

**Buyer-supplier relationship and supply chain accountability in pursuit of value
creation**

Vireshan Shunmugam Pillay
17395560

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Abstract

Buyer-supplier relationships are becoming increasingly important within an emerging market context. However, with this level of importance and increasing formation, trust, collaboration and accountability and how these constructs foresee the value within BSRs, have to be considered. Within the context of African emerging markets, there is a notion amongst people that suppliers cannot perform. However, this study aims to prove that this is not the case as the majority of buyers and suppliers are performing in the way that they ought to.

Twelve in-depth, semi-structured interviews were conducted in the process of data collection, of which half were from a buying side of MNE and the other from supply within the South African local first-tier supplier. Transaction cost theory was used to highlight the portion of cost implications that the relationship may incur. The study highlights the importance of accountability in relation to both trust and collaboration efforts and in doing so ultimately provided value creation for both parties. To form a successful BSR, there is a requirement for the level of high accountability from both sides to improve the overall operations of a firm within a developing market.

The research explores the dynamics within a buyer-supplier relationship (BSR) and looks at how multinational enterprises (MNEs) perform within their first-tier suppliers by associating their relationship with the elements of trust, collaboration and accountability, with the overall aim of creating value that benefits both parties now and, in the future, thus creating a sustainable supply chain.

Key words

buyer-supplier relationships, supply chain collaboration, supply chain trust, supply chain accountability, supply chain value creation

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 at any other University. I further declare that I have obtained the necessary authorisation and consent to carry out this research.



Vireshan S. Pillay

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List of acronyms

Acronyms	Meaning
BSR	buyer-supplier relationship
OEM	original equipment manufacturer
SC	supply chain
SCC	supply chain collaboration
SCT	supply chain trust
SCA	supply chain accountability
SCVC	supply chain value creation
TCT	transaction cost theory/analysis

Chapter 1: Introduction to the research problem

1.1. Introduction

This study examines and explores buyer-supplier relationships (BSRs) within the automotive industry in South Africa. It seeks to use exploratory research to identify key constructs and their application within these relationships, allowing facilitation of a supply chain value creation process and in doing so creating a competitive advantage within its supply chain triad.

1.2. Background to the research problem

Villena, Revilla, and Choi (2011) indicated that there is a dark side when dealing with buyer-supplier relationships (BSRs), which can hinder collaboration efforts, and there is a need to consider and highlight those risks that can potentially have a negative consequence. Some existing supply chain management (SCM) literature has, in some instances, advanced the “bright side” of improved collaborative BSRs. With regard to their argument within social capital theories, SCM scholars have been able to identify how a buyer can enhance their ability to gain an advantage over the use of resources through collaborative BSRs. Villena et al. (2011) go on to say that collaboration between supply chain participants can become an essential element in introducing a reduction of conflicts and promoting more cohesive teamwork, but it can also enhance productivity by creating an extension to the OEM capabilities through effectively adapting and changing demands of the market needs.

According to Villena et al. (2011), SCM scholars suggested that building a sense of social capital within both BSRs would allow them to achieve the necessary access and would provide an advantage over resources that reside within their BSRs. It was noted that social capital contributed dramatically to the reduction of the unlikely chance of conflict and that it could encourage cooperative behaviour due to its collective expression in a common shared vision, trusting relationship and social dynamic. Social capital can associate itself with a few risks and challenges that can arise within the BSRs. An example of this is of an automotive manufacturer briefly halting production on account of not being supplied with the correct amount of steering systems as their supplier did not have the right amount of parts available to satisfy the production line of a series of vehicles. The *Financial Times* indicated that there had been an issue with the production of thousands of luxury vehicles within the week of 29 May 2017 because of manufacturing problems. The cause of the disruption was a result of a shortage of steering system components from one of the world’s largest supplier of motor vehicle parts (Mcgee, 2017).

According to Bai, Sheng, and Li (2016), within a supply chain network it is of the utmost importance to be successful, and in the context of the buyer-supplier relationships, the success of this translates to a high level of concern in achieving a competitive advantage by facilitating this relationship, allowing a firm to gain superior performance. They also argue that in some instances, supply chain relationships can be subjected to inescapable conflict, which occurs when parties have a perception of each other as sabotaging their ability in their pursuit for goal attainment. According to Tolmay and Badenhorst-Weiss (2015), a similar study in investigating a working supply chain relationship between a multinational buyer and a domestic supplier could be researched on other levels within the various supply chain tiers in the automotive supplier networks. They go further in saying that there has been a gap within research in formulating and conceptualising the relationship of multinational original equipment manufacturers (OEM) and their first-tier suppliers.

1.3. The research problem

Multinational OEMs in the automotive sector are continually demanding high quality and support for component products that suppliers manufacture and supply, but they want to transfer the risks to suppliers by holding them accountable for their products due to pressures from their stakeholders within their supply chain networks. Parmigiani, Klassen, and Russo (2011) suggest that both consumers and stakeholders now demand accountability with regard to the various tiered rankings within their BSRs/supply chain partnerships over which an organisation may have a varied amount of control. According to Parmigiani et al. (2011, p. 215), accountability, in the supply chain context, is defined as the “the extent where firms look for justification within their decision and actions in contributing towards product design, manufacturing, strategically sourcing or distributing to relevant stakeholders”. Accountability is a direct link to stakeholders’ salience and power, which can harness responsibility for the organisation and allow a too close link for them to specific supply chain behaviours to endorse demand action, even though this may not be a firm’s wish (Parmigiani et al., 2011). Parmigiani et al. (2011) argue that collaboration is an essential element that can promote discussion and understanding so as to avoid conflict when enforcing the rules accountability that may exist within the BSRs.

What has not been considered within the BSRs is the supply chain accountability (SCA), which has an overarching insight on both supply chain trust (SCT) and supply chain collaboration (SCC) in the pursuit to generate supply chain value creations (SCVC). Slobodow, Abdullah, and Babuschak (2008a) suggest that buyers of an organisation may have a greater decisive influence over suppliers’ involvement with regard to the success or failure of the BSRs. They

go further to say that senior executives are now translating tangible measures with a solution that emphasises dual accountability by creating tools that have both non-financial and financial metrics, in the form of a two-way scorecard, which enables BSRs to measure and track the level of accountability within firms. By allowing the use of key metrics that are not limited to the financial benefit, or within service level arrangements. When it comes to dual accountability, where both BSRs are concerned, there is a requirement for a fundamental psychological, cognitive frame shift of both buyer and supplier that allows both parties to align themselves with goal attainment.

Dekker, Sakaguchi, and Kawai (2013) argue that previous research has also supported the conceptual understanding that the use of collaborative management of cost practices is supported by stronger relational context characterised by trust within the BSRs. South African local firms have to work closer to the multinational manufacturing enterprises in achieving the desired cost savings. Collaborative working within this context allows organisations to best support and plan local supplier bases in attaining the desired financial gain and quality attributes. Part of the complexity is derived from a need for coordination and this gives rise to more than one interpretation that may exist within transaction failures, resulting in difficulty to apportion individual blame (Dekker et al., 2013,).

Soosay and Hyland (2015) have identified a few reasons for participating in supply chain collaboration. They argue that according to experts, the reality is to establish a true form of supply chain collaboration within foreign territories, which is often very complicated to achieve due to barriers that can surmount to both structural and cultural issues. It was also noted that cultural and institutional remain, due to both labour and institutional problems that may exist within the country. These challenges may adversely affect the stakeholders, which can be external, and may result in establishing good long-term relationships and thus creating value within the supply chain.

Geographical outsourcing has been widespread for European suppliers based within emerging markets such as Central America, South America, Asia and Africa. The complication that this has caused is ineffective contracts between supply chain partners that preside in an emerging market like South Africa. According to Shou, Zheng, and Zhu (2016, p. 38, 39), “signing a contract constitutes making a promise regarding the delineated obligations, duties, and responsibilities to the other party”, and “the role of contracts in governing business transactions has been well documented in the transaction cost theory (TCT). This theory can be used to provide a framework to conceptualise and validate the research problem. The key assumptions here can explain supply chain collaboration concerning uncertainties, risk and

opportunism that may arise out of a relationship. The governance structures of contracts do not only serve the purpose of managing associated risk within BSRs, which have a form of relation to opportunistic traits and self-interest partners the linkages of this can provide a framework (Dekker, Sakaguchi, & Kawai, 2013). The authors go further to say that this allows for both parties to fully cooperate in the coordination and adaption across a firm's existing boundaries

Supply chain trust (SCT) is an essential element in the arrangement of the supply chain network. According to Jean, Sinkovics, and Hiebaum (2014, p.101), there are three governance devices: "knowledge protection, supplier involvement and trust". They describe these three devices as the following: knowledge protection can be seen as structured governance devices, e.g. patents, service level agreement. They further elaborate that supplier involvement and finally trust are two enablements that are a given and they govern the usual daily activity norms. Contracts have the benefit of curtailing opportunism more in a domestic set environment than in an international BSR, however, trust is more effective in that it aids restriction of opportunism within the context of an international relationship rather than a domestically set-up relationship that may be derived from BSRs (Wang, Zhang, Wang, & Sheng, 2016).

SCT becomes pivotal within OEM globalisation strategy and the speed at which multinational organisations produce and supply. In some instances, firms may use supplier integrity, which can result in an expensive contractual pitfall as a criterion when sourcing the right supplier or relocating their selection and sourcing activities accordingly elsewhere (Christiansen, 2015). Further to this, there is a growing concern on how best manufacturers in South Africa are balancing both production efficiency and the cost of contracting. Christiansen (2015) mentions a trade-off aligning governance mechanism that can exist between structured and unstructured mechanics within the characteristics of BSRs, which is a productive relationship to derive optimum benefit or value from this cohesive nature. Moral costs become a hazard when hidden from the buyer; this is more prevalent in an emerging market with political instability.

The value creation process goes beyond the firm's internal environment and extends to suppliers, manufacturers and customers finding ways to ensure cohesive relationships and an extension obtain of social opportunism. There is an ecosystem of collaboration and trust that guides the BSRs to provide supply chain value creation. According to Kähkönen and Lintukangas (2018), the value is realised when resources are used by the recipient organisation or combined with the recipient organisation's internal resources in some manner

that transforms their potential into actual value-add or benefits. They go further to differentiate between the two forms of direct and indirect forms of value. Immediate value refers to the total volume of orders and the profitability from the orders once it has undergone a transformation or movement within the organisation, whereas indirect value refers to the benefits that exist within the relationship with regard to their becoming more innovative. Innovation is being responsive and agile in the performance of achieving change within the manufacturing environment.

1.4. Research aims

Transaction cost theory (TCT) within this research aims to fundamentally understand a behavioural issue that exists within the complex nature of supply chain network arrangement through the use of further understanding of the relationship between buyer and suppliers, but looking at accountability, trust and collaboration to ensure that true supply chain value creation can be derived. According to Porter and Kramer (2011), shared value creation will involve more than standard collaboration, but a new form of increased level of importance, which can be the view from literature namely collaboration, trust and accountability. The theoretical anchor of this research is based on transactional cost theory.

1.5. Scope of the research

The scope of the research is to understand the accountability of BSRs in supply chain value creation in the automotive industry. According to Slobodow, Abdullah, and Babuschak (2008), not only is tangible accountability required from both buyer and supplier, but they must both also achieve a much more trusting and collaborative effort, as well as present a willing attitude to trust in the face of vulnerable professionalism. Tolmay and Badenhorst-Weiss (2015) have mentioned that the automotive industry in South Africa largely contributes to the manufacturing industry and the economy of South Africa. They go on to say that it is unique in South Africa as it competes globally and applies best supply chain management practices. An exploratory qualitative design will fit this study as the researcher wishes to interview the participants so that the phenomenon at hand can be understood.

