	11.5%	13.8%	3.8%	20.0%	4.6%	33.1%	13.1%	100.0%		
<b>Q4</b>	Count	13	14	7	32	12	40	13	131	4.4	1.8
	Row %	9.9%	10.7%	5.3%	24.4%	9.2%	30.5%	9.9%	100.0%		
<b>Q5</b>	Count	5	10	1	27	8	47	19	117	5.1	1.7
	Row %	4.3%	8.5%	.9%	23.1%	6.8%	40.2%	16.2%	100.0%		

The lowest mean value and therefore the closest to a negative response for the above table was shared at 4.4 and that was when the respondents were asked if their relationship with Sasol enabled them to enhance financial outcomes as a result of the relationship, with a 33.1% of respondents “Agree” to that statement.. The second question asked if Sasol and the supplying organisation complement each other in terms of expertise, with 30.5% of respondents who “Agree” to that statement. The highest mean value and the most favourable response was 5.1 when they were asked if the relationship with Sasol enables them to proactively identify opportunities; 40.2% of respondents “Agree” to that statement.

The above frequency table indicates that the respondents’ answers to the questions have a negative skewness, indicating that that the questions were favourably answered. This signifies a positive inclination towards the functional benefits of the relationship. This is further supported by the fact that the majority of the questions experienced a higher than average mean value. Since the 7-point likert scale used was divided into seven categories (strongly disagree, disagree, slightly disagree, neutral, slightly agree, agree and strongly agree) the middle category or value would be “4” which indicates a neutral response to the question. All the items scored higher than “4” suggesting an overall positive inclination to the functional benefits of the relationship.

The most notable decline in mean score from pre-shared service to post-shared service was in question 5, asking if the supplier’s relationship with Sasol enables them to enhance financial outcomes as a result of the relationship.

### 5.3.8 Psychological Benefits

The below questions are related to the psychological benefits of a relationship and were taken from Sweeney and Webb (2007).

1. I have peace of mind dealing with Sasol.
2. I trust Sasol.
3. I know what to expect of/from Sasol.
4. If Sasol gives me their word, I know that whatever it is, it will be done.
5. There is a real sense of understanding between Sasol and my organisation.

#### 5.3.8.1 Pre Shared Service (Psychological)

The below table is the consolidated responses from the suppliers when they were asked the psychological benefits survey questions regarding Sasol's pre-shared service implementation.

**Table 20 Descriptive statistics, mean and skewness – Pre SSC Psychological**

		SD	D	SLD	N	SLA	A	SA	Total	M	SK
<b>Q1</b>	Count	4	9	4	13	9	51	28	118	5.4	-1.2
	Row %	3.4%	7.6%	3.4%	11.0%	7.6%	43.2%	23.7%	100.0%		
<b>Q2</b>	Count	2	4	2	17	13	69	12	119	5.4	-1.5
	Row %	1.7%	3.4%	1.7%	14.3%	10.9%	58.0%	10.1%	100.0%		
<b>Q3</b>	Count	5	1	4	24	8	48	29	119	5.4	-1.2
	Row %	4.2%	.8%	3.4%	20.2%	6.7%	40.3%	24.4%	100.0%		
<b>Q4</b>	Count	10	13	12	19	13	44	24	135	4.8	-0.6
	Row %	7.4%	9.6%	8.9%	14.1%	9.6%	32.6%	17.8%	100.0%		
<b>Q5</b>	Count	3	8	4	21	16	49	16	117	5.1	-1.0
	Row %	2.6%	6.8%	3.4%	17.9%	13.7%	41.9%	13.7%	100.0%		

The lowest mean value and therefore the closest to a negative response for the above table was 4.8 and that was when the respondents were asked that if Sasol gives them their word, that they know that whatever it is, it will be done. The highest mean value and the most favourable response was 5.4 which was shared by three questions. The first question asked the supplier if they can trust Sasol and second, if they have peace of mind when dealing with Sasol and lastly, if the respondents know what to expect from Sasol when working with them. All questions had above 40% of respondents "Agree" to the statements.

The above frequency table noticeably designates that the respondents' answers to the questions have a negative skewness, indicating that that the questions were favourably answered which signified a positive inclination towards the psychological benefits of the relationship. This is further supported by the fact that the majority of the questions experienced a higher than average mean value. Since the 7-point likert scale used was divided into seven categories (strongly disagree, disagree, slightly disagree, neutral, slightly agree, agree and strongly agree) the middle category would be "4" which indicates a neutral response to the question. All of the items scored higher than "4" that suggested an overall positive inclination to the psychological benefits of the relationship.

### 5.3.8.2 Post-Shared Service (Psychological)

The below table is the consolidated responses from the suppliers when they were asked the psychological benefits survey questions regarding Sasol's post-shared service implementation.

**Table 21 Descriptive statistics, mean and skewness – Post SSC Psychological**

		SD	D	SLD	N	SLA	A	SA	Total	M	SK
<b>Q1</b>	Count	9	8	8	18	9	36	30	118	5.0	-0.8
	Row %	7.6%	6.8%	6.8%	15.3%	7.6%	30.5%	25.4%	100.0%		
<b>Q2</b>	Count	7	11	4	15	14	55	13	119	5.0	-0.8
	Row %	5.9%	9.2%	3.4%	12.6%	11.8%	46.2%	10.9%	100.0%		
<b>Q3</b>	Count	7	5	6	26	10	41	24	119	5.1	-0.9
	Row %	5.9%	4.2%	5.0%	21.8%	8.4%	34.5%	20.2%	100.0%		
<b>Q4</b>	Count	17	23	11	15	14	32	22	134	4.3	-0.2
	Row %	12.7%	17.2%	8.2%	11.2%	10.4%	23.9%	16.4%	100.0%		
<b>Q5</b>	Count	8	13	6	18	16	40	15	116	4.7	-0.7
	Row %	6.9%	11.2%	5.2%	15.5%	13.8%	34.5%	12.9%	100.0%		

The lowest mean value and therefore the closest to a negative response for the above table was 4.3 and that was when the respondents were asked if Sasol gives their word, the supplier knows that whatever it is, it will be done. The highest mean value and the most favourable response was 5.1, stating the supplier knows what to expect from/of Sasol with 34.5% of respondents who "Agree" to that statement

The above frequency table indicates that the respondents' answers to the questions have a negative skewness, indicating that that the questions were favourably answered meaning a positive inclination towards the psychological benefits of the relationship. This is further supported by the fact that the majority of the questions experienced a

higher than average mean value. Since the 7-point likert scale used was divided into seven categories (strongly disagree, disagree, slightly disagree, neutral, slightly agree, agree and strongly agree) the middle category would be “4” which indicates a neutral response to the question. All of the items scored higher than “4” suggesting an overall positive inclination towards the psychological benefits of the relationship.

The largest decline in mean score from pre-shared service to post-shared service was in question 4 that asked if Sasol gives the supplier their word that they know that whatever it is, it will be done.

### 5.3.9 Social Benefits

The below questions are related to the social benefits of a relationship and were taken from Sweeney and Webb (2007).

1. My relationship with Sasol goes beyond just business.
2. I have a built a real relationship with Sasol.
3. I work on things together with Sasol.
4. My relationship with Sasol enables me to share and enable solutions to problems.
5. I would call on Sasol if I had a problem.

#### 5.3.9.1 Pre-Shared Service (Social)

The below table describes the consolidated responses from the suppliers when they were asked the social benefits survey questions regarding Sasol’s pre-shared service implementation.

**Table 22 Descriptive statistics, mean and skewness – Pre SSC Social**

		SD	D	SLD	N	SLA	A	SA	Total	M	SK
<b>Q1</b>	Count	1	2	4	13	15	65	30	130	5.7	-1.4
	Row %	.8%	1.5%	3.1%	10.0%	11.5%	50.0%	23.1%	100.0%		
<b>Q2</b>	Count	2	5	2	16	15	60	17	117	5.4	-1.4
	Row %	1.7%	4.3%	1.7%	13.7%	12.8%	51.3%	14.5%	100.0%		
<b>Q3</b>	Count	5	8	1	28	11	59	18	130	5.2	-1.1
	Row %	3.8%	6.2%	.8%	21.5%	8.5%	45.4%	13.8%	100.0%		
<b>Q4</b>	Count	6	8	3	25	11	63	16	132	5.1	-1.1
	Row %	4.5%	6.1%	2.3%	18.9%	8.3%	47.7%	12.1%	100.0%		
<b>Q5</b>	Count	11	20	2	35	8	43	11	130	4.4	-0.4
	Row %	8.5%	15.4%	1.5%	26.9%	6.2%	33.1%	8.5%	100.0%		



The lowest mean value and therefore the closest to a negative response for the above table was 4.4 and that was when the respondents were asked if they would call on Sasol if they had a problem. The highest mean value and the most favourable response was 5.7 which was when the supplier was asked if their relationship with Sasol goes beyond just business, 50% of suppliers “Agree” and 23.1% “Strongly Agree” to that statement.

The above frequency table clearly indicates that the respondents’ answers to the questions have a negative skewness, indicating that that the questions were favourably answered, denoting a positive inclination towards the social benefits of the relationship. This is further supported by the fact that the majority of the questions experienced a higher than average mean value. Since the 7-point likert scale used was divided into seven categories (strongly disagree, disagree, slightly disagree, neutral, slightly agree, agree and strongly agree) the middle value would be “4” which indicates a neutral response to the question. Most of the items scored higher than “4”, suggesting an overall positive inclination to the social benefits of the relationship.

#### 5.3.9.2 Post-shared service (Social)

The below table shares the consolidated responses from the suppliers when they were asked the social benefits survey questions regarding Sasol’s post-shared service implementation.

**Table 23 Descriptive statistics, mean and skewness – Post SSC Social**

		SD	D	SLD	N	SLA	A	SA	Total	M	SK
<b>Q1</b>	Count	7	13	6	13	17	43	31	130	5.1	-0.9
	Row %	5.4%	10.0%	4.6%	10.0%	13.1%	33.1%	23.8%	100.0%		
<b>Q2</b>	Count	7	9	4	16	14	48	20	118	5.1	-1.0
	Row %	5.9%	7.6%	3.4%	13.6%	11.9%	40.7%	16.9%	100.0%		
<b>Q3</b>	Count	13	9	2	25	9	53	20	131	4.9	-0.9
	Row %	9.9%	6.9%	1.5%	19.1%	6.9%	40.5%	15.3%	100.0%		
<b>Q4</b>	Count	14	14	4	23	6	50	21	132	4.7	-0.7
	Row %	10.6%	10.6%	3.0%	17.4%	4.5%	37.9%	15.9%	100.0%		
<b>Q5</b>	Count	18	20	2	32	6	39	14	131	4.2	-0.3
	Row %	13.7%	15.3%	1.5%	24.4%	4.6%	29.8%	10.7%	100.0%		

The lowest mean value and therefore the closest to a negative response for the above table was 4.2 and that was the suppliers were asked if they would call on Sasol if they had a problem. The highest mean value and the most favourable response was shared by two questions with a mean of 5.1. The first question was when the supplier was

asked if their relationship with Sasol goes beyond just business and second question was if the supplier has built a real relationship with Sasol.

The above frequency table demonstrates that the respondents' answers to the questions have a negative skewness, signifying that the questions were favourably answered which means a positive inclination towards the social benefits of the relationship. This is further supported by the fact that the majority of the questions experienced a higher than average mean value. Since the 7-point likert scale used was divided into seven categories (strongly disagree, disagree, slightly disagree, neutral, slightly agree, agree and strongly agree) the middle category or value would be "4" which indicates a neutral response to the question. Most of the items scored higher than "4" suggesting an overall positive inclination to the social benefits of the relationship.

The largest decline in mean score from pre-shared service to post shared service was in question 1, when the respondents were asked if their relationship with Sasol goes beyond just business.

#### **5.4 Pre-Shared Service vs Post-Shared Service Testing**

The below table summarises the descriptive statistics for each dimension from pre-shared service to post-shared service. This allows for the easy comparison between the dimensions. What is noticeable is that the mean scores for every dimension from pre-shared service are higher than that of post-shared service. The higher the mean score the more positive the response to the survey questions.

**Table 24 Pre vs Post shared service testing**

	N (Valid)	N (Missing)	Mean	Median	Std. Deviation	Skewness	Kurtosis	Minimum	Maximum
Pre: Commitment	139	1	5.7	6.0	1.0	-1.4	2.7	1.2	7.0
Pre: Functional	132	8	5.0	5.2	1.3	-1.0	0.7	1.0	7.0
Pre: Psychological	137	3	5.1	5.6	1.4	-1.2	0.8	1.0	7.0
Pre: Satisfaction	133	7	5.4	5.7	1.1	-1.3	1.7	1.2	7.0
Pre: Shared Service: Disadvantages	137	3	4.8	4.8	1.1	-0.6	0.4	1.0	7.0
Pre: Shared Service: Advantages	123	17	4.7	4.8	1.1	-0.5	0.2	1.0	7.0
Pre: Shared Service: General	133	7	4.6	4.9	1.4	-0.6	-0.1	1.0	7.0
Pre: Social	134	6	5.2	5.4	1.2	-0.7	0.3	1.8	7.0
Pre: Trust	140	0	4.8	5.0	1.4	-0.9	0.6	1.0	7.0
Pre: Service: All	138	2	4.7	4.9	1.1	-0.7	0.3	1.0	6.8
Post: Commitment	140	0	5.5	6.0	1.2	-1.3	1.4	1.2	7.0
Post: Functional	133	7	4.7	5.0	1.5	-0.5	-0.6	1.0	7.0
Post: Psychological	137	3	4.7	5.4	1.7	-0.6	-0.7	1.0	7.0
Post: Satisfaction	134	6	5.0	5.5	1.4	-0.7	-0.5	1.2	7.0
Post: Shared Service: Disadvantages	138	2	4.2	4.4	1.5	-0.3	-0.7	1.0	7.0
Post: Shared Service: Advantages	123	17	4.3	4.4	1.5	-0.3	-0.7	1.0	7.0
Post: Shared Service: General	134	6	4.2	4.2	1.6	-0.2	-1.0	1.0	7.0
Post: Social	135	5	4.8	5.2	1.5	-0.7	-0.3	1.0	7.0
Post: Trust	140	0	4.4	4.7	1.6	-0.4	-0.8	1.0	7.0
Post: Shared Service: All	139	1	4.2	4.3	1.4	-0.4	-0.8	1.0	6.8

## 5.5 Reliability and Validity

Reliability is considered to be a test of the degree of consistency between multiple measurements of a variable. It is a measurement tool that measures a behaviour or performance. A measurement tool that is reliable provides consistent results when a given entity is measured repeatedly under near-identical conditions. The diagnostic measure used is the reliability coefficient that assesses the consistency of the entire scale, namely Cronbach's Alpha, which is the most widely used measure. The limit for

Cronbach's Alpha is usually 0.70. However this may be decreased to 0.60 in exploratory research (Hair, et al, 2006, Robinson, Shaver & Wrightman, 1991(b)).