1.6. The significance of the research

The findings that may emerge within this study should allow for future expansion of manufacturing operations within the growing context of the Southern African Development Countries. The process of creating value within the supply chain is taken into consideration, in an attempt to ensure that both BSRs are aligned correctly to seek and capture this value through dual accountability, trust and collaborative efforts. Pursuing these goals will lay a

foundation for multinational enterprises to form a coalition with suppliers in the context of the culture and business environment in which they exist. The study should be able to provide an economic intelligence framework to best suit government structure so as to create a foundation for future benefits.

The relevance of this topic is that it will extend the value creation process beyond the firm's internal environment and will extend to both suppliers, manufacturers and customers, finding ways to ensure cohesive relationships and an extension of social opportunism. There will be an ecosystem of collaboration and trust that will guide the BSRs to provide supply chain value creation.

The research will allow a more significant and more in-depth understanding of supply chain accountability; this being collaboration and trust namely formal mechanisms and informal mechanisms within the South African context and will give rise to further research on the topic and will be extended to distant regions of emerging economic countries. It is in the hope that this will give rise to additional foreign direct investment (FDI) within the country and build extra frameworks for multinational organisations and legal institutes to facilitate coherent strategy. Wang et al. (2016) indicated that prior literature had recognised two mechanisms to mitigate opportunisms, i.e. a formal contract or an informal contract known as trust. In South Africa, where we like to favour trust, we also have to bear in mind that we cannot hold malpractice of a supplier within courts and this results in the harm of BSRs. The resulting impact can amount in a product quality defect, weak revenues and lost brand support in the future (Stuart, Verville, & Taskin, 2012). Within the automotive sector, this is increasingly becoming a procurement and compliance topic and requires both buyer and supplier to find a way to protect themselves and avoid any form of opportunistic behaviour.

Within the academic world, it will bring accountability within the BSRs and provide a framework in which supply chain trust and supply chain collaboration becomes the supporting theory around supply chain value creation within supply chain management. Within the TCT framework, it would add an element of dual accountability if given additional foresight in the management of opportunism. Opportunism in conjunction with a lack of numbers and information may cause internal organisations to experience transactional disability (Gibbons, 2010). This will ultimately advance the knowledge and pursuits within the transactional cost theory.

The chief executive officer of BMW, Mr Tim Abbott, confirmed to *Business Report* that BMW could take into consideration expanding the BMW Group's manufacturing capabilities by

building a new assembly plant in sub-Saharan Africa; of course, when the economic timing is right (Cokayne, 2018). Increasingly, there is an attempt by foreign automotive companies to expand operations on the African continent. With this expansion will come an increasingly collaborative effort and trust to ensure that value is created through these various activities. According to Lamprecht (2017), automotive manufacturers are currently looking at African markets to produce vehicles and increase their supply network. This is due to increasing governmental support in creating new free-trade agreement policies that enable the promotion of locally produced content in countries such as South Africa, Nigeria and Kenya, who have stopped imports on second-hand vehicles and impose increased tariffs on imported new vehicles. Lamprecht (2017) goes further to say that a drive to promote local content by these governments has led to the building of an assembly plant in these two countries. The African continent is increasingly important to multinational corporates and South Africa is in a position to leverage its well-established local supplier network to allow relationships to be facilitated, grow and strengthen within these markets that global manufacturers are now considering.

The business need for the study is to extend the research to within predeveloped emerging economies within Africa and examine the competence of structured and unstructured contracts in developing new automotive operational policy, which will cover the relationship framework of business within these emerging territories.

1.7. Conclusion

This chapter introduces the research topic, provides insight on buyer-supplier relationships and introduces the constructs of SCA, SCT, SCC and SCVC in order to seek competitive advantage within an emerging market perspective. Complexity exists within emerging markets where both supplier and buyer are required to coordinate themselves in order to create effective value within their supply chain arrangement.

Over the years, the supply chain has advanced to become a source of competitive advantage (Dolci, Maçada, & Paiva, 2017), and competitive advantage can also be achieved when firms are required to utilise resources efficiently and with effect (Shahzad, Sillanpaa, Sillanpaa, & Imeri, 2016). Firms will attempt to establish themselves within an emerging market to gain a competitive advantage (Jean et al., 2014), and with the aid of collaboration a firm can manage to share risks, access services that complement each other, aim to focus on the reduction of costs and improve profits over time (M. Cao & Zhang, 2011).

The research continues with Chapter 2, which presents a review on the theory and literature

related to buyer-supplier relationships and introduces the fundamental constructs of accountability, trust and collaboration and the pursuit of value creation. Chapter 3 will highlight aspects of the questions, which forms the foundation of the research, delving into elements of the key constructs and probing the themes and sub-themes from this. Chapter 4 will further discuss the approach of the research and methodology that will be used to collect and provide and analyse the data collected. Chapter 5 will contain the results from the questions and Chapter 6 will discuss the results and comment on the findings of the questions. Chapter 7 will provide a guided approach to the insights of the research for both business and academic purposes and will incorporate suggestions for further research.

Chapter 2: Theory and literature review

2.1. Introduction

This chapter discusses the literature with regard to accountability within BSRs and the use of collaboration and trust in the value creation process. Supply chain accountability is currently providing a framework with regard to enhancing BSRs with elements of trust and collaboration, creating a platform for the process of value creation. This chapter looks at the main constructs within the literature and states the numerous thoughts that exist within each area of interest. Within the confines of this study, supply chain accountability (SCA) will be considered, as well as understanding both elements of supply chain collaboration (SCC) and supply chain trust (SCT) in the pursuit of supply chain value creation (SCVC).

Cognisance is taken of the precedence set in existing emerging markets such as China and Japan, which are both emerging economies in their own right, and how these industrial economies have overcome their inability to manage and foster good supplier relationships. When a firm has the inability to have information transparency and legal enforceability, then this gives rise to the contract ineffectiveness. Within in an Asian context, firms will then seek either a single or multiple forms of business, social and/or political ties (Shou, Zheng, & Zou, 2016). Similarly, in South Africa, this can result in the inability to grow and maintain an automotive supplier base. Government involvement is key in the regulation of governing laws and it must remain committed in order to achieve economic prosperity for the automotive industry.

2.2. Global automotive supply chain management

Williams, Roh, Tokar, & Swink (2013) suggest that supply chains within a global context are increasingly becoming more complex as businesses start moving into new and existing foreign environments, and these increasing trends require supply chains to become increasingly agile and it has, therefore, become a sought-after capability. Williams et al., (2013) go further to mention that coordinate activities related to flows of information and materials through an increasing number of interconnected business partners, organisations must therefore extend their linkages to allow supply chain participants to facilitate dual-directional information within supply chain operations and give rise to upstream and downstream activities, thus increasing and improving their capabilities. Tawfik, Mady, and Mady (2014) argue that within the global supply chain network a close relationship is a necessity between buyers and suppliers and this has been cited in literature as a key differentiator between exceptional and poor performers of buyer and suppliers. Supply chain value creation is required to be derived from

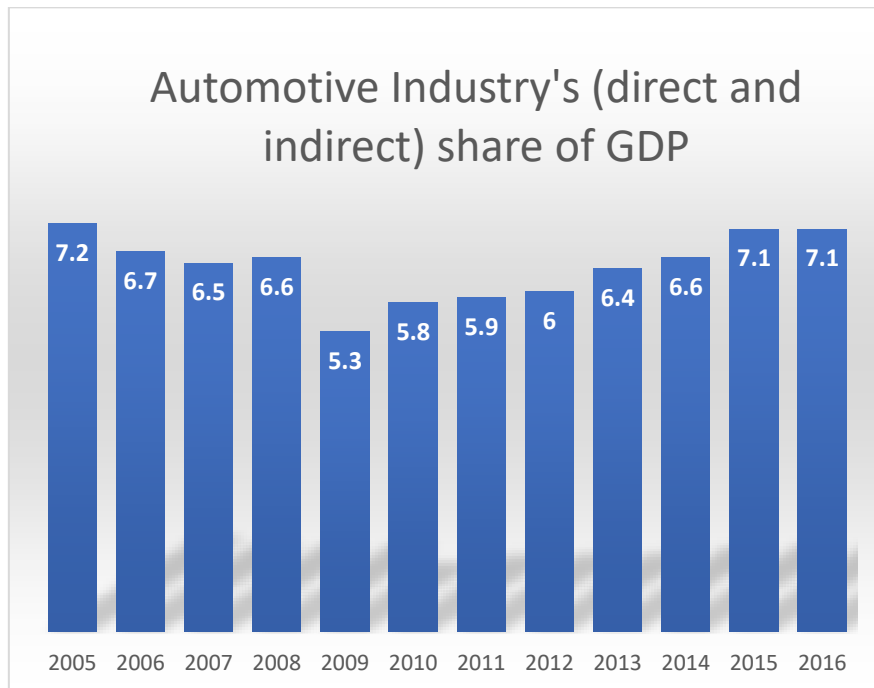
this close link between BSRs.

Williams et al. (2013) further argue that uncertainty exists within the supply chain, forcing management to redress these issues in order to achieve greater supply chain transparency by systematically and frequently collecting different types of information that relates to supply and demand that is different. According to Schmitt & Van Biesebroeck (2013), globalisation and foreign direct investment (FDI) have changed and have manifested within many of the European original automotive manufacturers, and the outcome of this has led to increased competitiveness over some suppliers within the automotive industry. The authors add that market integration, both vertically and horizontally across different continents, has led to the establishment of local assembly plants by foreign firms in order to intensify a competitive advantage, resulting in the need to internalise cultural background, which has become more prevalent within the regions of operations. The importance of this becomes tightly linked to the legal framework within this locality.

2.3. South African automotive buyer-supplier context

The automotive industry in South Africa contributes mostly to the gross domestic product (GDP) and is an essential facilitator in the economic activity of the country. According to Jordaan, Fieldgate, Dinham, Rolland, and Jammie (2018), the South African automotive industry contributes a 7.1% in 2016 of the South African GDP and has strong linkages to other industries when considering both forms of direct and indirect influence on the value chain.

Figure 1: Automotive industry's share of GDP, adapted from Jordaan et al. 2018:116



It was noted by Jordaan, Fieldgate, Dinham, Rolland, & Jammine (2018) that in South Africa the identification of a top seven sub-sectors experiences a direct benefit, from the consumption of automotive components in South Africa these industries listed within the table below:

Figure 2: Top 7 Supplier sectors in South Africa, adapted by Jordaan et al. (2018: p. 112)

Use of products	Automotive industry as % total (all industries)
Carpet manufacturing	57.2%
Leather manufacturing	56.2%
Manufacturing of parts sector	46.7%
Rubber sector	28.6%
Bearing and gears manufacturing	25.4%
Non-ferrous metals	20.4%
Iron and steel products	14.6%

The automotive industry exists throughout South Africa in all the provinces, however, out of the seven OEM manufacturers, they can be located in the Eastern Cape, Gauteng and KwaZulu-Natal (Jordaan et al., 2018). The authors go further to indicate that the value chain within the automotive industry is primarily driven by seven OEMs, namely BMW Group South Africa (BMW SA), Nissan South Africa (Nissan SA), Ford Motor Company South Africa

(FMCSA), Volkswagen Group South Africa (VWSA), Mercedes-Benz South Africa (MBSA), Toyota South Africa Motors (TSAM) and General Motors (GM)” (Jordaan et al., 2018, p.3). According to the authors, OEMs have a pivotal role to play within the emerging economies as they can share much-needed knowledge with both local and internationally based suppliers. With the establishment of OEMs in the existing market, there will be a need for collaborative behaviour both locally and internationally, with both elements of trust and accountability that stem within the value chain.