The below table is a consolidation of all the survey responses from the suppliers pre-the shared service introductions. The questions were then tested by means of Cronbach's Alpha to determine the reliability of the questions.

**Table 25 Cronbach's alpha (Pre-Shared service)**

	<b>Cronbach's Alpha</b>	<b>N of Items</b>
<b>Commitment</b>	.801	6
<b>Functional</b>	.861	5
<b>Psychological</b>	.884	5
<b>Satisfaction</b>	.848	6
<b>Shared Service: Disadvantages</b>	<b>.666</b>	5
<b>Shared Service: Advantages</b>	.736	5
<b>Shared Service: General</b>	.863	8
<b>Social</b>	.805	5
<b>Trust</b>	.857	6
<b>Shared Service: All</b>	.917	18

The above table expresses the results for all elements tested pre-shared service and it can be seen that the Cronbach's Alpha is above 0.70 for all elements except one which is .666. However, this is acceptable according to Hair, Black, Babin, Anderson, and Tatham (2006). Therefore all constructs are reliable.

The below table is a consolidation of all the survey responses from the suppliers post-the shared service introductions. The questions were then tested by means of Cronbach's Alpha to determine the reliability and validity of the questions.

**Table 26 Cronbach's alpha (Post-Shared service)**

	<b>Cronbach's Alpha</b>	<b>N of Items</b>
<b>Commitment</b>	.845	6
<b>Functional</b>	.891	5
<b>Psychological</b>	.920	5
<b>Satisfaction</b>	.877	6
<b>Shared Service: Disadvantages</b>	.780	5

<b>Shared Service: Advantages</b>	.843	5
<b>Shared Service: General</b>	.894	8
<b>Social</b>	.880	5
<b>Trust</b>	.897	6
<b>Shared Service: All</b>	.947	18

The above table confirms the results for all elements tested post-shared service and it is evident that the Cronbach's Alpha is above 0.70 for all elements. Therefore all results are valid and reliable.

## 5.6 Paired Sample T-Tests

The research questions sought to analyse how the relationship benefits were affected by the introduction of shared service. It could ultimately be determined with the change in relationship quality by comparing the shared service to the decentralised service and seeing how that affected the relationship benefits received from the suppliers. As previously revealed, the tests are statistically significant and therefore the results are substantial.

The p-value represents the probability of error that is involved in accepting the observed result as valid, that is, as "representative of the population." In many areas of research, the p-value of .05 is customarily treated as a "border-line acceptable" error level. In the below table, (P-value) these results are statistically significant as the p-values are far below the 0.05 value.

From the below table it is evident that commitment, satisfaction and trust all have a p-value smaller than 0.05 and are therefore statistically significant. This indicates that the perception of all the relationship quality dimensions have significantly changed for the worse. It can also be seen that all the relationship benefits (social, psychological and functional) have a p-value smaller than 0.05 and are therefore statistically significant. This indicates that the perception of all the relationship benefit dimensions have detrimentally changed. As for the shared service related questions (general, advantages and disadvantages), these all have a p-value smaller than 0.05 and are therefore statistically significant. This indicates that the perception of all the relationship quality dimensions have significantly changed for the worse.

**Table 27 Paired Samples Test**

	<b>T- statistic</b>	<b>Degrees of Freedom</b>	<b>P- value</b>
<b>Pre - Post: Commitment</b>	2.225	138	.028
<b>Pre - Post: Functional</b>	3.609	131	.000
<b>Pre - Post: Psychological</b>	3.492	136	.001
<b>Pre - Post: Satisfaction</b>	3.338	132	.001
<b>Pre - Post: Shared Service: Disadvantages</b>	4.318	136	.000
<b>Pre - Post: Shared Service: Advantages</b>	3.694	122	.000
<b>Pre - Post: Shared Service: General</b>	3.609	132	.000
<b>Pre - Post: Social</b>	3.343	133	.001
<b>Pre - Post: Trust</b>	3.770	139	.000

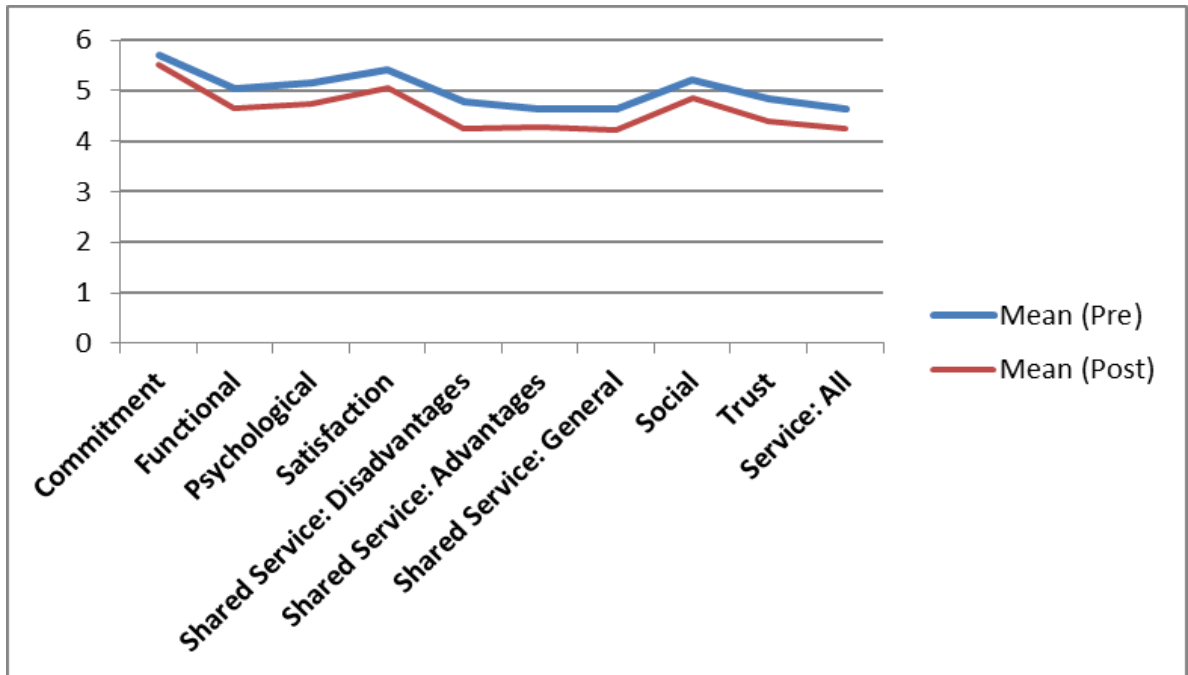
The below table summarises the difference in mean scores from pre-shared service to post-shared service. All the dimensions indicate that the post-shared service is significantly worse than pre-shared service.

**Table 28 Pre - Post shared service mean**

	<b>Pre “Mean”</b>	<b>Post “Mean”</b>	<b>Difference (Pre – Post)</b>
<b>Pre: Commitment</b>	5.7	5.5	.2
<b>Pre: Functional</b>	5.0	4.7	.3
<b>Pre: Psychological</b>	5.1	4.7	.4
<b>Pre: Satisfaction</b>	5.4	5.0	.4
<b>Pre: Shared Service: Disadvantages</b>	4.8	4.2	.6
<b>Pre: Shared Service: Advantages</b>	4.7	4.3	.4
<b>Pre: Shared Service: General</b>	4.6	4.2	.4
<b>Pre: Social</b>	5.2	4.8	.6
<b>Pre: Trust</b>	4.8	4.4	.4
<b>Pre: Service: All</b>	4.7	4.2	.5

In summary, to illustrate the means displayed in the above table, the figure below visually illustrates the difference in mean score. This clearly indicates the post-shared service score that continuously hovers below the pre-shared service score.

**Figure 5 Comparative graph of all nine sections means (Pre vs. Post shared service)**



### 5.7 Paired Sample T-Tests (Grouped)

Descriptive statistics were drawn for each group (relationship benefits, relationship quality and shared service results) similar to the graph illustrated in Figure 3 in the conclusion for Chapter 2. The below table signifies how the dimensions are grouped.

**Figure 6 The nine dimensions grouped into their three categories**

<u>Drivers of relationship quality</u>	<u>Relationship Benefits</u>	<u>Shared Service</u>
Trust	Functional	Advantages
Satisfaction	Social	Disadvantages
commitment	Psychological	General

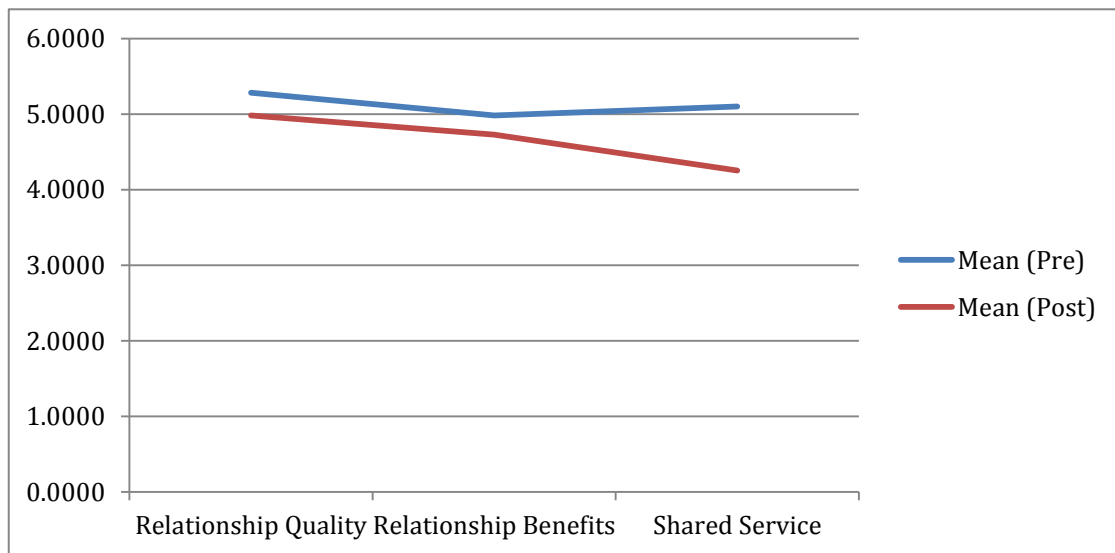
From the below table it is evident that relationship quality, relationship benefits and shared service all have a p-value smaller than 0.05 and therefore the results are statistically significant. This indicates that the perception of all these dimensions have detrimentally altered.

**Table 29 Paired Samples T-test (Grouped)**

	T-statistic	Degrees of Freedom	P-value
<b>Pre - Post: Relationship Quality</b>	3.077	139	.003
<b>Pre - Post: Relationship Benefits</b>	3.731	137	.000
<b>Pre - Post: Shared Service</b>	4.150	137	.000

The figure below visually illustrates the difference in the grouped dimensions and their mean scores. This indicates the post-shared service score continuously hovers below the pre-shared service score.

**Figure 7 Comparative graph of consolidated group means (Pre vs. Post shared service)**



## 5.8 Conclusion

Descriptive statistics were performed across all the dimensions as well as the dimension when they were grouped. There was a general positive skewness for all the survey questions, meaning there was a positive sentiment throughout from all the suppliers. For each category of questions the main outliers or stand-out results were emphasised. Reliability tests indicated that all constructs were found to be valid and lastly the paired t-testing indicated that there is a significant change from the pre-shared service results to the post-shared service results. Based on the findings, all nine categories that were tested proved to be significant and detrimentally altered after the introduction of the shared service model.



# CHAPTER 6: DISCUSSION OF RESULTS

## 6.1 Introduction

The discussion and results chapter was used to critically evaluate the research findings as presented in the above sections. The research results are analysed by making reference to the literature reviewed in Chapter 2 and interpreted in terms of the research question posed in Chapter 3.

## 6.2 Review of the Research Objectives

By the use of empirical evidence the objective of this research is to effectively measure how the introduction of the shared service design into Sasol's organisational structure has affected the relationship benefits between Sasol and its suppliers. To effectively measure this it was also required to measure the quality of the relationship before and after the shared service implementation. The purpose of this chapter is to answer the hypothesis stated in Chapter 3 and thereby answer the research question posed. The research question is *"Does the implementation of a shared service design have any impact on the relationship benefits received between Sasol and their suppliers?"*

The following section systematically discusses the six hypothesis stated in Chapter 3. With the insights from the results of this research, the evidence provides an answer for the research problem.

### 6.2.1 Hypothesis 1

*H0: Trust between Sasol and its suppliers is not affected by the implementation of shared service (SS)*

*H1: Trust (T) between Sasol and its suppliers is affected by the implementation of shared service (SS)*

The null hypothesis states that the level of "Trust" between Sasol and its suppliers was not affected by the implementation of shared service; this hypothesis was not supported. The research shows that there was a reduction in "Trust" post the introduction of shared service and the data was found to be statistically significant which provides information regarding the degree to which the result is "true". Norusis

(2005) emphasises that if the p-value is small enough (usually less than 0.05), the null hypothesis must be rejected, which has been done in this case.

According to M. Janssen and Joha, (2006) the SS (shared service) model was an attempt to grasp the best of both worlds the centralised and decentralised models. The belief is that with relative ease the service provided to one supplier could simply be duplicated and service many suppliers with relatively few efforts. Ulbrich (2006) stated shared service operations combine all the benefits of centralisation with superior customer service that is found in decentralisation. Turle (2012) stated that shared service would cut costs without affecting the service given to suppliers, as well as reduce the breakdown in communication barriers which ultimately would result in improved efficiencies. The research however does not support this finding. In the instance of “Trust” it was found that the perception from suppliers is that “Trust” between Sasol and themselves had deteriorated since the introduction of shared service. This research supports Marshall (2009) who stated trust is not something that will just be inherited from one organisational structure to another; it must be addressed so it is voluntarily adopted into the shared service.

This research concurs with the idea that buyers and sellers often have divergent interests; buyers tend to analyse the technical aspects of this relationship where sellers tend to gauge the social dimension (De Búrca et al., 2004). In the case of “Trust” as a social dimension the buyer—in this case Sasol—has not maintained the performance which was achieved in the decentralised model which is in opposition to M. Janssen and Joha, (2006) and Ulbrich (2006) who stated that shared service achieves the same service levels as a decentralised model.

According to the research results there has been a loss in “Trust” if one analyses the literature on trust. If it is lost it can be detrimental to a business. According to the research, Trust assists in building closer buyer/seller relationships by reducing the desire of the relationship participants to take advantage of each other (De Búrca et al., 2004). Trust assists in relationship partners having confidence in each other’s reliability and integrity (Choo et al., 2009, Lin & Ding, 2005, Chang et al., 2012). Buyers and sellers that have a relationship with trust generally display a willingness to rely on the exchange partner in which it has confidence (Ulaga & Eggert, 2006, D. Skarmeas et al., 2008). When there is trust between both parties they share information and work together to pursue aligned objectives (Gullett et al., 2009). With the reduction in trust from pre-shared service to post-shared service there is a higher risk that relationship

partners can take advantage of each other and there may be a reduction in reliability, integrity and the willingness to share.

The survey results on “Trust” revealed a few notable insights, however only the most significant ones will be discussed in this research paper. In terms of “Trust” the most significant decline in mean score from pre-shared service to post-shared service was when the supplier was asked if they have a friend-like relationship with Sasol. The concern with this response is that suppliers may start seeing their interaction with Sasol as cold and clinical; this could mean a significant decrease in the relationship benefits from the supplier. Another significant finding was that the lowest score and therefore the closest to a negative response from suppliers was when they were asked if they can trust Sasol to keep their promises. This is a great concern, because in the literature review it was mentioned that regularly suppliers would do urgent work based on trust, and therefore blindly trust payment would follow because the company has recognised the need for this urgent work to be done. If the suppliers no longer trust Sasol this benefit will no longer exist and the suppliers will no longer “go out on a limb” for Sasol.

### **6.2.2 Hypothesis 2**

*H0: Commitment (C) between Sasol and its suppliers is not affected by the implementation of shared service (SS).*

*H1: Commitment (C) between Sasol and its suppliers is affected by the implementation of shared service (SS).*

The null hypothesis states that the level of “Commitment” between Sasol and its suppliers were not affected by the implementation of shared service; this hypothesis was not supported. The research shows that there was a reduction in “Commitment” post the introduction of shared service and the data was found to be statistically significant which explains the degree to which the result is “true”. Norusis (2005) emphasises that if the p-value is small enough (usually less than 0.05), the null hypothesis must be rejected, which has been done in this case.

According to M. Janssen and Joha, (2006) the SS model was an attempt to grasp the best of both worlds the centralised and decentralised models. The belief is that with relative ease the service provided to one supplier could just be duplicated and service many suppliers with relatively few efforts. Ulbrich (2006) stated shared service operations combine all the benefits of centralisation with superior customer service that is found in decentralisation. Turle (2012) stated that shared service would cut costs

without affecting the service given to suppliers, as well as reduce the breakdown in communication barriers which ultimately would result in improved efficiencies. The research however does not support this finding in the instance of “Commitment” it was found the perception from suppliers is that “Commitment” between Sasol and themselves had deteriorated since the introduction of shared service.

According to the research results there has been a loss in “Commitment”. When the literature on commitment is analysed, it has been stated that if it is lost it can be detrimental to a business. Commitment means the exchange partner believes that the on-going relationship is so important that it deserves maximum effort to maintain it; the relationship is worth working on so it endures indefinitely (Morgan & Shelby D. Hunt, 1994). According to Lövblad *et al.*, (2012) affective commitment is vital for good performance in business to business (B2B) relationships. The research concurs with the statement made by Lövblad *et al.*, (2012) as cited in Ulbrich (2006), that it is difficult to maintain affective commitment when the relationship is cost driven which is the primary benefit and driving force for companies to implement shared services.

The survey results on “Commitment” revealed a few key insights, however only the most significant ones will be discussed here. In terms of “Commitment” the most significant drop in mean score from pre-shared service to post shared service was the same as the lowest score and most negative response. This was when the supplier was asked if they would defend Sasol in front of other colleagues and external partners. This result indicates the supplier’s impression of Sasol has dropped significantly and therefore this is cause for great concern for Sasol. This result indicates that shared service could have done damage to Sasol’s reputation from a supplier’s perspective.

### 6.2.3 Hypothesis 3

*H0: Level of satisfaction (S) between Sasol and its suppliers is not affected by the implementation of shared service (SS).*

*H1: Level of satisfaction between Sasol and its suppliers is affected by the implementation of shared service.*

The null hypothesis states that “Satisfaction” between Sasol and its suppliers was not affected by the implementation of shared service; this hypothesis was not supported.

The research shows that the result for “Satisfaction” was statistically significant which tells us something about the degree to which the result is “true”. Norusis (2005) highlights that if the p-value is small enough (usually less than 0.05), reject the null hypothesis which has been done in this case.

According to M. Janssen and Joha, (2006) the SS model was an attempt to grasp the best of both worlds the centralised and decentralised models. The belief is that with relative ease the service provided to one supplier could just be duplicated and service many suppliers with relatively few efforts. Ulbrich (2006) stated shared service operations combine all the benefits of centralisation with superior customer service that is found in decentralisation. Turle (2012) stated that shared service would cut costs without affecting the service given to suppliers, as well as reduce the breakdown in communication barriers which ultimately would result in improved efficiencies. The research however does not support this finding in the instance of “Satisfaction” it was found the perception from suppliers is that “Satisfaction” between Sasol and themselves had deteriorated since the introduction of shared service.

According to the research results there has been a loss in “Satisfaction” if one is to look at the literature on satisfaction if it is lost it can be detrimental to a business. Satisfaction is a prerequisite for RQ because if a customer is not satisfied, the relationship cannot continue (Hyun, 2010). According to Stanley (2001) many studies suggest that profit and growth are the results of the loyalty of customers which is due to the customer being satisfied. The research concurs with Caceres and Paparoidamis, (2007) that satisfaction of a supplier is an accumulation of the experience of a relationship and cannot just be transferred as suggested in the shared service design; the satisfaction achieved in the decentralised model will not necessarily be transferred to the new organisations structure.

The survey results on “Satisfaction” revealed a few pertinent insights, however only the most significant ones will be discussed in this research paper. In terms of “Satisfaction” the most significant decline in mean score from pre-shared service to post-shared service was when the supplier was asked if compared to their expectations, they are satisfied with Sasol as a customer. This result indicated that before shared service suppliers were greatly satisfied with Sasol as a customer, so the theoretical service improvements that came with the shared service implementation have not been seen in the case of Sasol. Another significant finding was that the lowest score and therefore the closest to a negative response from suppliers was when the respondents were

asked if the frequency of complaints about Sasol as a customer is low. This result indicates that shared service has not made Sasol more effective and efficient as there are more complaints post the introduction of the model.

#### **6.2.4 Hypothesis 4**

*H0: Functional benefits (FB) received between Sasol and their suppliers was not affected by the implementation of shared service (SS).*

*H1: Functional benefits (FB) received between Sasol and their suppliers was affected by the implementation of shared service (SS).*

The null hypothesis states that “functional benefits” between Sasol and its suppliers was not affected by the implementation of shared service; this hypothesis was not supported. The research demonstrates that the result for “functional benefits” was statistically significant which tells us something about the degree to which the result is “true”. Norusis (2005) explained that if the p-value is small enough (usually less than 0.05), the null hypothesis must be rejected, which has been done in this case.

According to M. Janssen and Joha, (2006) the SS (shared service) model was an attempt to grasp the best of both worlds the centralised and decentralised models. The belief is that with relative ease the service provided to one supplier could just be duplicated and service many suppliers with relatively few efforts. Ulbrich (2006) stated shared service operations combine all the benefits of centralisation with superior customer service that is found in decentralisation. Turle (2012) stated that shared service would decrease costs without affecting the service given to suppliers, as well as reduce the breakdown in communication barriers which ultimately would result in improved efficiencies. The research however does not support this finding. In the instance of “functional benefits” it was found that the perception from suppliers is that “functional benefits” between Sasol and themselves had deteriorated since the introduction of shared service.

According to the research results there has been a loss in “functional benefits”. If the literature concerning functional benefits is taken into account, if it is lost it can be detrimental to a business. Functional benefits are the economic gains that are derived through cost savings due to the increase in business with the relationship partner. These benefits are defined by economic and strategic advantages (J. C. Sweeney & Webb, 2007). This research concurs with relationships Kalwani and Narayandas, (1995) who stated that a large concern, when cost and cost reduction have been

analysed, is that often the supplier loses out in these relationships. According to the responses from the suppliers they did not see any improvement in functional benefits but quite the opposite a decline.

The survey results on “functional benefits” revealed a few significant insights, however only the most important ones will be discussed in this research paper. In terms of “functional benefits” the most significant decline in mean score from pre-shared service to post-shared service was the same as the lowest score and most negative response. This was when the suppliers were asked if their relationship with Sasol enabled them to enhance financial outcomes as a result of the relationship. This result is contrary to what the intention was of shared service. It seems that all the cost saving for the implementation of a shared service was for Sasol and the suppliers saw none of the financial savings or gain in this new arrangement.

#### **6.2.5 Hypothesis 5**

***H0:** Psychological benefits (PB) received between Sasol and their suppliers was not affected by the implementation of shared service (SS).*

***H1:** Psychological benefits (PB) between Sasol and their suppliers was affected by the implementation of shared service (SS).*

The null hypothesis states that “psychological benefits” between Sasol and its suppliers was not affected by the implementation of shared service this hypothesis was not supported. The research revealed that the result for “psychological benefits” was statistically significant which explains the degree to which the result is “true”. Norusis (2005) stated that if the p-value is small enough (usually less than 0.05), the null hypothesis must be rejected, which has been done in this case.

According to M. Janssen and Joha, (2006) the SS (shared service) model was an attempt to grasp the best of both worlds the centralised and decentralised models. The belief is that with relative ease the service provided to one supplier could just be duplicated and service many suppliers with relatively few efforts. Ulbrich (2006) stated shared service operations combine all the benefits of centralisation with superior customer service that is found in decentralisation. Turle (2012) stated that shared service would minimise costs without affecting the service provided to suppliers, as well as reduce the breakdown in communication barriers which ultimately would result in improved efficiencies. The research however does not support this finding. In the instance of “Psychological benefits” it was found that the perception from suppliers is

that “Psychological benefits” between Sasol and themselves had deteriorated since the introduction of shared service.

According to the research results there has been a loss in “psychological benefits”. If the research regarding the “psychological benefits” is taken into account, it can be detrimental to a business if this aspect of the relationship is lost. Psychological benefits, similar to trust, assist in addressing perceptions of reliability, empathy, support and understanding. This psychological benefit is confidence in the person that is being dealt with and not necessarily the organisation; this is where the relationship benefits are derived (J. C. Sweeney & Webb, 2002). According to the respondents’ responses, the feeling of empathy, support and understanding coming from Sasol has diminished since the introduction of shared service.

The survey results on “psychological benefits” revealed a few notable insights, however only the most significant ones will be discussed here. In terms of “psychological benefits” the most significant decline in mean score from pre-shared service to post-shared service was the same as the lowest score and most negative response. This was when the suppliers were asked if Sasol gives their word if they know that whatever it is, it will be done. This result indicates the same result as the trust question, that since the implementation of shared service, suppliers no longer believe what Sasol says. If this is not rectified, this lack of trust will have a significant effect on Sasol’s ability to leverage their supplier to make a better organisation.

#### **6.2.6 Hypothesis 6**

*H0: Social benefits (SB) received between Sasol and their suppliers was not affected by the implementation of shared service (SS).*

*H1: Social benefits (SB) between Sasol and their suppliers was affected by the implementation of shared service (SS).*

The null hypothesis states that the level of “social benefits between Sasol and its suppliers was not affected by the implementation of shared service; this hypothesis was not supported. The research purports that there was a reduction in “social benefits” post the introduction of shared service and the data was found to be statistically significant which explains the degree to which the result is “true”. Norusis (2005) emphasised that if the p-value is small enough (usually less than 0.05), the null hypothesis must be rejected, which has been done in this case.



According to M. Janssen and Joha, (2006) the SS (shared service) model was an attempt to grasp the best of both worlds the centralised and decentralised models. The belief is that with relative ease the service provided to one supplier could simply be duplicated and service many suppliers with relatively few efforts. Ulbrich (2006) stated shared service operations combine all the benefits of centralisation with superior customer service that is found in decentralisation. Turle (2012) stated that shared service would decrease costs without affecting the service given to suppliers, as well as reduce the breakdown in communication barriers which ultimately would result in improved efficiencies. The research however does not support this finding. In the instance of “social benefits” it was found the perception from suppliers is that “social benefits” between Sasol and themselves had deteriorated since the introduction of shared service.

According to the research results there has been a loss in “Social benefits”. When the literature on social benefits is analysed, it is evident that if social benefits are lost it can be detrimental to a business. The social benefits are benefits such as sharing, affinity and friendship and once these social benefits are established they generate barriers to competition as well as create strategic advantages (J. C. Sweeney & Webb, 2002). With the introductions of shared service the affinity and friendship built between Sasol and its suppliers has diminished.

The survey results on “social benefits” revealed a few important insights, however only the most significant ones are discussed here. In terms of “social benefits” the most significant decline in mean score from pre-shared service to post-shared service was when the supplier was asked if their relationship with Sasol goes beyond just business. This result indicates that before shared service the suppliers felt that Sasol was more than just another customer, that they had a relationship with Sasol. However now this buyer/supplier relationship has now become more clinical in nature, and is only about execution of the job at hand. Another significant finding was that the lowest score and therefore the closest to a negative response from suppliers were when asked if they would call on Sasol if they had a problem. This result indicates that shared service has not made Sasol more aligned with the supplier needs and therefore the suppliers do not feel they can work hand in hand with Sasol with their problems.