2.4. Supply chain accountability

According to Parmigiani, Klassen, & Russo (2011), within the context of the supply chain, accountability can be defined as the need of network parties to justify their decisions in order to manufacture, source and distribute to both internal and external stakeholders. They go on to say that demanding accountability from a much broader set of stakeholders, which include customers, suppliers and the political environment in which the organisation exists. Another view from Gualandris, Klassen, Vachon, and Kalchschmidt (2015) indicates that accountability is often infringed on proper knowledge about what is identified as proper key performance indicators (KPIs) for capturing and measuring social issues and may also be linked to environmental issues. According to Liu, Luo, and Liu (2009, p. 298), trust can lead to making a BSR more “accountable, durable and stable”.

2.4.1. Dual accountability

According to Slobodow, Abdullah and Babuschak (2008), executives are now faced with installing mechanisms within their BSRs in order to facilitate a measurable reality. The authors further elaborate that the use of metrics is required to keep both parties accountable and this will inhibit a psychological mind shift within the BSR arrangement. Apart from accountability, both parties are required to show an open and fair relationship, which forms a basis on the premise of trust, and communication is formed as part of this element in the sense of setting collaborative activity in their partnership.

2.4.2. Performance and goal setting

Adopting a “balanced scorecard” perspective in the form of a two-way scorecard allows for both partners to validate and scrutinise their activity (Slobodow, Abdullah, & Babuschak, 2008). According to Gualandris, Klassen, Vachon, & Kalchschmidt (2015), a firm should not consider performance goals within its individualistic form, but should allow creation and design by an integrated view within a stakeholder arrangement. According to Nyaga, Whipple, and Lynch (2010), goal setting forms a part of the collaboration to manage joint planning initiatives

and maintain future performance.

2.4.3. Governance mechanism

Governance is essential in bringing BSRs into harmonious synchronisation (Liu et al., 2009). It was noted in Liu et al. (2009) that governance requires mechanisms in BSRs in order to ensure that they align and ensure fulfilment of objectives are complete in order to ensure that they meet the needs of the organisation. They are furthermore of the opinion that governance becomes a pivotal role in the development of relationships within the supply chain. It was argued that goal differences, issues within contract arrangement due to ambiguity, changes in operational routines and market movement give a need to governance in BSRs.

According to Wang, Zhang, Wang, and Sheng (2016), supply chain partners would ultimately select the right governance mechanism that is suited for them to circumvent the regulatory uncertainty that may exist. Huo, Ye, and Zhao (2015) argued that governing exchanges could happen in two forms – one transactional and the other relational, and that one transactional mechanism is governed by legal or economic means and the relational by moral or seeking through the development of shared goals or values. Zhang, Zhou, Wang, and Wei, (2017) argue that TCT indicates that organisations are bound by rationality and opportunistic behaviour. They go further to indicate that opportunistic behaviour will exist between partners and the diminishment of transaction costs suggests the use of a governance mechanism. According to Marcos and Prior (2017), the dominance of opportunistic behaviour is more associated within BSRs as the relationships decline post-stages after the initiation of relationships. Shahzad, Ali, Takala, Helo, and Zaefarian (2018) argue that governance becomes an important role in the development of BSRs, and governing BSRs successfully will result in beneficial outcomes and stability. Therefore, designing an effective governance structure that supports the business should be fulfilling for both business parties.

2.5. Supply chain collaboration

Cao and Zhang (2011) separated supply chain collaboration into two broad groups of conceptualisation: relationship and process focus. By conceptualising both relationship and process focus, they defined SCC as the business function where two or more supply chain participants share and work towards an ultimate common goal. According to Cao, Vonderembse, Zhang, and Ragu-Nathan (2010, p. 6617-6619), a model for SCC can have a range of seven elements, which are created within a collaborative context, these being: “collaborative communication; joint knowledge creation; incentive alignment; decision synchronisation; goal congruence; resource sharing; and information sharing”. According to

Cao, Vonderembse, Zhang, and Ragu-Nathan (2010), a theoretical lens from TCT and RBV has created these seven mechanisms in order to provide cost and risk reduction programmes. Ramanathan and Gunasekaran (2014) argued that SCC could only be beneficial if all parties can cooperate. Collaboration is the backbone activity of any supply chain relationship and seeks to allow firms to create a dynamic and cohesive work environment for any BSRs. Collaborative behaviour has to be nurtured, a human element will exist, and the outcomes can lead to a positive effect or an adverse effect.

The importance of information sharing is critical in establishing a grounding between BSRs. Cao and Zhang (2011) describe this as the way where a firm engages and distributes relevant, concise, private and furnished ideas, strategic intent and processes within a timely manner with its supply chain partner. According to Tejpal, Garg, and Sachdeva (2013), building trust requires a level of cohesiveness between supply chain participants, and therefore relies on a level of consistency with partners to be committed, communicative, sharing and disseminating of pertinent information in order to ensure that the planning of activities are executed efficiently and effectively to reach the firms goals.

2.5.1. Goal congruency

Goal congruency can be described as the extent to which supply chain participants may have an indubitable perception over their own achievable goals, where they are happy in the notion that they can achieve the supply chain objectives that are set up in order to fulfil a requirement (M. Cao & Zhang, 2011). Further to this, the authors indicated that there is a degree of understanding whether or not goals are aligned, and agreements are made to suit compatibility or fit among supply chain participants. Therefore, in essence, goal congruency requires a degree of supply chain collaboration, which will entail a fair degree of mutual understanding and agreement within a systems belief, which entails, values belief and best practices where they operate (M. Cao et al., 2010).

2.5.2. Decision synchronisation

The decisive order whereby supply chain participants facilitate a planning and operational procedure where decisions in supply chain functions such as planning, controlling, of operations create a viable solution in better managing inventory management, supply and demand balancing through forecasts or product variation to ultimately lead to an optimised supply chain which provides an overall benefit (M. Cao & Zhang, 2011). The authors further mentioned that some planning activities still require a strategy, and much of this can be regarded as operations strategy planning, which may include elements of forecasting, demand

management, scheduling, procurement and distribution. A problem that was noted is that supply chain partners have different opinions that may conflict within their goals, which usually aids as a guide within the decision-making process, of which the result can have an effect and may lead to a less viable solution. According to Ramanathan and Gunasekaran (2014), there is a requirement that a level of synchronisation should form a part of the SCC. They go further to indicate that this element contributes to decision synchronisation recognised as a vital element to the SCC. This decision-making process involves a number of different parties and thus links it to value creation.

2.5.3 Information sharing

The dissemination of information that relates to “relevant, accurate, complete and confidential plans, ideas and procedures” (p.6617) where the use of this information is used in a timely manner to achieve the necessary objectives that a firm may have in forming and creating its value (M. Cao et al., 2010). As described by many authors, Cao et al. (2010) also refer it to the foundation, centre and an essential component in SCC. They go further to argue that the formulation of transparency, therefore, will have to exist in order to be able to disseminate the correct information to the various BSRs. According to Wagner, Eggert, and Lindemann (2010), information exchange has a positive impact on managing the link between parties and can directly contribute to the value that is created. They furthermore argue that if a supplier wishes to grow, then there is a possibility then all that is required is to have an open form of communication in the BSR's

2.5.4. Incentive alignment

Working together to develop new systems to monitor and improve each other's performance or consider existing system enhancement to ensure that information moves between both parties allowing for various transparency like benefits, efficiency, risks and the sharing or allocation of costs among supply chain partners (M. Cao & Zhang, 2011). Furthermore, the authors are of the opinion that incentives are gains that need to be shared relatively among suppliers. Partnerships have to be able to share gains and losses equally. It is argued by Liu, Li, Shi, and Liu (2017) that some meetings allow managers to align goals and strategies – the more frequent the interaction, the more alignment that can be obtained.

2.5.5. Resource sharing

This allows firms to lend assets, capabilities and fixed assets as well as financial support of operations (M. Cao & Zhang, 2011). The authors go further to provide examples where resource sharing is a common form of collaboration; some of these practices within various

industries are where vendor-managed inventory allows suppliers to assess stock information and manage the replenishment process of inventory within their suppliers. Having this resource improves the organisation's operational efficiency and gives both cost benefits and competitive advantages.

2.5.6. Collaborative communication

"The contact and message transmission process among supply chain partners regarding frequency, direction, mode, and influence strategy"(M. Cao & Zhang, 2011). There is a fear of communicating less, which may provide a foundation for supply chain agility. Cao and Zhang (2011) indicate the frequency that is used would determine how agile you are against a changing business environment. According to Yigitbasioglu (2010), uncertainty within the supply chain can be the result of problems that arise out of communication, this being a lack or no communication from supply chain partners. Another view of Guerrini and Pellegrinotti (2016) is that the supply chain reference model promotes communication amongst suppliers in order to initiate and provide continuous improvements solutions.

Yang, Gao, Li, Shen, and Zheng (2017) argue that interactions are an important element within BSRs, and a smooth interaction and the dissemination of information allows for partners to be more effective and efficient in resolving difference of opinion, and this will lead to maintaining stability within a collaborative relationship. Blázquez and González-Díaz (2016) suggest that due to complexity in the supply of products to a production facility, interactions play a vital role in the coordination of production within supplier firms in different continents.

2.5.7. Joint knowledge creation

Supply chain partners are required to understand and respond to the market's competitive environment by being able to gain learning by working in an effective manner (M. Cao & Zhang, 2011). The authors go on to say that there are two forms of knowledge creation: knowledge exploration and knowledge exploitation. According to them (Cao & Zhang, 2011, p. 6620), "knowledge exploration" is the process of acquiring, seeking and understanding relevant information that is new. "Knowledge exploitation" is the process where they use this information to benefit their BSR'. According to Scholten and Schilder (2015), supply chain resilience can be created by a mutually benefited knowledge creation and organisation that have partnered for longer. They go further to say that the length of time within a partnership will create more visibility across the supply chain as partners are aware of the processes and comfortable in resolving issues quickly. This also offsets information sharing, communicating collaboratively and synchronised joint relationship effort.

2.6. Supply chain trust

Suppliers make significant contributions to a firm's value creation and working with suppliers to create value may lead to new sources of competitive advantage. However, it is still important to build trust through structured or unstructured mechanisms. Trust can be an attempt to understand the behaviour, motive and state of mind between two or more supply chain partners (Tejpal, Garg, & Sachdeva, 2013).

According to Tejpal et al. (2013), there are factors within the trust that are required in BSRs to ensure that regulations of uncertainty can be maintained to a minimum, and the following factors can be extricable linked to the formation of building trust within the BSR arrangement. Tejpal et al. (2013) made reference to ten factors, which are summarised below:

2.6.1 Confidentiality

In building the relationship between buyers and suppliers, confidentiality between partners has been identified as a critical element in ensuring that trust is fostered between supply chain partners during their period of service. Within the automotive industry, there has been an increase in keeping development projects as confidential as possible – this is an ensuing expectation for both BSRs. Gorane and Kant (2016) argue that partners tend to fear making information available during benchmarking exercises and there is a lack of awareness to overcome these fears. Trust can only be established through being able to provide confidential information in order to create trust. According to Johnson and Sohi (2016), buyers and suppliers enter into contracts in order to adhere to the parties' prescribed terms. They go further to argue that a customer's trust can be adversely impacted should there be a lack of understanding of these prescribed terms.