# CHAPTER 7: CONCLUSION

## 7.1 Introduction

The purpose of this concluding chapter is to consolidate the outcomes of the study and to align those with the outcomes that were initially intended. This chapter also includes recommendations to strategic stakeholders as well as suggestions for future research.

Chapter 1 evidenced that organisations are gravitating towards a centralised purchasing structure such as a shared service design in an attempt to realise certain benefits (Deloitte, 2013). The introductory chapter outlined the core benefits of a shared service centre that serves to promote economies of scale and various other functional benefits. It was revealed that a shared service centre is a form of partnership management which is seen as a core competency which is able to lead organisations into a knowledge-based competitive advantage (Johnston, McCutcheon, Stuart, & Kerwood, 2004). Therefore the cost savings potential and partnership relationship with suppliers is framed up front to bring the benefits of such an organisational structure.

The literature review in chapter two revealed further theories concerning shared service, as well as the intention for a shared service centre. From this it was ascertained that the intention of shared service is to grasp all the benefits of a decentralised purchasing organisation as well as the benefits of a shared service organisation while improving service quality, as stated by Turle, cited in Marcus (2010). From the research it was discovered that very little was written on shared service and nothing was found on how the shared service design affects relationship quality and relationship benefits (Murray, Rentell, & Geere, 2008). Due to this fact, research was done on what forms and drivers relationship quality as well as the relationship benefits derived from quality relationships. This was done with the intention to examine how shared service affects the formation and drivers of relationship quality and ultimately the relationship benefits received.

The research process took on a quantitative design with a small qualitative component. The qualitative component was face-to-face interviews with five large suppliers to Sasol as a means of exploratory research to vet the survey before it was sent to more than 4000 Sasol suppliers. These qualitative interviews revealed one or two shortcomings in the survey which were subsequently rectified. The quantitative survey comprised of three core sections, each with three subsections. These sections were Relationship

Quality (Trust, Commitment, and Satisfaction), Relationship Benefits (Functional, Psychological, and Social) and Shared Service (Advantages, Disadvantages, General). All the sections were tested for a pre- and post-shared service experience by using a paired sample T-Test, reliability and validity tests as well as various descriptive statistics.

In summary, the results revealed that all the sections and sub sections tested were found to be statistically valid and all indicated the same result. The results is that there was a statistically significant reduction in relationship quality and relationship benefits; the stated advantages of shared service for the supplier did not materialise however the disadvantages did. Therefore companies cannot move from a decentralised model to a shared service model and believe that relationships remain the same. This research demonstrated that the reduction in interaction between buyers and suppliers results in a loss in relationship quality as well as the benefits received.

## **7.2 Key Findings**

When analysing the shared service theory there was a void in terms of how companies should be managing the change in relationships with the introduction of a shared service model. The articles researched considered and stated that the shared service model would adopt all the benefits of a decentralised model while reaping the cost saving benefits of a shared service structure. However not one research article could be found where this was tested.

**Figure 8 Results of Shared Service study**

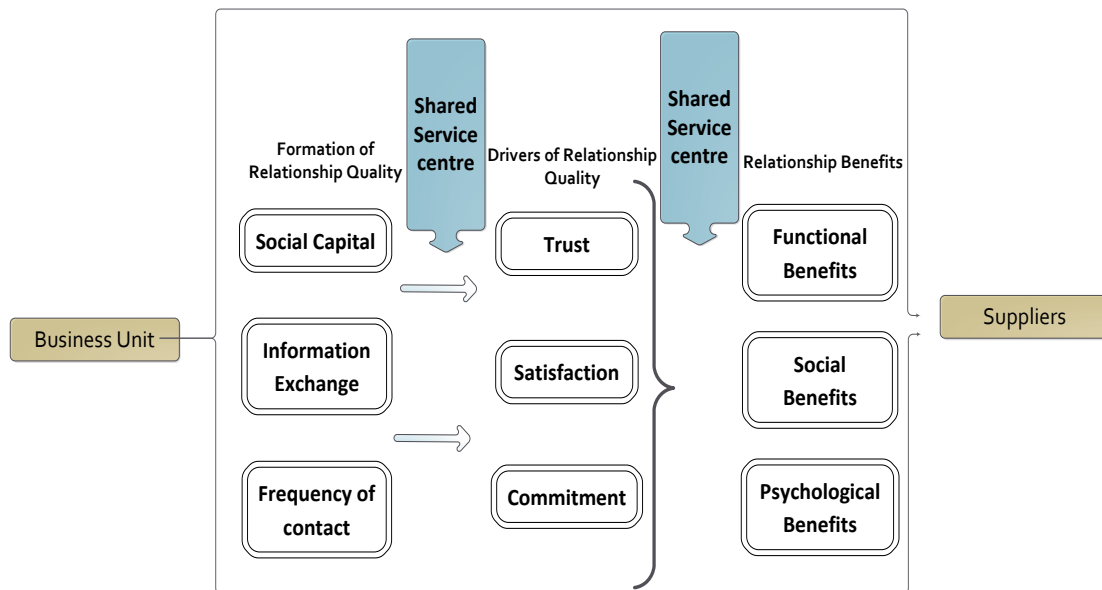


Figure 8 illustrates the process followed in this research. The research was determined whether the shared service model resulted in the diminishing of the relationship benefits between the business units and their suppliers. The theory stated that with relative ease the service provided to one supplier could simply be duplicated and service many suppliers with relatively few efforts (M. Janssen & Joha, 2006). However this research's findings are in opposition with these assertions. Ulbrich (2006) stated that the cost reductions and service improvements of the centralisation are not really achieved in shared service. The closer relationships of the decentralised model were also not found. What was also noticed was there was less experimentation and there was a noticeable reduction in innovation (M. Janssen & Joha, 2006).

The results from the hypothesis testing found that all elements tested in Figure 8 were reliable and valid and all showed a statistically significant reduction in relationship quality and benefits post the introduction of shared service. The introduction of the shared service seems to have created a gap in communication between the end users in the business unit and that of the suppliers of the goods and services. As one of the respondents succinctly explained: *"The shared service model saves costs by having a single person managing a supplier who services in Sasol's case up to 13 business units. In Sasol's case each business unit is very unique in terms of what it produces as well as how they may utilise that good or service. Despite this the shared service personnel tends to treat these 13 business units and their relationships with the suppliers all the same."*

Some notable findings from the survey were that suppliers believed that Sasol was no longer innovative, they believe that there was a significant reduction in the friendship that previously existed and that the relationship does not extend past mere business to the degree it used to. Suppliers also found that they do not necessarily trust Sasol when Sasol gives its word; suppliers also did not find enhanced financial outcomes with the shared service design, except that payments due to them were delayed. All the above was based on the largest decline in pre-shared service to post shared service survey scores. Essentially, suppliers found these elements to have deteriorated the most in comparison to all the other elements that deteriorated.

### **7.3 Management Recommendations**

The results from this study have revealed some important management implications. The theory that a shared service design which alters the organisational structure of a company can just be implemented without affecting relationships is incorrect within the context of the Sasol environment. An analysis of the results of relationship quality management proved that the suppliers felt that the level of satisfaction, trust and commitment they experienced in the shared service had diminished compared to that of the decentralised model. The supplier survey results also indicated that the suppliers' impressions was that Sasol did not have their best interests in mind compared to the pre-shared service environment, and therefore their ability to rely on Sasol and trust in their promises was lower than before shared service. The supplier survey also indicated that suppliers found they had more complaints and less of a partnership and less of a feeling of cooperation with Sasol, ultimately putting Sasol's commitment to them as suppliers in question. Based on this, it is important to understand how this affected the relationship benefits that Sasol would want to receive from suppliers, and in the case of functional, social and psychological benefits Sasol suppliers believe that the benefits were decreasing in SS.

Some of the discussions that took place as mentioned in the qualitative survey results were that suppliers believed that the *ad hoc* discussions that previously took place directly with the business units had reduced. Often it was these discussions where issues were thrashed out and many times it was with this information that suppliers used in order to design innovative solutions to problems. In a decentralised model the suppliers knew the business units personnel so well that they would waver certain waiting times or policies to ensure immediate assistance to the benefit of the business.

The risk with SS is that suppliers may have a less personal relationship with the business units and therefore some of the benefits of having a friend-like relationship with the suppliers are lost. The “friend like” relationship benefits of unscheduled rush-jobs or phone calls with quick solutions are in jeopardy of being lost. It is therefore recommended that Sasol continues to build these relationships to ensure the benefits previously gained by the supplier is maintained. This relationship could be maintained by introducing relationship managers to manage the relationship between suppliers and Sasol.

When analysing supplier relationship management and service quality theory the benefits of maintaining close buyer supplier relationships are clear. When there is a personal relationship with suppliers the suppliers do not necessarily stick to the word of the contract but will regularly go above-and-beyond the proverbial “call of duty” to assist the customer. When this happens, voluntarily suppliers will advise on the best solutions and better alternatives to a problem that the company may be experiencing, even if that is not part of their formal job description or scope of work. It is important for a company like Sasol to ensure that there is a link or a relationship connection with the business units and their suppliers. Ultimately, a shared service person that is not knowledgeable about the current business unit may not have the insight to grasp beneficial information or input from the supplier.

When analysing the justification for implementing a shared service design, the cost saving benefits for the buying company is clear. However it is critical that the company look further than short term financial gain. Unfortunately it is not easy to quantify what was shared between business unit buyers and suppliers, and that may be the reason why the theory states that nothing is lost when moving away from the previous decentralised relationship. The question is, if a relationship with more trust, satisfaction and commitment exists, how many production days could be saved because the BU could just call on their “friend”? There is value in these friend-like supplier relationships, and within shared service these relationships should be maintained even if it comes at a perceived financial cost. When these high quality relationships exist a buyer has endless opportunities to work alongside their suppliers on mutually beneficial projects because that is the benefit of the relationship. Unfortunately the more these relationships are weakened the less the social, psychological and functional benefits become. This research suggests that by some means Sasol must allow for the relationship quality that previously existed in the decentralised model to be rebuilt without undoing all the benefits that a shared service offers.

## 7.4 Recommendations for future research

The following areas are recommended for further study. These suggestions are aimed at developing and adding to the research in this particular area.

- Future research into how relationship benefits could be quantified, because the current trend is to cut a process if it does not save costs. In this research it was stated that the only difference between the SS and decentralised structures was that shared service was cheaper. Despite this, it was found that all measures of relationships that were incurred after the SS implementation deteriorated.
- Research should be concluded to ascertain whether relationship quality measures of trust, satisfaction and commitment are the cause of relationship benefits in the petro- chemical industry.
- Further research should be conducted regarding how the business units of the buying companies experience the change in relationship benefits that they have with suppliers once shared service is implemented.
- Further research should be conducted regarding how the shared service personnel experience the relationships they have with suppliers.
- This study was limited to Sasol suppliers and should be extended to companies in other fields. Sasol has a significantly complex and strategic supplier base and in more simple transactional companies, quality relationships may be deemed less important.

## 7.5 Conclusion

Cost determiners are quickly implemented, often at the expense of unquantifiable factors such as relationships. Despite the literature it was discovered that when implementing a shared service design relationships were diminished and the benefits of relationships were reduced. Just because social and psychological benefits are not quantifiable, it does not mean that these factors do not result in substantial savings for companies. Therefore, when companies embark on extensive changes in their organisations it is advised to consider the relationships that have developed the company to its current stature, and how the relationships that have been developed will be maintained so the trajectory of the company remains in the right direction.

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# APPENDICES

## Appendix 1: Drivers of Relationship quality table

RQM differs in definition from research project to research project, however the RQ is based on the several of the below components, most notably trust, commitment and satisfaction (Rauyruen & Miller, 2007). Discussions on relationship quality generally revolve around three primary dimensions, trust with exchange partners, satisfaction with those partners and finally commitment to an on-going relationship (Auh & Shih, 2005).

*The below is the driver of relationship quality given by various articles.*

(Song et al., 2012)		Adaption		Atmosphere				Cooperatio n
(De Búrca et al., 2004)	Trust	Adaption		Power/dependenc e	commitment	communicatio n	culture	
(Kannan & Tan, 2006)	Trust	collaboration		flexibility	commitment	communicatio n	dependenc e	coordinatio n
(Athanasopoulou, 2009)	Trust	Adaption	satisfactio n	understanding	commitment	communicatio n		Cooperatio n
(Choo et al., 2009)			satisfactio n	Power	commitment	communicatio n		Cooperatio n
(Ulaga & Eggert, 2006)(Crosby et al., 1990)	Trust		satisfactio n		commitment			
(B. Fynes et al., 2005)	Trust	Adaption		Power/dependenc e	commitment	communicatio n	collaboratio n	
(B. Fynes et al., 2008)	Trust	Adaption				communicatio n		Cooperatio n
(Rauyruen & Miller, 2007)	Trust		satisfactio n	Service quality	commitment			
(Walter, Müller, Helfert, & Ritter, 2003b)	Trust		satisfactio n		commitment			
(D. Skarmeas et al., 2008)	Trust		satisfactio n		commitment			
(Macintosh, 2007)	Trust		satisfactio n		commitment			
(Caceres & Paparoidamis, 2007)	Trust		satisfactio n	Mutual value creation	commitment			

(Wong & Sohal, 2002)	Trust				commitment			
(Lin & Ding, 2005)	Trust		satisfaction	conflict	commitment			
(Auh & Shih, 2005)	Trust		satisfaction		commitment			
(Maboudi et al., 2011)	Trust	Adaption		Interdependence	commitment	Communication		Cooperation
(Gilaninia, Delafrooz, & Zarezadeh, 2012)	Trust	Adaption		Dependence	commitment	communication	collaboration	