2.6.2. Honesty and integrity

An important part of trust is being able to operationalise both elements of honesty and integrity and treating it as a core component in fostering and maintaining trust within supply chain partners; this has to be enshrined in both the organisational culture and individually within BSRs. There is an element of expression of respect, confidence, dignity and belief between two exchanging parties (Liu et al., 2009; Luo, Liu, Yang, Maksimov, & Hou, 2015).

2.6.3. Work standards

Organisational work standards and the competence with which partners facilitate their duties have an influence on the trust within a supply chain arrangement. This involvement can

predominantly refer to the supply chain partners' mere competence in carrying out their obligation and the knowledge, skills and ability where they practice in these roles in fulfilling their promise, obligation or agreement that both parties need to obtain in order to meet an organisational goal. Supply chain partners need to have a mutual understanding that is built on the foundation and the acknowledgement of trust, and is further deployed or enhanced on the core competence that the partner can offer in customising and providing goods or services that are made specifically for the firm.

2.6.4. Politeness and friendliness

Empathy, courtesy and etiquette, together with adopting a warm, open and accepting demeanour, will enable a better and more fostered relationship and gain supply chain trust amongst partners who are regularly involved in interaction to facilitate the daily activities of a business requirement. According to Fawcett, Jones, and Fawcett (2012), relational investment indicates within a supply chain partnership that there is a willingness and an ability to work together effectively and efficiently so as to benefit both parties. They go further to indicate that there should be the right signals that show a commitment between partners and empathy exemplifies the trust and collaboration relationships.

2.6.5. Share value

Within the intricacy of keen sense of valued respect can supply chain partnerships create an established element of trust, fundamentally this will allow their partners to pursue shared values for compatible and common goals. According to Porter and Kramer (2011), the aim is not to just create profit for the organisation, but to also be able to pursue innovation and create growth through to productive energies towards a global economy. They go on to argue that the pursuit of a more sustainable approach within their organisation would be better and more effective than to have a feel-good response to pressures that may come within their external environment.

2.6.6. Experience and qualifications

Having a long-term exposure within the industry and building up an industrial repertoire can establish trust between supply chain partners. Further to this, acquiring a certain amount of expertise within the industry and further addressing a skill set by attaining a professional qualification also establishes trust. Trust can be easily transferred within the links of a relationship. According to Kähkönen and Lintukangas (2018), trust can be employed by enhancing the firm's resource capability, and this develops from experience, knowledge and skills that are within key individuals of the organisation.

2.6.7. Reliability

Within a partnership, establishing trust can be in the form of a contract where both parties are required to deliver based on the committed arrangement, this being in the form of a contractual obligation. Trust is created using partners executing what they have promised they will execute. Trust becomes an essential element within a supply chain partnership and is fundamentally based on the principal understanding that partners are reliable and will, therefore, ensure that their obligations are met with the parties concerned in order to both benefit in achieving the goals of the organisation.

2.6.8. Timeliness

A quick response to emails and communication fosters and builds trust over a period. Supply chain relationships tend to lead with this sort of process. Also included in this is the setting and keeping of important dates, which may be in relation to the business activity. According to Tatham, Wu, Kovács, and Butcher (2017), the specific situation within the supply chain arrangement a quick decision, can be both effective or ineffective and can impact the bottom line. This will require skills enhancement amongst staff to provide a quick response.

2.6.9. Customisation

According to Gorane and Kant (2016), adapting and customising internal business processes in the ability to facilitate and efficiently meet the needs within the supply chain arrangement can form a basis of trust between partners. They go further to say that collaborative engagement in support of goods and services within the partnership will allow for the alignment of supply chain practices and the improvement of supply chain performance, which will fit the organisational needs.

2.6.10. Information sharing

Information sharing refers to the dissemination of pertinent information as the fundamental function of operational data being a paramount level of importance in trust between supply chain partnerships and relies on an openness within the interaction as formal informal set of communication between buyers and suppliers; this will enable a better form of planning and understanding between the two parties. According to Wang, Ye, and Tan (2014), information distortion is a problematic area in supply chain overall performance; research has shown that the benefit of supply chain information sharing allows firms to be effective and efficient. They go further to indicate that information is a key component to be supplied in time in order to facilitate and coordinate key activities. It has been known that trust is the antecedent to supply

chain information (Wang et al., 2014). Li, Xie, Teo, and Peng (2010) suggest that social control mechanisms can take place through means of information sharing, fulfilling a commitment, participating in business decisions and solving issues that may arise in the relationship – this allows for the foundation of trust to be further developed.

2.7. Supply chain value creation

According to Kähkönen and Lintukangas (2018), value creation, seeking a competitive advantage and performance, being financial or cohesive as a whole within the firm, are the primary pursuits of business. According to Skilton (2012), value creation within the supply chain is seen as the pursuit of resources that are important to the firm's being and determines which suppliers are in the best position to capture this value. Firms that buy locally enable the process of strengthening local suppliers in order to provide quality of services, as when suppliers are stronger, it provides efficiency within the organisation and thus enables the creation of shared value (Porter & Kramer, 2011).

2.7.1. Supplier value

Organisations today do not work in isolation; firms coincide in a business environment and by doing so form business relationships with supplier firms (Kähkönen & Lintukangas, 2018). Supply management is a network of suppliers collaborating to create value for a firm or firms (Kähkönen & Lintukangas, 2018). Kähkönen and Lintukangas (2018) argue that suppliers contribute a significant amount to value creation to a firm, and by doing so may create a competitive advantage for the organisation, resulting in supplier management programmes to manage and enhance supplier base, allowing value creation.

2.7.2. OEM value

The value chain view considers the aspect of value creation; however, these two terms cannot be intertwined. According to Holweg and Helo (2014), the value creation goal is to capture the maximum value-add in terms of monetary value for a firm, and supply chain view seeks to create efficiency through the operational process within the supply chain. The authors go further to indicate that value creation can be established through means of a network of firms within the supply chain network. Strategic decisions take into account the material flow in relation to location, transport, information and control (Holweg & Helo, 2014).

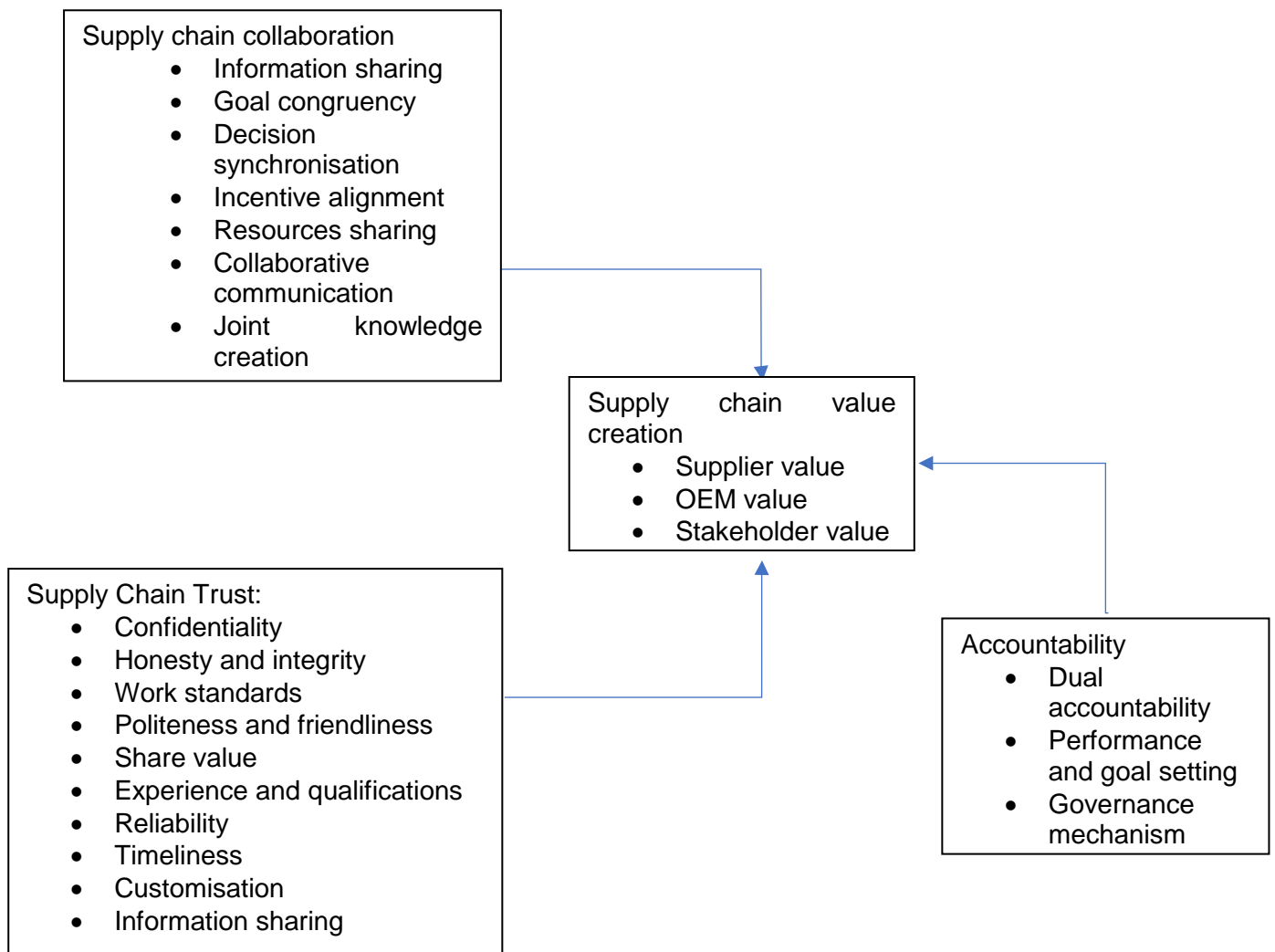
2.7.3. Stakeholder value

Firms are continually changing the way they interact with their stakeholders, and this is due to terms such as “shared value” (Porter & Kramer, 2011; Gualandris et al., 2015). According to

(Slobodow et al., 2008a), both stakeholders from an external and internal business environment must understand the BSR value it brings so that this can allow for a sustainable future. According to A. K. Kähkönen and Lintukangas (2018), organisations that seek to acquire resources must indeed interact with the parties that control these resources. They go further to argue that purchasing firms must be willing to form and commit to a relationship that conforms to a collaborative nature. According to Cao and Zhang (2011), for firms to collaborate seamlessly, they need to engage closely with partners to allow for value creation to occur jointly and to generate a common benefit between firms.

2.8. Theory-based conceptual model

Figure 3: Conceptual model



Within the conceptual model, literature is consulted that discuss four main points and establish the research on these key sub-themes. It is easy to see that SCC, SCA and SCT are dependent on one another and draw on all three elements in order to provide value creation.

Added to the literature is the concept of SCA, which is not a common theme and which takes from multiple sources of literature to create one common business area.

2.9. Theoretical background

2.9.1. Transaction cost theory (TCT)

Transaction cost theory (TCT) is a framework that identifies functions, rights and the responsibility that comes within a BSR, where there is a transactional requirement for both parties in which they are required to execute in order for them to achieve a common goal. It provides a general guideline with a set of rules and processes within the transaction that looks at and ensures that opportunism is curtailed within the transactional relationship (Shou et al., 2016). The transactional cost theory identifies the formal structures, such as contracts used in order to avoid opportunism that may preside in an inter-organisational confine (Wang et al., 2016).