## Appendix 2: Research Survey (raw survey questions)

**Yellow** - Indicates questions that were drawn from the researcher for the final consideration for the questionnaire.

### Trust

- (1 = strongly disagree, 7 = strongly agree)(Walter, Müller, Helfert, & Ritter, 2003)
  1. When making important decisions, the supplier is concerned about our welfare.
  2. We can rely on the supplier handling critical information on our company confidentially.
  3. When we have an important requirement, we can depend on the supplier's support.(reversed scored)
  4. We are convinced that this customer performs its tasks professionally.
  5. The supplier is not always honest to us. (reverse scored)
  6. **We can count on the suppliers promises made to our firm.**
- (Choo, Jung, & Chung, 2009)
  1. This supplier employs a credible salesperson
  2. This supplier keeps its promises
  3. I believe this supplier deserves business with us
  4. **We have a friend-like relationship with this supplier**
- (Ulaga & Eggert, 2006)
  1. The main supplier keeps promises it makes to our firm.
  2. **The main supplier is genuinely concerned that our business succeeds.**
  3. **The main supplier considers our welfare as well as its own when making important decisions.**
  4. Our firm trusts that the main supplier keeps our best interests in mind.
  5. The main supplier is trustworthy.
- (B. Fynes, de Búrca, & Mangan, 2008)

1. Based on your past and present experience, how would you characterise the level of trust your firm has in its working relationship with this customer.
  2. We feel that this customer can be counted on to help us.
  3. We feel that we can trust this customer completely.
  4. This customer has a high level of integrity.
- (Huntley, 2006)
    1. The supplier keeps promises it makes to our firm.
    2. We believe the information that the supplier provides us.
    3. We know that the supplier keeps our best interest in mind.
    4. We can be open in our discussion with the supplier.
  - (Liu, Li, & Zhang, 2010)
    1. They will consider our interests in their decision-making on important issues.
    2. They can understand the difficulties we have encountered.
    3. They will offer us proper help when we need help.
  - (Macintosh, 2007)
    1. I find it necessary to use caution when dealing with the ???
    2. I trust the ??? to do things that I can't do for myself.
    3. I trust the ??? can be counted on to do what is best for me.
    4. I generally don't trust the ???
  - (Caceres & Papparoidamis, 2007)
    1. My supplier really takes care of my needs as a customer
    2. I trust my supplier completely.
  - (Narasimhan & Nair, 2005)
    1. How much does a lack of trust among supply chain members prevent your firm from achieving the full potential of supply chain management.
    2. How important is the use of formal information sharing agreements with suppliers and customers in your supply chain management efforts.

3. How important is the use of informal information sharing with suppliers and customers in your supply chain management efforts.
- (Chang, Cheng, & Wu, 2012)
    1. This seller and us trust each other.
    2. We respect this seller's judgement
    3. This seller can be relied on to keep its promises.

## Satisfaction

- (1 = strongly disagree, 7 = strongly agree)(Walter et al., 2003)
  1. Compared to our ideal, we are very satisfied with the performance of this supplier.
  2. All in all, we are very satisfied with this supplier.
  3. Our company is not completely satisfied with the performance of this supplier.
  4. With reference to our expectations, we are very satisfied with this supplier.
- (Choo et al., 2009)
  1. I am generally satisfied with the product this supplier offers.
  2. I expect this relationship will lead to increasing sales and profits in the future.
  3. I am satisfied with the cooperation with this supplier.
  4. It is pleasant to be in a partnership with this partner.
  5. I am proud I am doing business with this supplier.
- (Ulaga & Eggert, 2006)
  1. Our business regrets the decision to do business with the main supplier.
  2. Our firm is very satisfied with our main supplier.
  3. Our firm is very pleased with what the main supplier does for us.
  4. Our firm is not completely happy with the main supplier.
  5. Our firm would still choose to use the main supplier if we had to do it all over again.

- (B. Fynes, Voss, & de Búrca, 2005)

1. Frequency of customer complaints.

2. Adequacy of customers complaint tracking feedback systems.

## Commitment

- (1 = strongly disagree, 7 = strongly agree)(Walter et al., 2003)

1. We focus on long-term goals in this relationship.

2. We are willing to invest time and other resources into the relationship with this supplier.

3. We put the long term cooperation with this customer before our short term profit

4. We expand our business with this supplier in the future.

5. We defend this supplier when outsiders criticize the company.

- (Ulaga & Eggert, 2006)

1. The relationship with our main supplier is something to which we are very committed.

2. The relationship with our main supplier is very important to our business.

3. The relationship with our main supplier is something our business intends to maintain indefinitely.

4. The relationship with our main supplier is very much like being family.

5. The relationship with our main supplier is something our business really cares about.

6. The relationship with our main supplier deserves our businesses maximum effort to maintain.

- (B. Fynes et al., 2005)

1. The relationship that our firm has with this customer deserves our maximum effort to maintain.

2. The relationship that we have with this customer is something we intend to maintain indefinitely.

3. The relationship that our firm has with this customer is something we are very committed to.

- (Huntley, 2006)
  1. We are committed to our relationship with the supplier
  2. Before switching to another vendor, we would give the supplier the opportunity to make a counter offer.
  3. Our firm is willing to invest considerable effort in maintaining this relationship.
  
- (Liu et al., 2010)
  1. We loyal to this trading partner, because we like to continue cooperating with them.
  2. We plan to maintain the cooperation relationship with this partner in the future.
  3. We prolong the cooperation relationship with this partner voluntarily.
  
- (Caceres & Papparoidamis, 2007)
  1. I feel involved with my supplier's company.
  2. I defend my supplier in front of other colleagues and external partners.
  3. I am very proud to have this company as a supplier.
  
- (Chang et al., 2012)
  1. We believe that both this seller and us are committed to this relationship.
  2. We believe that both this seller and us view our relationship as long term relationship.
  3. We have a strong sense of loyalty to this seller.
  4. The relationship with this seller deserves our maximum effort to maintain.
  5. The relationship with this seller is something we really care about.
  6. The relationship with this seller is very important to us.

## Shared Service questionnaire.

(Murray, Rentell, & Geere, 2008)(Ulbrich, 2010)(Janssen, Joha, & Zuurmond, 2009)(Farndale, Paauwe, & Hoeksema, 2009)(Ulbrich, 2006)

- J Gordon Murray - Procurement as a shared service in English local government
  1. Is there evidence that English government was carrying out shared service as an inter-organisational shared service?
  2. What form does procurement shared service take?
  3. Does the shared service represent strategic or tactical procurement?
  
- Frank Ulbrich – Adopting shared services in a public-sector organisations.
  1. Do you believe only management supported the ideological change to shared service or did employees as well.
  2. Attitudes only changed and the management level and not employee level.
  3. There was support to change internal policies to facilitate the adoption of the shared service.
  
- Marijn Janssen – Simulation and animation for adopting shared service.
  1. **Potential disadvantages of shared service**
    - Alienation from users
    - Less reactive to users
    - Long response time
    - Less perceived service levels
    - Less innovative as no direct user feedback
    - Less grip on the functioning of the service centre
  
  2. **Potential advantages of shared service**
    - Maximum profit of possible economies of scale
    - One stop shop (no decentralised presence)
    - Simple to understand responsibilities
    - No discussion about creating local systems
    - Business can focus on their core-business



- Elaine Farndale - In-sourcing HR shared service centres.
  1. Strategic reasons behind SSC
    - Improve professionalization – customer orientation
    - Improve cost
    - Reduce cost
  2. SSC critical success factors
    - Correct competencies
    - Focus on service scope
    - Service offering manages organisational needs
    - Good communication with end users
  3. Problems facing SSC
    - Weak collaboration of SSC
    - Availability of competent staff
    - Poor internal communication
- Frank Ulbrich – Improving shared service implementation.
  1. Common goals expressed with shared service
    - Cost reduction through providing service to a diverse set of business units
    - An accumulation of intellectual and capital assets
    - A centre of excellence providing services with customer and process focus
    - A place to deploy new technology
  2. Areas of problems associated with shared service
    - Business relations
    - Interfaces
    - Location

**Relationship Benefits:**

- (Kim, Lee, & Yoo, 2006)
  1. I get discounts or special deals that most customers don't get.
  2. I was treated as a special and valued customer
  3. I regularly receive information about a new product, special occasions, and promotions.
  4. I am recognised by staff

5. I value the close personal relationship from the staff.

**A comparative study with Brett Kilpatrick i.e. (same questions just exchange GIBS for Sasol)**

**Social**

1. Our relationship with Sasol goes beyond just business
2. We have a real friendship with Sasol
3. We work on things together
4. Our relationship with Sasol enables us to share a lot together
5. We would call on Sasol if we had a problem

**Psychological**

1. We have peace of mind dealing with Sasol
2. We trust Sasol
3. We know what to expect of/from Sasol
4. If Sasol gives us their word, we know that whatever it is, it will be done.
5. This is a real sense of understanding between Sasol and our organisation.

**Functional**

1. Having a relationship with Sasol enables us to become more competitive in the market.
2. We are able to capitalise on the value Sasol offers.
3. Our relationship with Sasol enables us to enhance financial outcomes as a result of the relationship, we able to enhance financial outcomes.
4. Sasol and our organisation complement each other in terms of expertise.
5. Our relationship with Sasol enables us to proactively identify opportunities.

## Appendix 3: Final Research Survey

(1 = strongly disagree, 7 = strongly agree)

Relationship Quality management	Scale Items	Scale Items adapted from
Trust	<ol style="list-style-type: none"> <li>1. I can count on Sasol to keep their promises made to my firm?</li> <li>2. I have a friend-like relationship with this Sasol?</li> <li>3. Sasol is genuinely concerned that my business succeeds?</li> <li>4. Sasol considers my welfare as well as its own when making important decisions?</li> <li>5. I can be open in my discussions with the Sasol?</li> <li>6. Sasol can be relied on to keep its promises?</li> </ol>	(Walter, Müller, Helfert, & Ritter, 2003) (Choo, Jung, & Chung, 2009) (Ulaga & Eggert, 2006) (B. Fynes, de Búrca, & Mangan, 2008)(Huntley, 2006) (Liu, Li, & Zhang, 2010) (Chang, Cheng, & Wu, 2012)
Satisfaction	<ol style="list-style-type: none"> <li>1. Compared to my expectations, I am very satisfied with Sasol as a customer?</li> <li>2. I expect this relationship with Sasol will lead to increasing sales and profits in the future?</li> <li>3. I am satisfied with the cooperation we get from Sasol?</li> <li>4. It is pleasant to be in a partnership with Sasol?</li> <li>5. My business regrets the decision to do business with Sasol?</li> <li>6. Frequency of complaints about Sasol as a customer is low?</li> </ol>	(Walter et al., 2003) (Choo et al., 2009) (Ulaga & Eggert, 2006) (B. Fynes, Voss, & de Búrca, 2005)
Commitment	<ol style="list-style-type: none"> <li>1. Sasol puts the long term cooperation with my business before short term profits?</li> <li>2. My relationship with Sasol deserves my businesses maximum effort to maintain?</li> <li>3. The relationship that my business has with Sasol is something I am very committed to?</li> <li>4. My business is willing to invest considerable effort in maintaining my relationship with Sasol?</li> <li>5. I would defend Sasol in front of</li> </ol>	(Walter et al., 2003) (Ulaga & Eggert, 2006) (B. Fynes et al., 2005) (Huntley, 2006) (Liu et al., 2010) (Caceres & Paporoidamis, 2007) (Chang et al., 2012)

	<p>other colleagues and external partners?</p> <p>6. My relationship with Sasol is something I really care about?</p>	
<b>Relationship Benefits</b>	<b>Scale Items</b>	<b>Scale Items adapted from</b>
Social	<ol style="list-style-type: none"> <li>1. My relationship with Sasol goes beyond just business?</li> <li>2. I have a built a real relationship with Sasol?</li> <li>3. I work on things together with Sasol?</li> <li>4. My relationship with Sasol enables me to share and enable solutions to problems?</li> <li>5. I would call on Sasol if I had a problem?</li> </ol>	(Sweeney & Webb, 2007)
Psychological	<ol style="list-style-type: none"> <li>1. I have peace of mind dealing with Sasol?</li> <li>2. I trust Sasol?</li> <li>3. I know what to expect of/from Sasol?</li> <li>4. If Sasol gives me their word, I know that whatever it is, it will be done?</li> <li>5. There is a real sense of understanding between Sasol and my organisation?</li> </ol>	(Sweeney & Webb, 2007)
Functional	<ol style="list-style-type: none"> <li>1. Having a relationship with Sasol enables me to become more competitive in the market?</li> <li>2. My business is able to capitalise on the value Sasol offers?</li> <li>3. My relationship with Sasol enables me to enhance financial outcomes as a result of the relationship?</li> <li>4. Sasol and my organisation complement each other in terms of expertise?</li> <li>5. My relationship with Sasol enables me to proactively identify opportunities?</li> </ol>	(Sweeney & Webb, 2007)
<b>Shared Service</b>	<b>Scale Items</b>	<b>Scale Items adapted from</b>
Disadvantages	<ol style="list-style-type: none"> <li>1. I feel alienated from the end user in Sasol.</li> <li>2. I feel Sasol is sufficiently reactive to</li> </ol>	(Murray, Rentell, & Geere, 2008)(Ulbrich,

		<p>me.</p> <ol style="list-style-type: none"> <li>3. There have been longer response times to me as a supplier.</li> <li>4. I perceive the service levels to be good.</li> <li>5. I believe the business has become is innovative.</li> </ol>	<p>2010)(Janssen, Joha, &amp; Zuurmond, 2009)(Farndale, Paauwe, &amp; Hoeksema, 2009)(Ulbrich, 2006)</p>
Advantages		<ol style="list-style-type: none"> <li>1. My business has profited on possible economies of scale.</li> <li>2. I have a one stop shop for all the business units I serve.</li> <li>3. I find it simple to understand who manages my contract in Sasol.</li> <li>4. I find that the Sasol procurement personnel are competent.</li> <li>5. Sasol's procurement model has helped reduce my business costs?</li> </ol>	<p>(Murray, Rentell, &amp; Geere, 2008)(Ulbrich, 2010)(Janssen, Joha, &amp; Zuurmond, 2009)(Farndale, Paauwe, &amp; Hoeksema, 2009)(Ulbrich, 2006)</p>
General	<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Added Questions</p>	<ol style="list-style-type: none"> <li>1. <b>Payment issues are quickly dealt with.</b></li> <li>2. <b>Managing the receiving of payment is cumbersome.</b></li> <li>3. <b>Sorting out invoice issues is relatively simple.</b></li> <li>4. I receive sufficient personalised contact.</li> <li>5. Technical requirements are well understood.</li> <li>6. Procurement personnel have sufficient knowledge on the business unit I am serving.</li> <li>7. Innovative solutions I may have for a business unit problem is not well understood.</li> <li>8. Procurement advisors understand the gravity of crisis situations affecting the different business units.</li> <li>9. <b>Sasol assisted me with all the changes affecting me as a supplier.</b></li> </ol>	<p>(Murray, Rentell, &amp; Geere, 2008)(Ulbrich, 2010)(Janssen, Joha, &amp; Zuurmond, 2009)(Farndale, Paauwe, &amp; Hoeksema, 2009)(Ulbrich, 2006)</p>