Two elements of risk have provided a level of importance within the cooperation of BSRs; these risks are required to be managed correctly. The first risk that is involved is the risk to maintain that buyers have an enabled view of selecting trusted suppliers, and second, that buyers will create safeguards within collaborative efforts in order to manage and utilise these transactions (Dekker et al., 2013). Halldórsson, Hsuan and Kotzab (2015) argue that TCT remains an aim to determine whether core competencies are at the focal point of the organisation or not. They argue that this theory is due to the nature of SCM and it is not the only theory that can be considered. TCT aids in fundamentally providing an explanation to the existence of firms and which seeks to become efficient.

According to (Halldórsson et al., 2015), TCT is by far the most commonly used theory in SCM, but is not limited to other theories in which he describes theories that can offer the same utilisation needs is the resource-based view (RBV), principle-agent theory (PAT), network theory (NT) and transactional cost analysis theory (TCT). Within the research the theoretical lens that is most applicable is TCT, and Halldórsson et al. (2015) have identified critical characteristics to this theory namely:

2.9.1.1. Behavioural assumptions

Opportunism reduces transactional value between the buyer-supplier arrangement. According to Grover and Malhotra (2003), opportunism allows the existence of monitoring certain

behavioural tendencies and allowing for future proofing assets and ensuring that parties are not involved in opportunistic behaviour. They go further to indicate that bound rationality will increase transaction costs, leading to governance mechanisms established in order to control transaction costs. Behavioural uncertainty relates to difficulties associated with monitoring parties performance when they are contractually bounded (Grover & Malhotra, 2003).

2.9.1.2. Key problem

Efficient alignment of governance structures is required to ensure their minimalist transaction costs; hence the need for structural governance that can be obtained from drafting a contract that is detailed to reduce opportunism (Grover & Malhotra, 2003; Liu et al., 2009; Williamson, 2010). Key problem areas that are existent within this area of theory are efficient governance structures, in the form allowing insertion of legal rules within a contract can create distrust between BSRs (Liu et al., 2009).

2.9.1.3. Primary focus of analysis

According to He, Lin, and Wei (2016), the primary focus of TCT theory is based on transaction attributes in which TCT offers a different view on export markets, as markets in different regions have different approaches to transaction costs and thus implications differ from relevant international markets. They go further to say that different markets have a level of difference in knowledge and thus potential business partners and customers can increase transaction costs in the export context.

2.9.1.4. The primary function of relationships

Dong, Ju, and Fang (2016) suggest that switching costs from one entrant in the market to another is dependent on the degree of substitutability; if the transaction costs are high enough then the change may not be favourable. They further indicate that if the transaction costs are lower, then switching costs from one entrant to another might be a viable option due to less intervention from a focal firm, and this would then be a viable option. TCT becomes a focal point in the relationship, whether it is domestic or international, and looks at the bounded rationality that may exist within BSR.

2.9.1.5. Primary domain of interest in SCM

According to London & Hart (2004), efficient boundaries of the firm have to exist to allow for firms to design and protect themselves against unintentional spill-over and they will look for partnerships to be able to carry out functions and increase their capabilities within the local environment. They go further to support that firms within developing economies will adapt

themselves to Western practices in attracting investment by MNE. In doing this, firms in developing economies will ensure alignment to government and civil society-regulated practices.

2.9.1.6. Application to SCM

2.9.1.6.1 Outsourcing

Yang, Zhao, Yeung, and Liu (2016) argue that the high cost and failure rate can surmount to improper coordination of outsourcing strategies. Within BSRs this can be surmounted to the strategies of outsourcing. Another notion is that government is required to play a pivotal role in this process by further investing in proper facilities and building infrastructure to support MNE within developing economies. Holweg and Helo, (2014) suggest that there is decision-making in reference to the supply chain arrangement that may exist within the value chain, and these decisions are predominantly in reference to the firm's focal point of their core business. Wolf (2011) suggests that coordination of activities lies within existing partners that serve a critical role to the MNE.

2.9.1.6.2. Information sharing between key suppliers

Information sharing within key suppliers is the lifeblood of SCC and is seen to be the most important collaborative activity (M. Cao et al., 2010). Wang et al. (2014) suggest that there is importance in the quality of information that is shared and the extent to which it is done. Dong, Ju, and Fang (2016) indicate that continuous information sharing will result in the alignment within the behaviour of the relationship. They go further to say that the role of information sharing can reduce the effect of ambiguity that can arise from the relationship and gives further ability to coordinate activities.

2.9.1.6.3. Supply chain structures

The importance of structures allows for an MNE to integrate supply chain processes in order to best manage and coordinate work task, and by allowing for this it gives the MNE the ability to influence the behaviour of supply chain partners and in so doing promote efficiency and productivity (Basole, Ghosh, & Hora, 2017). Lintukangas, Peltola, and Virolainen (2009) suggest that TCT affects the decisions of how organisation will structure their activities between a choice of market exchange or vertical integration. They go further to say that a high level of transaction cost will move a firm towards a functional level of integration and a decentralised firm structure will be in place in order to reduce transactional costs.

2.9.1.6.4. Relationship contracting

Johnson and Sohi (2016) indicate that there is an unwritten code that governs business relationships and informal agreements. They go further to say that formal contracts may not be able to cater for when things go wrong, which may be the result of unforeseen circumstances or uncertainty, which may result in the business environment. Relationship contracting provides a platform for both BSR to be able resolve issues amicably and before using the formal route, which can result in irreversible harm within the relationship (Johnson & Sohi, 2016).

2.9.1.6.5. Supply chain governance

Governance control has become an essential role in the development of relationships (Liu, Luo, Huang, & Yang, 2017). According to Liu, Luo, et al. (2017), a transaction cost is a major contributor towards governance cost. They go further to say that transaction cost within a relationship will be inclusive of bargaining costs that may arise out of the level of negotiations, evaluating through execution and costs that may arise through uncertainty.

2.9.1.6.6. Relevance and effectiveness of two collaborations – this can be a direct investment in supplier development and close relationship building

Supplier development is a result of investment from the focal firm and as a result the requirement to assist in the establishment of processes has become an integral part of MNE (Shahzad et al., 2016). They go further to say that supplier development programmes help to develop trust between suppliers and buyers, knowing that there is support from the focal firm.

2.9.1.6.7. Partner selection for strategic alliances

Tangpong, Hung, and Ro (2010) suggest that partner selection tends to be driven by two forms, one being company-wide characteristics, which is not limited to organisational reputation, quality of service being rendered and being consistent, and the second being individual characteristics that are responsible for the engagement in the relationship. In the research done by Esposito and Passaro (2009), they mention that the aircraft industry has been utilising strategic alliance during the nineties and as a result first-tier suppliers have developed their own coordinated network of second-tier suppliers to curb the complexity of supplying focal firm.

2.9.1.6.8. Understanding international relationship with critical partners

Dong et al. (2016) suggest that complexity arises when a firm's boundaries are not located locally. They go further to say that in some instances, a firm's operations may be located in a

foreign country, which can put added pressure on the BSR when dealing with a business environment and the requirement to adapt to changes if they exist. Another point raised is that adaptation can provide modification in the relationship if certain practices become inappropriate.

2.9.1.6.9. Adversarial relationship

According to Johnson and Sohi (2016), the nature of formal contracts can have an adversarial effect on the relationship, which can in turn effect or influence on the performance of the firm. They go further to say that this necessary form of governance is required other than that of contracts. Literature has note that adversarial relationships have no in room in the development of BSRs and negatively impact relationships in the long term.

2.10. Conclusion

In conclusion, this chapter has presented a review of the literature that resides in supply chain management with a critical focus on BSRs and their constructs. It looks at three essential views, which are collaboration, trust and accountability, which are linkages to value creation. The chapter has expanded on the literature offered by Slobodow et al. (2008a) on elements of accountability, and Cao and Zhang (2011), which delves deeper into collaboration efforts of a firm. Trust elements identified by Tejpal, Garg, & Sachdeva (2013) form the discussion around trust within BSRs. Lastly, the aspect of value creation (Holweg & Helo, 2014; Kähkönen & Lintukangas, 2018) was discussed, which brings these three constructs together. The chapter then explored the supply chain collaboration literature and presented valuable insights into the sub-themes within this category. The chapter ended with insight on the theoretical lens that has established the research and investigation put forward. Further chapters will align the literature into a more concise format, giving rise to emerging information that may be brought about further in the research.

Chapter 3: Research questions

3.1. Introduction

This chapter presents the research questions of the study, which have been formulated from the literature that was reviewed and assessed in Chapter 2. These questions were formulated from the invaluable insight gained from the literature with regard to the complexity that exists within BSRs on accountability, trust and collaboration and how these constructs are in pursuit of supply chain value creation. They will be applied to the automotive industry residing in an emerging market. These questions are provided to gain further context of these relationships and seek how to further enhance or gain visibility within the usual business practice.

3.2. Research objective

The overarching research question is formulated as follows:

Does supply chain value creation within an emerging market seek the use of supply chain accountability, supply chain collaboration and supply chain trust and in doing so impact the buyer-supplier relationship?

The research objectives are:

- to understand the relationship between the supplier and buyer in supply chain value creation;
- to examine the accountability between BSRs within supply chain management; and
- to determine what happens between BSRs, focusing on supply chain collaboration and supply chain trust.

The research aim is to answer the following fundamental questions:

3.3. Research Question 1

How does accountability provide supply chain trust in the buyer-supplier transactional arrangement?

According to Slobodow et al. (2008), executives within an organisation will describe their partnerships as close-knit relationships, which are intertwined with mutual trust and understanding brought about by complementing each other's specific strengths. The authors have further indicated that good communication is required, but with some strategic supplier partners this cannot be achieved. Performance measurement is something that is widely

talked about in relationships and is identified as having soft and hard requirements, where soft requirements are the level of service and innovation that is provided (Slobodow et al., 2008). Another thought by Shou et al. (2016) makes reference to signing a contract, which makes firms bound by the obligations to perform duties, holding them accountable in protecting an organisation's interest. Slobodow et al. (2008) also argued that if there is one thing that is valid within the relationship which leads to a need for honest and open forms of communication.

3.4. Research Question 2

What has to happen between the buyer-supplier relationship to ensure that regulatory uncertainty within the organisation is kept to a minimum?

Slobodow et al. (2008) argue that executives have to create tools in the form of metrics to form a mechanism where dual accountability can exist between two parties. According to them, even though contracts are in place, they may be incomplete and may result in an inefficient mechanism in the view of uncertainty. According to Wang et al. (2016), both regulatory structure and relationship influences have a role to play in avoiding the cost of supplier opportunism that exists within a domestic boundary, but trust is more effective when suppliers are considered locally present within an international boundary.

3.5. Research Question 3

How does supply chain trust mitigate the risk of non-compliance in the supply of goods or services?

Trust and control can mitigate the risk of non-compliance. Trust can be established based on governance structures, which can mitigate the risks involved or the cooperation of both parties who may have knowledge and capabilities in which mutual benefit can be derived and exploited (Varoutsas & Scapens, 2018). The authors go further to say that contracts as well as the association with good will can lead to the avoidance of the risk that may arise in opportunistic behaviour within the relationship, but ultimately trust will be needed to allow for effective control of such behaviour. According to Fawcett, Jones, and Fawcett (2012), as companies evolve into a mature relationship, it is necessary to assess the risk and benefit, in that they need to consider the supply chain trust that has to be part of a nurturing process over the term of the relationship. They go further to indicate that as they go further in the trust maturity of the relationship, the risk curve further decreases.

3.6. Research Question 4

How do supply chain trust and collaboration create a more meaningful BSR that leads to supply chain value creation?