## Appendix 4: Descriptive Statistics

(Full descriptive statistics and the mean, standard deviations, medians, skewness and kurtosis of each item)

### Pre-Shared Service

Commitment									
		Strongly Disagree	Disagree	Slightly Disagree	Neutral	Slightly Agree	Agree	Strongly Agree	Total
Commitment: I would defend Sasol in front of other colleagues and external partners.	Count	2	2	2	21	4	51	35	117
	Row N %	1.7%	1.7%	1.7%	17.9%	3.4%	43.6%	29.9%	100.0%
Commitment: My business is willing to invest considerable effort in maintaining my relationship with Sasol.	Count	2	1	1	12	3	39	59	117
	Row N %	1.7%	.9%	.9%	10.3%	2.6%	33.3%	50.4%	100.0%
Commitment: My relationship with Sasol deserves my businesses maximum effort to maintain.	Count	4	5	3	22	8	52	39	133
	Row N %	3.0%	3.8%	2.3%	16.5%	6.0%	39.1%	29.3%	100.0%
Commitment: My relationship with Sasol is something I really care about.	Count	0	2	0	9	3	41	75	130
	Row N %	0.0%	1.5%	0.0%	6.9%	2.3%	31.5%	57.7%	100.0%
Commitment: Sasol puts the long term cooperation with my business before short term profits.	Count	12	17	7	30	22	41	8	137
	Row N %	8.8%	12.4%	5.1%	21.9%	16.1%	29.9%	5.8%	100.0%
Commitment: The relationship that my business has with Sasol is something I am very committed to .	Count	1	0	1	7	2	47	61	119
	Row N %	.8%	0.0%	.8%	5.9%	1.7%	39.5%	51.3%	100.0%
Statistics									
	N		Mean	Median	Std. Deviation	Skewness	Kurtosis	Minimum	Maximum
	Valid	Missing							
Commitment: I would defend Sasol in front of other colleagues and external partners.	117	23	5.70	6.00	1.354	-1.327	1.613	1	7
Commitment: My business is willing to invest considerable effort in maintaining my relationship with Sasol.	117	23	6.13	7.00	1.256	-1.998	4.409	1	7
Commitment: My relationship with Sasol deserves my businesses maximum effort to maintain.	133	7	5.53	6.00	1.540	-1.252	1.015	1	7
Commitment: My relationship with Sasol is something I really care about.	130	10	6.35	7.00	1.003	-2.119	5.110	2	7
Commitment: Sasol puts the long term cooperation with my business before short term profits.	137	3	4.37	5.00	1.762	-.518	-.842	1	7
Commitment: The relationship that my business has with Sasol is something I am very committed to .	119	21	6.31	7.00	.981	-2.362	7.866	1	7

Functional									
		Strongly Disagree	Disagree	Slightly Disagree	Neutral	Slightly Agree	Agree	Strongly Agree	Total
Functional: Having a relationship with Sasol enables me to become more competitive in the market.	Count	3	5	6	33	8	45	18	118
	Row N %	2.5%	4.2%	5.1%	28.0%	6.8%	38.1%	15.3%	100.0%
Functional: My business is able to capitalise on the value Sasol offers.	Count	7	4	3	35	10	55	8	122
	Row N %	5.7%	3.3%	2.5%	28.7%	8.2%	45.1%	6.6%	100.0%
Functional: My relationship with Sasol enables me to enhance financial outcomes as a result of the relationship.	Count	5	12	2	30	10	52	17	128
	Row N %	3.9%	9.4%	1.6%	23.4%	7.8%	40.6%	13.3%	100.0%
Functional: My relationship with Sasol enables me to proactively identify opportunities.	Count	4	12	3	34	12	54	11	130
	Row N %	3.1%	9.2%	2.3%	26.2%	9.2%	41.5%	8.5%	100.0%
Functional: Sasol and my organisation complement each other in terms of expertise.	Count	3	8	1	23	12	55	16	118
	Row N %	2.5%	6.8%	.8%	19.5%	10.2%	46.6%	13.6%	100.0%

Statistics									
	N		Mean	Median	Std. Deviation	Skewness	Kurtosis	Minimum	Maximum
	Valid	Missing							
Functional: Having a relationship with Sasol enables me to become more competitive in the market.	118	22	5.08	6.00	1.509	-.709	-.107	1	7
Functional: My business is able to capitalise on the value Sasol offers.	122	18	4.92	6.00	1.524	-1.012	.512	1	7
Functional: My relationship with Sasol enables me to enhance financial outcomes as a result of the relationship.	128	12	4.97	6.00	1.650	-.836	-.204	1	7
Functional: My relationship with Sasol enables me to proactively identify opportunities.	130	10	4.88	5.50	1.560	-.787	-.204	1	7
Functional: Sasol and my organisation complement each other in terms of expertise.	118	22	5.22	6.00	1.491	-1.125	.682	1	7

Psychological									
		Strongly Disagree	Disagree	Slightly Disagree	Neutral	Slightly Agree	Agree	Strongly Agree	Total
Psychological: I have peace of mind dealing with Sasol.	Count	4	9	4	13	9	51	28	118
	Row N %	3.4%	7.6%	3.4%	11.0%	7.6%	43.2%	23.7%	100.0%
Psychological: I know what to expect of/from Sasol.	Count	2	4	2	17	13	69	12	119
	Row N %	1.7%	3.4%	1.7%	14.3%	10.9%	58.0%	10.1%	100.0%
Psychological: I trust Sasol.	Count	5	1	4	24	8	48	29	119
	Row N %	4.2%	.8%	3.4%	20.2%	6.7%	40.3%	24.4%	100.0%
Psychological: If Sasol gives me their word, I know that whatever it is, it will be done.	Count	10	13	12	19	13	44	24	135
	Row N %	7.4%	9.6%	8.9%	14.1%	9.6%	32.6%	17.8%	100.0%
Psychological: There is a real sense of understanding between Sasol and my organisation.	Count	3	8	4	21	16	49	16	117
	Row N %	2.6%	6.8%	3.4%	17.9%	13.7%	41.9%	13.7%	100.0%

Statistics									
	N		Mean	Median	Std. Deviation	Skewness	Kurtosis	Minimum	Maximum
	Valid	Missing							
Psychological: I have peace of mind dealing with Sasol.	118	22	5.36	6.00	1.657	-1.196	.480	1	7
Psychological: I know what to expect of/from Sasol.	119	21	5.44	6.00	1.260	-1.550	2.428	1	7
Psychological: I trust Sasol.	119	21	5.43	6.00	1.516	-1.190	1.115	1	7
Psychological: If Sasol gives me their word, I know that whatever it is, it will be done.	135	5	4.78	6.00	1.887	-.620	-.841	1	7
Psychological: There is a real sense of understanding between Sasol and my organisation.	117	23	5.14	6.00	1.519	-.985	.313	1	7

Satisfaction									
		Strongly Disagree	Disagree	Slightly Disagree	Neutral	Slightly Agree	Agree	Strongly Agree	Total
Satisfaction: Compared to my expectations, I am very satisfied with Sasol as a customer.	Count	5	6	5	20	13	53	27	129
	Row N %	3.9%	4.7%	3.9%	15.5%	10.1%	41.1%	20.9%	100.0%
Satisfaction: Frequency of complaints about Sasol as a customer is low.	Count	3	11	6	30	8	49	11	118
	Row N %	2.5%	9.3%	5.1%	25.4%	6.8%	41.5%	9.3%	100.0%
Satisfaction: I am satisfied with the cooperation we get from Sasol.	Count	4	6	3	19	15	60	12	119
	Row N %	3.4%	5.0%	2.5%	16.0%	12.6%	50.4%	10.1%	100.0%
Satisfaction: I expect this relationship with Sasol will lead to increasing sales and profits in the future.	Count	1	8	1	23	13	66	17	129
	Row N %	.8%	6.2%	.8%	17.8%	10.1%	51.2%	13.2%	100.0%
Satisfaction: It is pleasant to be in a partnership with Sasol.	Count	3	2	6	14	8	53	30	116
	Row N %	2.6%	1.7%	5.2%	12.1%	6.9%	45.7%	25.9%	100.0%
Satisfaction: My business regrets the decision to do business with Sasol.	Count	67	27	2	15	2	2	4	119
	Row N %	56.3%	22.7%	1.7%	12.6%	1.7%	1.7%	3.4%	100.0%

#### Statistics

	N		Mean	Median	Std. Deviation	Skewness	Kurtosis	Minimum	Maximum
	Valid	Missing							
Satisfaction: Compared to my expectations, I am very satisfied with Sasol as a customer.	129	11	5.30	6.00	1.589	-1.127	.603	1	7
Satisfaction: Frequency of complaints about Sasol as a customer is low.	118	22	4.86	6.00	1.579	-.686	-.462	1	7
Satisfaction: I am satisfied with the cooperation we get from Sasol.	119	21	5.21	6.00	1.461	-1.286	1.139	1	7
Satisfaction: I expect this relationship with Sasol will lead to increasing sales and profits in the future.	129	11	5.36	6.00	1.346	-1.200	.998	1	7
Satisfaction: It is pleasant to be in a partnership with Sasol.	116	24	5.59	6.00	1.432	-1.386	1.606	1	7
Satisfaction: My business regrets the decision to do business with Sasol.	119	21	1.99	1.00	1.538	1.764	2.518	1	7

#### Shared Service: Disadvantages

		Strongly Disagree	Disagree	Slightly Disagree	Neutral	Slightly Agree	Agree	Strongly Agree	Total
Shared Service: Disadvantages: I believe the business has become innovative.	Count	1	7	3	29	9	53	15	117
	Row N %	.9%	6.0%	2.6%	24.8%	7.7%	45.3%	12.8%	100.0%
Shared Service: Disadvantages: I feel alienated from the end user in Sasol.	Count	21	34	9	34	6	20	6	130
	Row N %	16.2%	26.2%	6.9%	26.2%	4.6%	15.4%	4.6%	100.0%
Shared Service: Disadvantages: I feel Sasol is sufficiently reactive to me.	Count	4	7	3	22	12	55	14	117
	Row N %	3.4%	6.0%	2.6%	18.8%	10.3%	47.0%	12.0%	100.0%
Shared Service: Disadvantages: I perceive the service levels to be good.	Count	8	8	8	23	17	62	9	135
	Row N %	5.9%	5.9%	5.9%	17.0%	12.6%	45.9%	6.7%	100.0%
Shared Service: Disadvantages: There have been longer response times to me as a supplier.	Count	9	21	14	33	18	17	6	118
	Row N %	7.6%	17.8%	11.9%	28.0%	15.3%	14.4%	5.1%	100.0%

#### Statistics

	N		Mean	Median	Std. Deviation	Skewness	Kurtosis	Minimum	Maximum
	Valid	Missing							
Shared Service: Disadvantages: I believe the business has become innovative.	117	23	5.20	6.00	1.403	-.852	.082	1	7
Shared Service: Disadvantages: I feel alienated from the end user in Sasol.	130	10	3.42	4.00	1.825	.336	-1.038	1	7
Shared Service: Disadvantages: I feel Sasol is sufficiently reactive to me.	117	23	5.15	6.00	1.523	-1.113	.591	1	7
Shared Service: Disadvantages: I perceive the service levels to be good.	135	5	4.89	6.00	1.619	-1.006	.084	1	7
Shared Service: Disadvantages: There have been longer response times to me as a supplier.	118	22	3.89	4.00	1.647	-.008	-.844	1	7



Shared Service: Advantages									
		Strongly Disagree	Disagree	Slightly Disagree	Neutral	Slightly Agree	Agree	Strongly Agree	Total
Shared Service: Advantages: I find it simple to understand who manages my contract in Sasol.	Count	9	17	6	17	8	48	14	119
	Row N %	7.6%	14.3%	5.0%	14.3%	6.7%	40.3%	11.8%	100.0%
Shared Service: Advantages: I find that the Sasol procurement personnel are competent.	Count	3	4	7	25	7	55	18	119
	Row N %	2.5%	3.4%	5.9%	21.0%	5.9%	46.2%	15.1%	100.0%
Shared Service: Advantages: I have a one stop shop for all the business units I serve.	Count	3	13	2	30	9	42	20	119
	Row N %	2.5%	10.9%	1.7%	25.2%	7.6%	35.3%	16.8%	100.0%
Shared Service: Advantages: My business has profited on possible economies of scale.	Count	3	13	3	43	21	32	5	120
	Row N %	2.5%	10.8%	2.5%	35.8%	17.5%	26.7%	4.2%	100.0%
Shared Service: Advantages: Sasol's procurement model has helped reduce my business costs.	Count	8	21	9	48	14	19	2	121
	Row N %	6.6%	17.4%	7.4%	39.7%	11.6%	15.7%	1.7%	100.0%
Statistics									
	N				Std.				
	Valid	Missing	Mean	Median	Deviation	Skewness	Kurtosis	Minimum	Maximum
Shared Service: Advantages: I find it simple to understand who manages my contract in Sasol.	119	21	4.66	6.00	1.906	-.627	-.984	1	7
Shared Service: Advantages: I find that the Sasol procurement personnel are competent.	119	21	5.24	6.00	1.477	-.977	.351	1	7
Shared Service: Advantages: I have a one stop shop for all the business units I serve.	119	21	4.97	6.00	1.659	-.684	-.482	1	7
Shared Service: Advantages: My business has profited on possible economies of scale.	120	20	4.52	4.00	1.432	-.497	-.248	1	7
Shared Service: Advantages: Sasol's procurement model has helped reduce my business costs.	121	19	3.86	4.00	1.502	-.147	-.651	1	7

Shared Service: General									
		Strongly Disagree	Disagree	Slightly Disagree	Neutral	Slightly Agree	Agree	Strongly Agree	Total
Shared Service: General: I receive sufficient personalised contact.	Count	7	8	4	22	19	48	13	121
	Row N %	5.8%	6.6%	3.3%	18.2%	15.7%	39.7%	10.7%	100.0%
Shared Service: General: Innovative solutions I may have for a business unit problem is not well understood.	Count	8	29	4	45	7	16	7	116
	Row N %	6.9%	25.0%	3.4%	38.8%	6.0%	13.8%	6.0%	100.0%
Shared Service: General: Managing the receiving of payment is cumbersome.	Count	6	30	4	27	14	27	11	119
	Row N %	5.0%	25.2%	3.4%	22.7%	11.8%	22.7%	9.2%	100.0%
Shared Service: General: Payment issues are quickly dealt with.	Count	18	10	9	8	18	43	24	130
	Row N %	13.8%	7.7%	6.9%	6.2%	13.8%	33.1%	18.5%	100.0%
Shared Service: General: Procurement advisors understand the gravity of crisis situations affecting the different business units.	Count	4	5	6	31	14	46	12	118
	Row N %	3.4%	4.2%	5.1%	26.3%	11.9%	39.0%	10.2%	100.0%
Shared Service: General: Procurement personnel have sufficient knowledge on the business unit I am serving.	Count	8	11	8	27	9	45	11	119
	Row N %	6.7%	9.2%	6.7%	22.7%	7.6%	37.8%	9.2%	100.0%
Shared Service: General: Sorting out invoice issues is relatively simple.	Count	15	13	6	17	18	41	7	117
	Row N %	12.8%	11.1%	5.1%	14.5%	15.4%	35.0%	6.0%	100.0%
Shared Service: General: Technical requirements are well understood.	Count	3	6	6	19	13	52	19	118
	Row N %	2.5%	5.1%	5.1%	16.1%	11.0%	44.1%	16.1%	100.0%
Statistics									
	N		Mean	Median	Std. Deviation	Skewness	Kurtosis	Minimum	Maximum
	Valid	Missing							
Shared Service: General: I receive sufficient personalised contact.	121	19	4.93	6.00	1.637	-.970	.147	1	7
Shared Service: General: Innovative solutions I may have for a business unit problem is not well understood.	116	24	3.78	4.00	1.669	.169	-.800	1	7
Shared Service: General: Managing the receiving of payment is cumbersome.	119	21	4.16	4.00	1.832	-.097	-1.264	1	7
Shared Service: General: Payment issues are quickly dealt with.	130	10	4.72	6.00	2.066	-.709	-.919	1	7
Shared Service: General: Procurement advisors understand the gravity of crisis situations affecting the different business units.	118	22	4.97	5.00	1.485	-.802	.165	1	7
Shared Service: General: Procurement personnel have sufficient knowledge on the business unit I am serving.	119	21	4.66	5.00	1.749	-.627	-.675	1	7
Shared Service: General: Sorting out invoice issues is relatively simple.	117	23	4.38	5.00	1.906	-.585	-1.013	1	7
Shared Service: General: Technical requirements are well understood.	118	22	5.25	6.00	1.507	-1.053	.469	1	7

Social									
		Strongly Disagree	Disagree	Slightly Disagree	Neutral	Slightly Agree	Agree	Strongly Agree	Total
Social: I have a built a real relationship with Sasol.	Count	1	2	4	13	15	65	30	130
	Row N %	.8%	1.5%	3.1%	10.0%	11.5%	50.0%	23.1%	100.0%
Social: I work on things together with Sasol.	Count	2	5	2	16	15	60	17	117
	Row N %	1.7%	4.3%	1.7%	13.7%	12.8%	51.3%	14.5%	100.0%
Social: I would call on Sasol if I had a problem.	Count	5	8	1	28	11	59	18	130
	Row N %	3.8%	6.2%	.8%	21.5%	8.5%	45.4%	13.8%	100.0%
Social: My relationship with Sasol enables me to share and enable solutions to problems.	Count	6	8	3	25	11	63	16	132
	Row N %	4.5%	6.1%	2.3%	18.9%	8.3%	47.7%	12.1%	100.0%
Social: My relationship with Sasol goes beyond just business.	Count	11	20	2	35	8	43	11	130
	Row N %	8.5%	15.4%	1.5%	26.9%	6.2%	33.1%	8.5%	100.0%
Statistics									
	N		Mean	Median	Std. Deviation	Skewness	Kurtosis	Minimum	Maximum
	Valid	Missing							
Social: I have a built a real relationship with Sasol.	130	10	5.72	6.00	1.181	-1.422	2.352	1	7
Social: I work on things together with Sasol.	117	23	5.44	6.00	1.335	-1.397	1.830	1	7
Social: I would call on Sasol if I had a problem.	130	10	5.16	6.00	1.554	-1.092	.557	1	7
Social: My relationship with Sasol enables me to share and enable solutions to problems.	132	8	5.12	6.00	1.587	-1.121	.489	1	7
Social: My relationship with Sasol goes beyond just business.	130	10	4.40	4.00	1.845	-.433	-1.020	1	7

Trust									
		Strongly Disagree	Disagree	Slightly Disagree	Neutral	Slightly Agree	Agree	Strongly Agree	Total
Trust: I can be open in my discussions with Sasol.	Count	3	5	3	18	11	50	28	118
	Row N %	2.5%	4.2%	2.5%	15.3%	9.3%	42.4%	23.7%	100.0%
Trust: I can count on Sasol to keep their promises made to my firm.	Count	6	8	6	12	16	59	24	131
	Row N %	4.6%	6.1%	4.6%	9.2%	12.2%	45.0%	18.3%	100.0%
Trust: I have a friend-like relationship with this Sasol.	Count	8	16	4	27	14	41	10	120
	Row N %	6.7%	13.3%	3.3%	22.5%	11.7%	34.2%	8.3%	100.0%
Trust: Sasol can be relied on to keep its promises.	Count	6	11	1	19	13	55	14	119
	Row N %	5.0%	9.2%	.8%	16.0%	10.9%	46.2%	11.8%	100.0%
Trust: Sasol considers my welfare as well as its own when making important decisions.	Count	10	8	10	36	18	40	15	137
	Row N %	7.3%	5.8%	7.3%	26.3%	13.1%	29.2%	10.9%	100.0%
Trust: Sasol is genuinely concerned that my business succeeds.	Count	9	15	3	40	13	33	6	119
	Row N %	7.6%	12.6%	2.5%	33.6%	10.9%	27.7%	5.0%	100.0%
Statistics									
	N		Mean	Median	Std. Deviation	Skewness	Kurtosis	Minimum	Maximum
	Valid	Missing							
Trust: I can be open in my discussions with Sasol.	118	22	5.47	6.00	1.489	-1.237	1.075	1	7
Trust: I can count on Sasol to keep their promises made to my firm.	131	9	5.27	6.00	1.640	-1.225	.631	1	7
Trust: I have a friend-like relationship with this Sasol.	120	20	4.55	5.00	1.767	-.572	-.799	1	7
Trust: Sasol can be relied on to keep its promises.	119	21	5.04	6.00	1.669	-1.079	.179	1	7
Trust: Sasol considers my welfare as well as its own when making important decisions.	137	3	4.64	5.00	1.693	-.582	-.431	1	7
Trust: Sasol is genuinely concerned that my business succeeds.	119	21	4.31	4.00	1.676	-.439	-.701	1	7

## Post-Shared Service

Commitment									
		Strongly Disagree	Disagree	Slightly Disagree	Neutral	Slightly Agree	Agree	Strongly Agree	Total
Commitment: I would defend Sasol in front of other colleagues and external partners.	Count	4	5	4	21	3	44	36	117
	Row N %	3.4%	4.3%	3.4%	17.9%	2.6%	37.6%	30.8%	100.0%
Commitment: My business is willing to invest considerable effort in maintaining my relationship with Sasol.	Count	2	2	2	14	2	34	61	117
	Row N %	1.7%	1.7%	1.7%	12.0%	1.7%	29.1%	52.1%	100.0%
Commitment: My relationship with Sasol deserves my businesses maximum effort to maintain.	Count	5	10	2	17	5	50	43	132
	Row N %	3.8%	7.6%	1.5%	12.9%	3.8%	37.9%	32.6%	100.0%
Commitment: My relationship with Sasol is something I really care about.	Count	2	6	0	11	3	28	81	131
	Row N %	1.5%	4.6%	0.0%	8.4%	2.3%	21.4%	61.8%	100.0%
Commitment: Sasol puts the long term cooperation with my business before short term profits.	Count	18	28	12	21	11	38	10	138
	Row N %	13.0%	20.3%	8.7%	15.2%	8.0%	27.5%	7.2%	100.0%
Commitment: The relationship that my business has with Sasol is something I am very committed to .	Count	2	0	3	10	2	33	69	119
	Row N %	1.7%	0.0%	2.5%	8.4%	1.7%	27.7%	58.0%	100.0%

Statistics									
	N				Std.				
	Valid	Missing	Mean	Median	Deviation	Skewness	Kurtosis	Minimum	Maximum
Commitment: I would defend Sasol in front of other colleagues and external partners.	117	23	5.48	6.00	1.627	-1.152	.531	1	7
Commitment: My business is willing to invest considerable effort in maintaining my relationship with Sasol.	117	23	6.06	7.00	1.373	-1.778	2.883	1	7
Commitment: My relationship with Sasol deserves my businesses maximum effort to maintain.	132	8	5.49	6.00	1.714	-1.252	.549	1	7
Commitment: My relationship with Sasol is something I really care about.	131	9	6.17	7.00	1.442	-2.034	3.497	1	7
Commitment: Sasol puts the long term cooperation with my business before short term profits.	138	2	3.96	4.00	1.983	-.074	-1.424	1	7
Commitment: The relationship that my business has with Sasol is something I am very committed to .	119	21	6.24	7.00	1.240	-2.142	4.879	1	7

Functional									
		Strongly Disagree	Disagree	Slightly Disagree	Neutral	Slightly Agree	Agree	Strongly Agree	Total
Functional: Having a relationship with Sasol enables me to become more competitive in the market.	Count	6	10	6	32	5	37	21	117
	Row N %	5.1%	8.5%	5.1%	27.4%	4.3%	31.6%	17.9%	100.0%
Functional: My business is able to capitalise on the value Sasol offers.	Count	12	13	4	31	7	47	8	122
	Row N %	9.8%	10.7%	3.3%	25.4%	5.7%	38.5%	6.6%	100.0%
Functional: My relationship with Sasol enables me to enhance financial outcomes as a result of the relationship.	Count	15	18	5	26	6	43	17	130
	Row N %	11.5%	13.8%	3.8%	20.0%	4.6%	33.1%	13.1%	100.0%
Functional: My relationship with Sasol enables me to proactively identify opportunities.	Count	13	14	7	32	12	40	13	131
	Row N %	9.9%	10.7%	5.3%	24.4%	9.2%	30.5%	9.9%	100.0%
Functional: Sasol and my organisation complement each other in terms of expertise.	Count	5	10	1	27	8	47	19	117
	Row N %	4.3%	8.5%	.9%	23.1%	6.8%	40.2%	16.2%	100.0%

Statistics									
	N				Std.				
	Valid	Missing	Mean	Median	Deviation	Skewness	Kurtosis	Minimum	Maximum
Functional: Having a relationship with Sasol enables me to become more competitive in the market.	117	23	4.84	5.00	1.761	-.567	-.664	1	7
Functional: My business is able to capitalise on the value Sasol offers.	122	18	4.48	5.00	1.824	-.597	-.836	1	7
Functional: My relationship with Sasol enables me to enhance financial outcomes as a result of the relationship.	130	10	4.44	5.00	2.004	-.428	-1.186	1	7
Functional: My relationship with Sasol enables me to proactively identify opportunities.	131	9	4.44	4.00	1.848	-.467	-.906	1	7
Functional: Sasol and my organisation complement each other in terms of expertise.	117	23	5.05	6.00	1.670	-.895	-.075	1	7

Psychological									
		Strongly Disagree	Disagree	Slightly Disagree	Neutral	Slightly Agree	Agree	Strongly Agree	Total
Psychological: I have peace of mind dealing with Sasol.	Count	9	8	8	18	9	36	30	118
	Row N %	7.6%	6.8%	6.8%	15.3%	7.6%	30.5%	25.4%	100.0%
Psychological: I know what to expect of/from Sasol.	Count	7	11	4	15	14	55	13	119
	Row N %	5.9%	9.2%	3.4%	12.6%	11.8%	46.2%	10.9%	100.0%
Psychological: I trust Sasol.	Count	7	5	6	26	10	41	24	119
	Row N %	5.9%	4.2%	5.0%	21.8%	8.4%	34.5%	20.2%	100.0%
Psychological: If Sasol gives me their word, I know that whatever it is, it will be done.	Count	17	23	11	15	14	32	22	134
	Row N %	12.7%	17.2%	8.2%	11.2%	10.4%	23.9%	16.4%	100.0%
Psychological: There is a real sense of understanding between Sasol and my organisation.	Count	8	13	6	18	16	40	15	116
	Row N %	6.9%	11.2%	5.2%	15.5%	13.8%	34.5%	12.9%	100.0%
Statistics									
	N				Std.				
	Valid	Missing	Mean	Median	Deviation	Skewness	Kurtosis	Minimum	Maximum
Psychological: I have peace of mind dealing with Sasol.	118	22	5.02	6.00	1.899	-.786	-.550	1	7
Psychological: I know what to expect of/from Sasol.	119	21	4.97	6.00	1.720	-1.028	-.057	1	7
Psychological: I trust Sasol.	119	21	5.07	6.00	1.706	-.856	-.060	1	7
Psychological: If Sasol gives me their word, I know that whatever it is, it will be done.	134	6	4.27	5.00	2.100	-.219	-1.412	1	7
Psychological: There is a real sense of understanding between Sasol and my organisation.	116	24	4.73	5.00	1.815	-.686	-.683	1	7