According to Fawcett et al. (2012), two critical cycles are required to work together: one that has been identified as the relationship trust cycle and the other the collaboration capability. They go further to say that the trust cycle and the collaboration capabilities lead to identifying four stages of trust, namely, phase one: limited trust; phase 2: transactional trust; phase three: relational trust; and phase four: collaborative trust.

3.7. Conclusion

This chapter provides questions that have been derived from the literature and where this has now formed a base on which further insights are probed to gain further understanding of supply chain accountability, supply chain trust and supply chain collaboration approach with regard to the SCVC process. From this qualitative analysis, a framework will be created in order to assess and analyse this study.

Chapter 4: Research methodology

4.1. Introduction

The foundation of the research was linked to the supply chain value creation (SCVC) process through the adoption of three core elements, being trust and collaboration between buyer-supplier relationship (BSRs) and dual accountability that is required to govern these relationships. The research design is an exploratory qualitative design. The researcher intends to see how transaction cost theory (TCT) can be applied to the current research on the accountability of BSRs and supply chain value creation. Understanding the research methodology will allow for the ability to move through the research efficiently. Having a view of the method will assist with a coherent and well-understood exploratory study.

This chapter will discuss the research methodology and critical methods and the approach of the research will follow the following process: research design, research setting, research population, research sampling, data collection, data collection process, data collection analysis, and ethical consideration.

4.2. Choice of methodology

The overall choice of methodology for this study has been based on a qualitative study. Qualitative research provides an evolved interpretation, which is a naturalistic approach to the environment that exists. This ideally means that the study will be undertaken in a natural setting to best understand and make sense of the phenomena that exist due to the interaction of people within their environment and the meanings that can be established (Denzin & Lincoln, 2011). A qualitative approach was chosen as opposed to a quantitative approach as the relationship and accountability between BSRs in the automotive industry within an emerging market are being explored, which has not been done before. The key to this qualitative research is that data will be collected in a natural setting, namely the automotive industry, which allows for the sensitivity of participants. Information will be gathered through face-to-face interaction with the participants in their natural environment, which will enable a closeness to the data that is derived from the interview. Qualitative research also allows for a better understanding of the accountability with regard to the BSRs. Qualitative research is conducted to empower the participants to share their experiences, hear their voices, minimise the power relationship that exists between the researcher and the participants (Creswell, 2013). The author goes further to say that qualitative research will enable the researcher to answer the objectives and questions that are set out in his research.

Quantitative research would not work within the context of the automotive industry in an emerging market in Africa due to the number of participants that are available who have worked closely within BSR arrangement. This approach would not be practical as the quality of the participant may not be known, and the depth and richness of the data provided may be inconsistent, providing no validity to the research (Fusch & Ness, 2015).

4.3. Philosophy

Denzin and Lincoln (2011) have a philosophical approach to assuming that the methodology provides a vital premise that can unfold into interpretivism, which is utilised in qualitative research. The goal within this research is to depend on the participant's view of BSR accountability and supply chain value creation as much as possible. Often these subjective meanings are transacted during daily activities and these interactions form a social construction that is best described as interpretivism (Denzin & Lincoln, 2011).

According to Creswell (2013), the questions should be broad and general as this will allow participants to construct the meaning of the situation, namely BSR accountability and supply chain value creation. In interpretivism, a researcher recognises that their own experience within a relationship shapes the interpretation and they will ensure that they make observations within the research acknowledging how the participants' interpretation will derive from their own personal accounts within the relationship. The opportunity it brings to this study is exploratory and allows for a deeper understanding of the industry and the situation that the industry is currently faced with.

4.4. Approach

The approach to the study is inductive. As stated by Saunders, Lewis, and Thornhill (2016), within a qualitative research an inductive approach should be utilised to establish the theory, where theory is built on natural and emergent research design in order to obtain a much more in-depth theoretical view that is existent in the review's literature.

According to Creswell (2013), the procedure of qualitative research conducted by the research process of collection and analysis of data will be inductive, emergent and guided by expert experiences. A logical flow will follow within inductive reasoning, where data will be emergent from the ground up as opposed to merely obtaining information entirely from theory, or a perspective of an alternate specialist. This allows for a chance to form an agile approach and to change the questions if the requirements of the research problem are better answered

during interviews (Creswell, 2013).

This approach will provide an allowance for the creation of a more significant and in-depth understanding and development of supply chain accountability, being collaboration and trust, i.e. formal and informal mechanisms within the South African context, and will give rise to further research on the topic, which can be exploited to further regions of emerging economic countries. It is hoped that this will give rise to further foreign direct investment (FDI) within the country and build additional frameworks for multinational organisations and legal institutes to facilitate coherent strategy.

4.5. Methodological choices

A semi-structured interview approach will be used in conducting this research, some participants will be selected from within the industry (refer to Figure 1: A unit of analysis), and it will be based on a mono-method qualitative study. According to Saunders, Lewis, and Thornhill (2016), a collection of information within qualitative research is not standardised and within the questioning process of collecting, data may change and emerge during the process, where it will become natural and interactive. Due to the research being relatively new within the literature, the application or the data gathering will need to be supported by certain key people within the automobile industry OEM and supplier relationship and the legal framework in supporting this to provide optimal profit returns.

4.6. Purpose of the research design

The purpose of the research design is explorative in nature. According to Saunders, Lewis, and Thornhill (2016), there is a level of importance in actually asking open-ended questions as this allows for an in-depth understanding of the topic and allows the researcher to gain valuable insights on the topic that is being researched. According to Tukamuhabwa, Stevenson, and Busby (2017), a qualitative exploratory study was called for, in particular within the developing countries, as all that is important is the perception of automotive firms on accountability, collaboration and trust in value creation and how these are interrelated.

4.7. Time horizon

The research will be longitudinal in nature as this will entail some series in the research work. "The main strength of longitudinal research is its capacity to study change and development" (Saunders, Lewis, & Thornhill, 2016). According to Kaufmann and Gaeckler (2015), research within complex SCM issues can form part of "longitudinal or multimethod research design". Burkert, Ivens, and Shan (2012) have argued that the most comprehensive research that has

been considered is a longitudinal study.

4.8. Techniques and procedures

Data will be collected through unstructured and semi-structured interviews within the research. After this, saturation would be met within the interview after all themes have emerged in the discussion. Saunders, Lewis, & Thornhill (2016) make reference to semi-structured interviews where the researcher has a list of themes and some key questions that they may cover within their interviews. However, the questioning will differ from interview to interview, but will still keep the same themes. The researcher will probe for in-depth information.

4.9. Population

The population can be defined as a broader group of people to whom the researcher intends to generalise the results of the research; the sample can be viewed as the subset within the respective population in the automotive industry where the data collection will be done (David, n.d.). In qualitative research there are some sampling strategies that the researcher can use in order to recruit participants. For this research study, being a study that requires mainly expertise within the industry, a purposeful sampling technique will be used. According to (Saunders et al., 2009), the approach of purposeful sampling, also referred to as selective sampling, is to allow a qualitative research, which enables the researcher to recruit individuals who are able to provide more insights and detailed information about a specific phenomenon than exists surrounding the study, specifically with regard to the industry that is being studied.

The targeted population selected is made of OEM manufacturers who operate and produce in South Africa and their direct supplier base, which serves the OEMs in either single parts or modular components. Participants within the research study will be selected based on their involvement within the industry in the BSR context, and based on their level within the organisation and their level of participation in managing the transactional relationships between the BSRs. According to Jordaan, Fieldgate, Dinham, Rolland, and Jammie (2018), there is 150 first-tier supplier which are 75% international and 15% local suppliers. The authors go further to indicate that within the automotive industry there is an expectation of fast growth over the next 30 years, with local content expected to rise to 60%. This increase in local content will have an impact on the suppliers within South Africa, forcing them to increase their capacity or establish a new supplier base, which will lead to new relationships being formed and fostered for the future development of the automotive sector in South Africa.

4.10. Unit of analysis

The study will focus on value creation within BSRs and how accountability, trust and collaboration will impact the relationship. Buyers and suppliers within companies are required to foster the relationship by means of accountability, trust and collaboration. Therefore, this study uses the BSR at the business-to-business level and will reside within the automotive industry that supplies goods and services to the OEM based in South Africa. Figure 1 denotes two units of analysis, these being OEM (buyer) and Supplier ZA (supplier), within the BSR arrangement. The interview was conducted with approximately 12 participants, who were interviewed across the supplier and buyer base. Six participants that were interviewed were from both a finance and buying background within the automotive MNE and were senior-level personnel. The level included a global sourcing practitioner residing in Germany, whose main responsibility is the South African supplier base within South Africa. The supplier network was within the boundaries of South Africa and was part of an international branch that manufactured and produced components within South Africa.

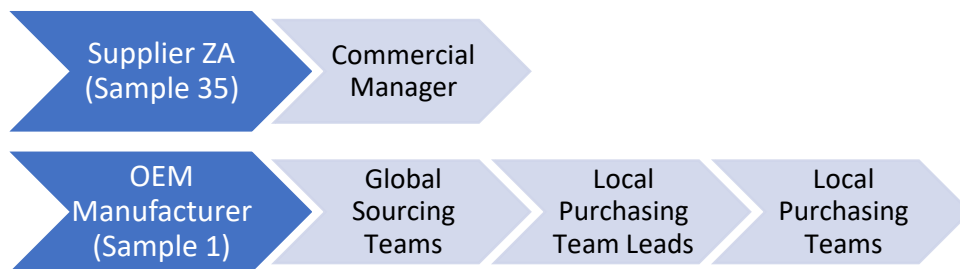


Figure 4: A unit of analysis

4.11. Sampling method and size

Considering the sampling method used, the researcher will approach the study using a purposive sampling technique, as this forms part of the non-probability sampling approach. According to Guest, Bunce, and Johnson (2006), the sample should relate to homogeneity and there should be a degree of participants in the study who were selected through common criteria. Thus, the researcher's study involved both OEM and its first-tier suppliers; this is the method of approach that was utilised. Refer to Figure 1: A unit of analysis considering the sample size within the organisation, both on the OEM and supplier base. Saunders and Lewis (2012) stated that researchers generally use purposive sampling techniques, and therefore participants were identified who would best fit the criteria to aid in answering the research question and meeting the goals of the research.

According to Fusch and Ness (2015), failure in reaching data saturation can affect the quality of the research. To avoid this, the selection of the sample was made with like-for-like roles

within the buyer and supplier arrangement. Interviewees that were selected, were chosen carefully as they are working with the buyer on a continuous basis. According to Fusch and Ness (2015, p.1409), a researcher can obtain data saturation by being able to collect “rich (quality) and thick (quantity) data”. The aim of the research is to obtain qualitative information. Asking the same questions consistently across the interviews will accommodate data saturation.

According to Francis et al.(2010), ideally, saturation should be met once all themes have transpired at the end of 12 interviews. An analysis should be done concurrently, allowing for the potential need of modifying each question (Francis et al., 2010).

4.12. Measurement instrument

Preparation of semi-structured and unstructured interviews will be done paying close attention to the following points made by Saunders & Lewis (2012), as a guide in conducting interviews:

- The researcher ensured that a background check was conducted as much about the person that was being interviewed and where appropriate considered the organisation and the department he/she is working for.
- Develop an interview guide, listing the topics that were discussed and the initial questions that one will ask.
- Choose a location that is convenient for the researcher and participants where they will not be disturbed.
- Make sure that the researcher is dressed properly for the interview.
- The use of body language is essential during the interview, and the researcher should be wary of how he conducts his body language in order to extrapolate as much information from his interviewee. It is essential to listen attentively and take notes during the interview.
- The researcher will develop a consent form.
- Determine how you will record the interview and ensure the device works with a backup solution in case of a malfunction.

4.13. Data collection instrument

A data collection instrument refers to Appendix B, and the collection instrument will be a questionnaire and will be based on questions derived from the literature. According to Tanskanen (2015), semi-structured interviews with open-ended questions should be used, which is similar to the current study where the collection of information will be addressed. The author goes on to follow the format in which the researcher has adopted, for example

information on the participant, e.g. pseudonym, years of experience, semi-structured questions regarding the success of BSR, the impact accountability, trust and collaboration has on the process of value creation.

The key themes are the following:

Supply chain collaboration

- Information sharing
- Goal congruency
- Decision synchronisation
- Incentive alignment
- Resources sharing
- Collaborative communication
- Joint knowledge creation

Supply chain trust

- Confidentiality
- Honesty and integrity
- Work standards
- Politeness and friendliness
- Share value
- Experience and qualifications
- Reliability
- Timeliness
- Customisation
- Information sharing

Supply chain value creation

- Supplier value
- OEM value
- Stakeholder value

Supply chain accountability

- Dual accountability
- Performance and goal setting
- Governance mechanism

4.14. Pre-test

A pre-test of the questions was conducted with a participant that has the same characteristics as the population in order to validate the questions and ensure that there is no ambiguity within the questions and to allow a proper understanding of the questions presented to the participants within the study (Saunders, Lewis, & Thornhill, 2016). The pre-test validated the questions asked and allowed the researcher to anticipate the shortcomings of the questions that were being asked.

4.15. Data collection

As noted in Section 4.2, the research approach is qualitative in nature, was based on an exploratory study and the data collection will be conducted in the form of semi-structured and unstructured interviews. Recordings of interviews were made, and further interviews were conducted telephonically, through Skype or in person. Due to limited time in the data gathering process, the researcher may lean towards utilising a Microsoft Skype conference, which was to ensure efficiency within some participants' schedules and timing. Interviews should be conducted until you meet saturation and all themes have emerged within the discussion (Saunders & Lewis, 2012). However, when planning the interview, one has to consider that saturation has not been reached by other research conducted. In the context of the research topic, this is being studied on the basis of a South African platform, and this would not be the case in this instance.

A total number of 12 interviews at a minimum will be conducted with the length of time being 60 mins. If the participants wish to go over the time, this will be allowed and it will help in gaining rich and thick data from the interview being conducted (Fusch & Ness, 2015). Identifying experienced profiled individuals within the OEM and South African supplier base, the researcher will be recording the discussions with interviewees and analysing them through transcription using a designated agent who will assist in the transcribing process, or if there is a requirement to be closer to the data, the researcher will transcribe the interviews himself. The use of a Phillips voice recorder, mobile phone and MP3 Skype recorder will be used as a tool to record the interview, which will allow the researcher to transmit this information to the transcriber electronically or will allow the researcher to transcribe the interview himself. The use of a notebook and pen will be utilised during the discussion, and handwritten notes will be taken during the interview to allow the researcher to be immersed in the information. A back-up will be made on a Google drive, a home network drive and PC to ensure that the interviews are protected in a secure location.

There are three forms of conducting research that will be used in the context of the research. The first is conducting semi-structured and unstructured interviews either in person, by telephone or through a combination of semi-structured and unstructured interviews using the web or telephonic conference (Saunders & Lewis, 2012). In relation to the study, these three forms of conducting research were used to facilitate the data-gathering process.

4.16. Analysis approach

As an analysis approach, the tool for coding will be AtlasTi, a system of choice to code information, as this is a familiar tool that will allow for coding from existing journal articles used and managing the coding of transcriptions for the results and discussion in chapters 5 and 6. This tool is used to form a model from the information that is being researched.

According to Braun and Clarke (2006), the researcher will adopt the use of a simple six-step process for identifying, analysing and reporting qualitative data using thematic analysis. Six steps are offered a qualitative thematic analysis by Braun and Clarke (2006) to execute a proper thematic analysis there must be an understanding that these will serve only as a guide and therefore should not be utilised or enforced as a method with unadaptable rules when analysing data. The researcher will adopt the use of a simple six-step process that is generated from the research question and the existing data during the analysis.

The six-step approach that the researcher will use, according to Braun and Clarke (2006), is as follows:

4.16.1. The researcher will aim to be familiar with the data.

There is a requirement within this step that the researcher be immersed within the data and also be engaged actively in the data by firstly transcribing the interviews conducted, and noticing the body language during the interview. The researcher should read and re-read the transcripts, as well as listen to the voice-recorded information. It is also essential that the researcher be familiar with the information discussed in the interview and all relevant data within his scope of research. The next step is to follow through with the analysis.

4.16.2. Generation of codes

Codes should be generated during the analysis as soon as the researcher becomes more emerged in the interviews and the information within the interview data. The researcher should then identify the preliminary codes. A number of these codes should transpire from the discussion during the interview, and the creation of emergent themes should set a platform

where the researcher is able to base further discussions.

4.16.3. Themes within the research literature and themes from the interview.

The initial themes will be collated within the codes as this is the starting point in the process of interpretive analysis of the data received. Data extracts within the information will systematically be sorted and combined and split according to the overarching themes. The relationship between themes, sub-themes and codes will be mentioned. The research has themes from the literature and new themes was able to emerge from the interviews during data collection with various participants.

4.16.4. Reviewing of identified themes

An in-depth review once the themes have been identified, a further assessment of the information to either to determine if the themes should be combined, further refined or separated in some form or the other, or not include the theme is completely due to its relevance for the researched topic. The information within the themes should be coherent and meaningful, and there should be distinct linkages between these themes. According to Braun and Clarke (2006), there are two phases in which this can be done and which the researcher will use. Firstly, the codes need to be checked over the code extracts, and the second a thematic map can be created within this step.

4.16.5. Defining and naming the themes

It was essential for the researcher to ensure that definitions and the process of creating names for the themes were done. This involved ensuring that refining of and defining the themes and further identifying potentially subthemes within the data subsets. The researcher then further defined the subthemes and themes in order to provide relevance to the topic that was under research. This has unified the data and will allow for themes to emerge in a coherent and susceptible form.

4.16.6. Interpreting and transforming into a report

Within the final step, the researcher then transformed his analysis that was done into an interpretable form of writing by using the extracts and examples that relate to the themes within the study. A report was done to discuss the results of the analysis that will solidify the argument in which was currently under investigation. The thematic analysis provided an handy and agile research tool which was able provide a vibrant and formulated account of the information acquired.

Themes and sub-themes that are currently addressed within the research question, this has formed within the literature review:



Figure 5: 4D Model Aligning Supply Chain Independent Constructs and Dependent Constructs

Saunders and Lewis (2011) mentioned that during a qualitative analysis utilising semi-structured and unstructured interviews, the researcher should prepare the data as follows:

- Including the date, time and place where the meeting has been conducted.
- Ensure that the company and the names are anonymised, using alternatives consistently.
- The use of italics will denote what questions were asked during the interview.
- The use of (...) denotes a pause within the speech.
- The use of CAPITAL letters will show words that were indicated more loudly or show some level of importance during the interview.
- The use of (()) will denote the facial expression of the interviewee.
- Ensure that there are no typographical errors in the transcripts and words and text shows.

4.17. Ethical consideration

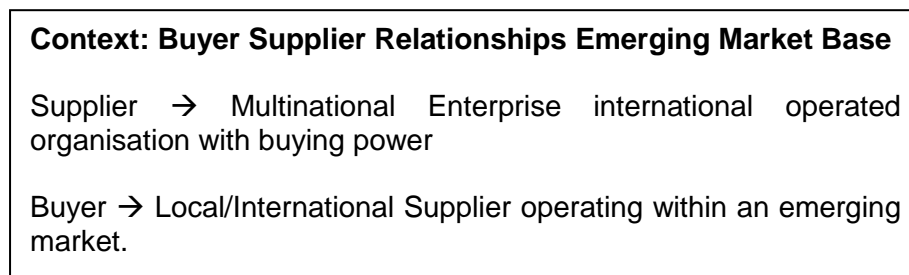
Ethical clearance from the ethics committees of the University of Pretoria was applied for and obtained in the process of application. According to Saunders et al. (2009), when there are any human involvement participants, there is a requirement for the university to approve the research. Participants that will be informed will be required to fill out a consent form and given the opportunity to not participate in the study. Other considerations have also been made,

such as organisation and names will be anonymous and participants will have pseudonyms for the purposes of the study. Data will be stored and to ensure anonymity, pseudonyms will be used.

4.18 Limitations

The study was based within the context of an emerging market within the automotive industry and between the buyers of MNE and their suppliers within the manufacturing cluster. Further to this, the financial implications are not in the scope of the study as the study undertaken is in consideration of the social aspect within the relationships that are formed. Second-tier suppliers are not within the scope of the study and will therefore not be the focus. The representation may not be a fair representation of the entire industry as there could be a requirement to engage in some procurement personals within OEM base and commercial professionals that reside in the manufacturing cluster. The study did not look further into the impact of sustainable procurement that may be challenged in the BSRs. Accountability lens was not look at the internal issues within the organisation and may not look at internal personal accountable responsibility to an external supplier. The organisations selected were based in South Africa and major parts of the country.

Figure 6: Focus of study



Chapter 5: Results

5.1. Introduction

This chapter presents the main findings of this study. The 12 participants who were interviewed are key individuals in the buyer-supplier arrangement within the South African automotive sector. The data was collected through a semi-structured interview process which has provided new insight into the supplier-buyer relationship in supply chain value creation, while examining the accountability between BSRs within supply chain management and determining what happens between BSRs through supply chain collaboration and supply chain trust. The chapter also provides an overview of the interviews that were conducted, with a description of the participants that partook in the interview, as well as a discussion of the processes that were followed to ensure the credibility of the data that was gathered and transcribed. The results that are presented here are further discussed in relation to relevant literature in chapter 6. The presentation will be in the order of through the utilisation of key research questions within chapter three on the basis on which the research foundation is motivated. Themes were derived from the research questions through thematic analysis provided further valuable insights on the buyer-supplier arrangement within the automotive sector and how SCA, SCC and SCT create the element of SCVC, which can be derived from these constructs.

The commencement of this chapter will present the context of the participants involved in the research as well as identifying the key inputs that these members have contributed to the results of the qualitative study. To further delve into the analysis the questions were framed against theory and that against literature that exists around the topic of BSR; SCT, SCC, SCA and SCVC.

5.2. Description of Interviews and Analysis

A total of 12 respondents volunteered to partake in the research gathering process. The respondents were experts within their fields and had experience either as a buyer or seller, or both, within the OEM industry. Interviewees included six purchasing engineers of varying positions within in the automotive OEM spectrum and six supplier commercial managers who supplied all seven automotive OEM organisations in South Africa. At the onset of the interviews, the researcher welcomed the respondents and provided them with an explanation of the study and the various elements that were going to be discussed and investigated. The questions presented to interviewees are shown in Annexure D. The researcher also explained what the intended outcomes of the research were. The interviews were conducted either in

person (face to face) or via the electronic communication medium – Skype. Almost 20 hours of audio was recorded. Respondents were made aware at the beginning of the interview process that the interview was going to be recorded for the purposes of transcribing the data gathered. The researcher also took down handwritten notes to highlight recurring concepts and key points that were mentioned. Interviews were conducted until saturation was reached (Saunders & Lewis, 2012). The transcriptions of the recorded audios were analysed using thematic analysis and coded using the qualitative research analysis tool, Atlas.ti. Friese (2014) suggests that codes assigned to themes should not be lumped under one code name, instead, it should be developed in layers to make it easier to identify similar constructs or themes.