Satisfaction									
		Strongly Disagree	Disagree	Slightly Disagree	Neutral	Slightly Agree	Agree	Strongly Agree	Total
Satisfaction: Compared to my expectations, I am very satisfied with Sasol as a customer.	Count	12	13	8	21	16	31	29	130
	Row N %	9.2%	10.0%	6.2%	16.2%	12.3%	23.8%	22.3%	100.0%
Satisfaction: Frequency of complaints about Sasol as a customer is low.	Count	10	13	8	24	5	45	12	117
	Row N %	8.5%	11.1%	6.8%	20.5%	4.3%	38.5%	10.3%	100.0%
Satisfaction: I am satisfied with the cooperation we get from Sasol.	Count	12	10	10	12	15	47	11	117
	Row N %	10.3%	8.5%	8.5%	10.3%	12.8%	40.2%	9.4%	100.0%
Satisfaction: I expect this relationship with Sasol will lead to increasing sales and profits in the future.	Count	6	14	4	26	12	46	21	129
	Row N %	4.7%	10.9%	3.1%	20.2%	9.3%	35.7%	16.3%	100.0%
Satisfaction: It is pleasant to be in a partnership with Sasol.	Count	8	1	11	15	7	41	32	115
	Row N %	7.0%	.9%	9.6%	13.0%	6.1%	35.7%	27.8%	100.0%
Satisfaction: My business regrets the decision to do business with Sasol.	Count	68	27	1	12	4	4	3	119
	Row N %	57.1%	22.7%	.8%	10.1%	3.4%	3.4%	2.5%	100.0%
Statistics									
	N				Std.				
	Valid	Missing	Mean	Median	Deviation	Skewness	Kurtosis	Minimum	Maximum
Satisfaction: Compared to my expectations, I am very satisfied with Sasol as a customer.	130	10	4.73	5.00	1.968	-.553	-.919	1	7
Satisfaction: Frequency of complaints about Sasol as a customer is low.	117	23	4.57	5.00	1.868	-.552	-.950	1	7
Satisfaction: I am satisfied with the cooperation we get from Sasol.	117	23	4.65	5.00	1.881	-.735	-.768	1	7
Satisfaction: I expect this relationship with Sasol will lead to increasing sales and profits in the future.	129	11	4.91	6.00	1.752	-.732	-.519	1	7
Satisfaction: It is pleasant to be in a partnership with Sasol.	115	25	5.29	6.00	1.766	-1.060	.196	1	7
Satisfaction: My business regrets the decision to do business with Sasol.	119	21	2.00	1.00	1.573	1.701	1.995	1	7

Shared Service: Disadvantages										
		Strongly Disagree	Disagree	Slightly Disagree	Neutral	Slightly Agree	Agree	Strongly Agree	Total	
Shared Service: Disadvantages: I believe the business has become innovative.	Count	7	8	5	24	12	42	19	117	
	Row N %	6.0%	6.8%	4.3%	20.5%	10.3%	35.9%	16.2%	100.0%	
Shared Service: Disadvantages: I feel alienated from the end user in Sasol.	Count	16	29	7	27	7	25	19	130	
	Row N %	12.3%	22.3%	5.4%	20.8%	5.4%	19.2%	14.6%	100.0%	
Shared Service: Disadvantages: I feel Sasol is sufficiently reactive to me.	Count	12	12	9	21	10	38	16	118	
	Row N %	10.2%	10.2%	7.6%	17.8%	8.5%	32.2%	13.6%	100.0%	
Shared Service: Disadvantages: I perceive the service levels to be good.	Count	17	19	15	18	11	41	14	135	
	Row N %	12.6%	14.1%	11.1%	13.3%	8.1%	30.4%	10.4%	100.0%	
Shared Service: Disadvantages: There have been longer response times to me as a supplier.	Count	9	22	5	22	14	30	17	119	
	Row N %	7.6%	18.5%	4.2%	18.5%	11.8%	25.2%	14.3%	100.0%	
Statistics										
	N		Mean	Median	Std. Deviation	Skewness	Kurtosis	Minimum	Maximum	
	Valid	Missing								
Shared Service: Disadvantages: I believe the business has become innovative.	117	23	4.95	6.00	1.726	-.820	-.231	1	7	
Shared Service: Disadvantages: I feel alienated from the end user in Sasol.	130	10	4.01	4.00	2.055	.033	-1.382	1	7	
Shared Service: Disadvantages: I feel Sasol is sufficiently reactive to me.	118	22	4.55	5.00	1.929	-.511	-.989	1	7	
Shared Service: Disadvantages: I perceive the service levels to be good.	135	5	4.23	4.00	2.004	-.265	-1.332	1	7	
Shared Service: Disadvantages: There have been longer response times to me as a supplier.	119	21	4.41	5.00	1.933	-.315	-1.200	1	7	

Shared Service: Advantages										
		Strongly Disagree	Disagree	Slightly Disagree	Neutral	Slightly Agree	Agree	Strongly Agree	Total	
Shared Service: Advantages: I find it simple to understand who manages my contract in Sasol.	Count	25	16	8	14	7	37	12	119	
	Row N %	21.0%	13.4%	6.7%	11.8%	5.9%	31.1%	10.1%	100.0%	
Shared Service: Advantages: I find that the Sasol procurement personnel are competent.	Count	9	9	8	20	9	48	15	118	
	Row N %	7.6%	7.6%	6.8%	16.9%	7.6%	40.7%	12.7%	100.0%	
Shared Service: Advantages: I have a one stop shop for all the business units I serve.	Count	8	10	1	27	8	37	26	117	
	Row N %	6.8%	8.5%	.9%	23.1%	6.8%	31.6%	22.2%	100.0%	
Shared Service: Advantages: My business has profited on possible economies of scale.	Count	8	16	8	35	19	31	3	120	
	Row N %	6.7%	13.3%	6.7%	29.2%	15.8%	25.8%	2.5%	100.0%	
Shared Service: Advantages: Sasol's procurement model has helped reduce my business costs.	Count	26	23	9	35	6	18	4	121	
	Row N %	21.5%	19.0%	7.4%	28.9%	5.0%	14.9%	3.3%	100.0%	
Statistics										
	N		Mean	Median	Std. Deviation	Skewness	Kurtosis	Minimum	Maximum	
	Valid	Missing								
Shared Service: Advantages: I find it simple to understand who manages my contract in Sasol.	119	21	4.02	4.00	2.178	-.177	-1.544	1	7	
Shared Service: Advantages: I find that the Sasol procurement personnel are competent.	118	22	4.82	6.00	1.805	-.785	-.521	1	7	
Shared Service: Advantages: I have a one stop shop for all the business units I serve.	117	23	4.98	6.00	1.834	-.785	-.416	1	7	
Shared Service: Advantages: My business has profited on possible economies of scale.	120	20	4.22	4.00	1.610	-.421	-.759	1	7	
Shared Service: Advantages: Sasol's procurement model has helped reduce my business costs.	121	19	3.35	4.00	1.820	.246	-1.064	1	7	

Shared Service: General										
		Strongly Disagree	Disagree	Slightly Disagree	Neutral	Slightly Agree	Agree	Strongly Agree	Total	
Shared Service: General: I receive sufficient personalised contact.	Count	19	13	4	19	15	41	10	121	
	Row N %	15.7%	10.7%	3.3%	15.7%	12.4%	33.9%	8.3%	100.0%	
Shared Service: General: Innovative solutions I may have for a business unit problem is not well understood.	Count	7	24	5	45	10	14	11	116	
	Row N %	6.0%	20.7%	4.3%	38.8%	8.6%	12.1%	9.5%	100.0%	
Shared Service: General: Managing the receiving of payment is cumbersome.	Count	9	23	5	16	14	22	30	119	
	Row N %	7.6%	19.3%	4.2%	13.4%	11.8%	18.5%	25.2%	100.0%	
Shared Service: General: Payment issues are quickly dealt with.	Count	34	13	9	8	12	33	22	131	
	Row N %	26.0%	9.9%	6.9%	6.1%	9.2%	25.2%	16.8%	100.0%	
Shared Service: General: Procurement advisors understand the gravity of crisis situations affecting the different business	Count	12	8	8	31	7	37	14	117	
	Row N %	10.3%	6.8%	6.8%	26.5%	6.0%	31.6%	12.0%	100.0%	
Shared Service: General: Procurement personnel have sufficient knowledge on the business unit I am serving.	Count	15	12	9	24	9	40	10	119	
	Row N %	12.6%	10.1%	7.6%	20.2%	7.6%	33.6%	8.4%	100.0%	
Shared Service: General: Sorting out invoice issues is relatively simple.	Count	31	15	9	9	8	31	13	116	
	Row N %	26.7%	12.9%	7.8%	7.8%	6.9%	26.7%	11.2%	100.0%	
Shared Service: General: Technical requirements are well understood.	Count	7	11	10	16	10	46	17	117	
	Row N %	6.0%	9.4%	8.5%	13.7%	8.5%	39.3%	14.5%	100.0%	
<b>Statistics</b>										
		N		Mean	Median	Std. Deviation	Skewness	Kurtosis	Minimum	Maximum
		Valid	Missing							
Shared Service: General: I receive sufficient personalised contact.		121	19	4.33	5.00	2.006	-.516	-1.148	1	7
Shared Service: General: Innovative solutions I may have for a business unit problem is not well understood.		116	24	3.97	4.00	1.691	.107	-.744	1	7
Shared Service: General: Managing the receiving of payment is cumbersome.		119	21	4.59	5.00	2.077	-.341	-1.322	1	7
Shared Service: General: Payment issues are quickly dealt with.		131	9	4.05	5.00	2.335	-.169	-1.623	1	7
Shared Service: General: Procurement advisors understand the gravity of crisis situations affecting the different business units.		117	23	4.54	4.00	1.845	-.518	-.775	1	7
Shared Service: General: Procurement personnel have sufficient knowledge on the business unit I am serving.		119	21	4.34	4.00	1.924	-.445	-1.082	1	7
Shared Service: General: Sorting out invoice issues is relatively simple.		116	24	3.80	4.00	2.270	-.004	-1.640	1	7
Shared Service: General: Technical requirements are well understood.		117	23	4.85	6.00	1.806	-.734	-.656	1	7

Social									
		Strongly Disagree	Disagree	Slightly Disagree	Neutral	Slightly Agree	Agree	Strongly Agree	Total
Social: I have a built a real relationship with Sasol.	Count	7	13	6	13	17	43	31	130
	Row N %	5.4%	10.0%	4.6%	10.0%	13.1%	33.1%	23.8%	100.0%
Social: I work on things together with Sasol.	Count	7	9	4	16	14	48	20	118
	Row N %	5.9%	7.6%	3.4%	13.6%	11.9%	40.7%	16.9%	100.0%
Social: I would call on Sasol if I had a problem.	Count	13	9	2	25	9	53	20	131
	Row N %	9.9%	6.9%	1.5%	19.1%	6.9%	40.5%	15.3%	100.0%
Social: My relationship with Sasol enables me to share and enable solutions to problems.	Count	14	14	4	23	6	50	21	132
	Row N %	10.6%	10.6%	3.0%	17.4%	4.5%	37.9%	15.9%	100.0%
Social: My relationship with Sasol goes beyond just business.	Count	18	20	2	32	6	39	14	131
	Row N %	13.7%	15.3%	1.5%	24.4%	4.6%	29.8%	10.7%	100.0%
Statistics									
	N				Std.				
	Valid	Missing	Mean	Median	Deviation	Skewness	Kurtosis	Minimum	Maximum
Social: I have a built a real relationship with Sasol.	130	10	5.10	6.00	1.829	-.898	-.354	1	7
Social: I work on things together with Sasol.	118	22	5.08	6.00	1.735	-1.018	.040	1	7
Social: I would call on Sasol if I had a problem.	131	9	4.89	6.00	1.867	-.896	-.348	1	7
Social: My relationship with Sasol enables me to share and enable solutions to problems.	132	8	4.72	6.00	1.978	-.678	-.884	1	7
Social: My relationship with Sasol goes beyond just business.	131	9	4.23	4.00	2.010	-.302	-1.260	1	7

Trust									
		Strongly Disagree	Disagree	Slightly Disagree	Neutral	Slightly Agree	Agree	Strongly Agree	Total
Trust: I can be open in my discussions with Sasol.	Count	6	8	5	18	9	46	26	118
	Row N %	5.1%	6.8%	4.2%	15.3%	7.6%	39.0%	22.0%	100.0%
Trust: I can count on Sasol to keep their promises made to my firm.	Count	17	15	11	12	12	41	21	129
	Row N %	13.2%	11.6%	8.5%	9.3%	9.3%	31.8%	16.3%	100.0%
Trust: I have a friend-like relationship with this Sasol.	Count	15	21	6	26	13	29	10	120
	Row N %	12.5%	17.5%	5.0%	21.7%	10.8%	24.2%	8.3%	100.0%
Trust: Sasol can be relied on to keep its promises.	Count	12	16	9	18	7	43	14	119
	Row N %	10.1%	13.4%	7.6%	15.1%	5.9%	36.1%	11.8%	100.0%
Trust: Sasol considers my welfare as well as its own when making important decisions.	Count	19	22	8	28	8	41	12	138
	Row N %	13.8%	15.9%	5.8%	20.3%	5.8%	29.7%	8.7%	100.0%
Trust: Sasol is genuinely concerned that my business succeeds.	Count	20	22	7	34	5	25	6	119
	Row N %	16.8%	18.5%	5.9%	28.6%	4.2%	21.0%	5.0%	100.0%
Statistics									
	N				Std.				
	Valid	Missing	Mean	Median	Deviation	Skewness	Kurtosis	Minimum	Maximum
Trust: I can be open in my discussions with Sasol.	118	22	5.19	6.00	1.734	-1.003	.024	1	7
Trust: I can count on Sasol to keep their promises made to my firm.	129	11	4.50	5.00	2.085	-.473	-1.238	1	7
Trust: I have a friend-like relationship with this Sasol.	120	20	4.07	4.00	1.930	-.181	-1.249	1	7
Trust: Sasol can be relied on to keep its promises.	119	21	4.49	5.00	1.970	-.468	-1.172	1	7
Trust: Sasol considers my welfare as well as its own when making important decisions.	138	2	4.12	4.00	1.994	-.223	-1.330	1	7
Trust: Sasol is genuinely concerned that my business succeeds.	119	21	3.68	4.00	1.891	.066	-1.210	1	7