Table 1 below shows the details of the respondents interviewed, both from a buying capacity within the MNE space and the first-tier supplier that exist in South Africa:

Respondent	Position Title	Position Description	Years of Experience	Gender
Respondent 1	Purchasing Engineer	Responsible for Tyre Supply	12	Male
Respondent 2	Commercial Manager	Door Trim Supplier	15	Male
Respondent 3	Purchasing Engineer	Responsible for management of procurement of drive train components	15	Male
Respondent 4	Commercial Manager	Alloy Wheels	22	Male
Respondent 5	Global Sourcing Specialist	Responsible for global sourcing specifically to South African Suppliers	5	Male
Respondent 6	Purchasing Engineer	Responsible for local procurement, Buy Parts, South African Supplier	3	Female
Respondent 7	Finance: Purchasing	Responsible for finance supplier purchases	8	Male
Respondent 8	Commercial Manager	Harness: Main, Cockpit, Audio	19	Male
Respondent 9	Commercial Manager	Exhaust System	3	Male
Respondent 10	Commercial Manager	Front Axle and Rear Axle	7	Male

Respondent	Position Title	Position Description	Years of Experience	Gender
Respondent 11	Purchasing Engineer: Lead	Responsible for local procurement, South African Supplier buy parts components	12	Male
Respondent 12	Commercial Manager	Head Liner Supplier	30	Male

Table 1: Context of respondents interviewed

5.3. Presentation of Results

The results are presented per research question that were outlined in Chapter 3. The researcher chose to present the data gathered for each underlying question/sub-question of each of the three research questions. This was an attempt to ensure that all data gathered was analysed accurately, and in doing so present a viable conclusion for the study. Frequency counts of the occurrences of specific themes or constructs were used to determine the final outputs of a specific question. The results are presented in detail within this chapter. However, only key findings will be used in the discussion of the results in the preceding chapter. It is key to note that, at times, the counts do not necessarily add up to twelve, as some respondents may not have commented on a sub-question.

5.4. Results of Research Question 1

RQ1: How does accountability provide supply chain trust in buyer-supplier transactional arrangement?

Research question 1 sought to find out how accountability provides supply chain trust in buyer-supplier transactional arrangement. To obtain more insight into the concept, the research question was divided into three sub-questions that the respondents had to answer:

1. How does the organisation treat dual accountability within the BSR relationship?
2. Describe how governance within contracts are managed and maintained, is Trust and Collaboration an element to align Buyer/Supplier to governance structures?
3. Does the company trust that a supplier will fill its contractual obligations?

5.4.1 RQ1 sub-question 1

How does the organisation treat dual accountability within the BSR relationship?

The first sub-question attempted at understanding how organisations treat dual accountability

within BSR. The main themes that emerged included the use of contracts and service level agreements, performance measurements such as score cards and KPIs, and supplier performance management.

Table 2: Overview of RQ1 sub-question 1

Rank	How the organization treats dual accountability within the BSR relationship	Count	Respondents
1	Contracts and Service level agreements	6	1, 2,3,4,6,7
2	Performance Measures (Scorecards and KPIs)	6	2,3,7,8, 9,11
3	Supplier Performance Management Tools – Surveys and Rating Systems	3	3,7,8
4	Meetings	2	6,9

5.4.1.1. Contract and Service Legal/Level Agreements

Six out of the 12 respondents talked about the use of service level agreements and contracts as ways of ensuring dual accountability within the buyer-supplier relationship or rather as how they would keep accountability visible or transparent within their organisations.

Respondent 1 indicates that organisations ensure dual accountability is maintained by drawing up contracts that stipulate responsibilities of both the buyer and supplier. *“There are contracts like responsibilities, like a RACI, responsibilities of different tasks that are lying with the supplier that are lying with us.” (D1 1:1)*. The same sentiments were shared by respondent 2 who went onto say that to be safe from a legal point of view as well, *“we can perform and deliver based on our agreement that we have, it’s an original contract.” (D2 2:1)*

According to Respondent 4, *“...setting up of a service level agreement is like a pre-nuptial agreement. You agree upfront how you’re going to handle things, what is the expectation, which is when it’s written down you can hand it over to another person. But more than that, service level agreements normally should go a little bit further and state what happens if things go sour and then you get this link to the pre-nup thing where you actually know exactly what you’re in for...” (D4 4:2)*. Respondent 6 agreed with Respondent 4 and stated that, *“...it is very important for there to be an agreement, that’s what we would base our trust on, that they would supply in time, right quantity in time and you know, meet those requirements...” (D6 6:1)*.

Respondent 7 expressed similar views and expressed that service level agreements are one way to ensure accountability within BSR as it is indicative of your performance measures and what you are to deliver. *“Service level agreement will typically formulate when you have let’s*

say scope creep or an additional service which you would like to render which is not included in the original agreement. If OEM produces a car in sale production in January and in May they have slight tweaks. The first question would be; do you amend the initial contract, or do you have a service level agreement stipulating the amended changes or the scope creep and all the simplest level agreements is based on your performance measures as well? When you need to deliver, how do you need to deliver your services, etc.” (D7 7:6).

5.4.1.2. Performance Measures

Three respondents brought up the fact that they have performance measures in place, such as score cards and KPI's to keep accountability transparent in their organisations, and within the BSR.

Respondent 3 commented that they use a tool like a score card, i.e., “we have a thing we call RPKM, where we rate all the local suppliers in terms of their performance on a quarterly basis. And we cover different topics, purchasing, logistics, quality, production we don't really get into, because we mainly deal with these 3 sections within the organisation. I don't know if you'd call that a score card because score cards sometimes vary depending on the application, what you're using it for. In that way we can be able to monitor the performance of the suppliers...” (D3 3:1)

Respondent 7 suggested that “...I would typically manage the scorecards and make sure that the set targets an KPI's are met for specific supplier, whether it be indirect or direct supplier of a specific part and with that you can create a mechanism where if you meet or exceed targets based on performance measure you get incentive; whether it be monetary, time or a discount of some form and then vice versa if performance measures are not met..” The respondent further added that performance measures are very important, and hence need to be measured constantly.

Respondent 8 mentioned that they “...have some kind of KPI measurements...there are methods of checking performance” (D8 8:4). These KPI's are then used to maintain accountability between supplier and buyer. Similar sentiments were iterated by respondents 9, and 11 as well.

5.4.1.3. Supplier Performance Management Tools – Surveys and Rating Systems

Supplier performance management was brought up by three respondents as a tool that would keep accountability visible.

In addition to the score cards and KPI's, respondent 8 talked about supplier surveys and how these surveys were used to measure performance, and help with any remedial actions, if necessary: *"...we do...a supplier survey...we will send to purchasing, logistics, quality and key players that we deal with and they will measure us."; if we are below 80% we need to do a mediation within the company when we have to fix and find out what the problem is..."* (D8 8:4).

Respondent 3 commented that, as suppliers, they are managed through rating systems and if there are any issues, these issues are discussed and reevaluated, *"...we measure their performance and they do have an overview as well in terms of how we rate them. If there is a rating they are not happy with- this is something that gets discussed, and get them to understand, maybe there is red topics within the rating. They would come to ask; can we have a discussion? What can we do to improve on this element...?"* (D3 3:3).

5.4.1.4. Meetings

Two respondents indicated that there are various monitoring tools used within their organisation to maintain dual accountability between suppliers and buyer. Respondent 6 commented that they make use of systems such as a 72-hour radar system that helps track e-cards. Furthermore, there are daily meetings that inform them on the stock at hand. *"You know there are daily meetings that we have in place where we know that if we don't have these reminders and these meetings in place, things will fall apart...So, we have lots of monitoring tools in place to keep them trustworthy and transparent..."* (D6 6:2).

Respondent 9 also elaborated on meetings that occur over a constant period – in this case every two weeks to help track and monitor work progress. Respondent 9 said *"...we have a fortnightly meeting, where these types of issues, should there be issues, we will discuss it openly and from there we will decide what the appropriate action is, how we deal with it, claims, air freights, engineering changes that are happening. Again, a high transparency."* (D9 1:2-4)

5.4.1.5. Other themes

An interesting concept brought up by respondent 8 was the use of a price base to ensure accountability. According to the respondent, *"...how does accountability provide supply chain trust and how does the organisation treat dual accountability within the business supplier relationship? We have a price base that we nominated on and we would adjust that quarterly, annually, monthly based on the list that we have put in place. There is a fair amount of trust that for example that a supplier would update the prices accordingly, properly with the correct*

forex adjustments that governs the exchange rate for example...” (D8 8:1).

From the results, it is seen that balance scorecards, service level agreements, performance management measures and KPIs are an integral part of ensuring or managing dual accountability within the organisation. This is because both the supplier and the buyer must be accountable to the products they produce.

5.4.2 RQ1 sub-question 2

Describe how governance within contracts are managed and maintained: is Trust and Collaboration an element to align Buyer/Supplier to governance structures?

Table 3: Overview of RQ1 sub-question 2

Rank	Theme	Count	Respondents
1	Trust Elements - Reliability	8	1,3,4,7,8,9,10,11
2	Collaboration Elements - Joint Knowledge Creation	7	3,6,7,9,10,11,12
2	Trust Elements - Honesty & Integrity	7	3,4,7,8,9,10,12
2	Collaboration Elements - Information Sharing	7	2,3,4,7,10,11,12
3	Trust Elements - Confidentiality	6	3,7,8,9,10,12
4	Collaboration Elements - Collaborative Communication	5	2,5,8,10,11
5	Collaborative Elements - Resource Sharing	4	6,7,10,11
5	Trust Elements - Experience & Qualification	4	7,8,9,10
5	Collaboration Elements - Incentive Alignment	4	2,3,7,10
6	Trust Elements - Work Standards	3	7,9,10
6	Trust Elements - Politeness & Friendliness	3	7,9,10
6	Collaboration Elements - Goal Congruency	3	7,10,11
6	Collaboration Elements - Decision Synchronization	3	7,10,12
7	Trust Elements - Openness & Transparency	2	2,3
7	Trust Elements - Timeliness	2	9,11
7	Trust Elements - Customization	2	9,10

From the findings, it is evident that there are elements of trust and collaboration needed to ensure the alignment of suppliers and buyers to governance structures. Trust elements that were identified included reliability, honesty and integrity, confidentiality, experience, work standards, politeness and friendliness, and openness and transparency among others. Collaboration elements that were identified in the study included joint knowledge creation, collaborative communication, resource and information sharing among others. The main substantiating themes are outlined below.

5.4.2.1. Reliability

According to eight out of the 12 respondents, trust is an element needed to align supplier buyer governance structures because it ensures reliability within the supplier-buyer relationships. A few of the responses provided are stated below.

Respondent 1 explained that without reliability the buyer-supplier relationship would be affected adversely; *“...daily you need a trustful relationship; a reliable relationship... so if we would not work in a reliable relationship with the supplier then the entire product would be tremendously affected. So, working with a supplier daily all comes back to a reliable relationship...”* (D1 1:2).

Respondents 3 and 4 also shared similar sentiments: *“... reliability, that’s a given... If you fail at honesty you will not be able to achieve reliability, it’s as easy as that...”*(D3 3:9). According to Respondent 4, *“...confidentiality, reliability and integrity those are things that’s actually important and the most important of the lot is actually to be reliable...”*. (D4 4:3).

Respondent 8 mentioned that in order to ensure that the supplier-buyer governance structures are aligned, reliability is an important facet as there could be verbal agreements made outside the written contracts, which are based on the element of trust; *“...you need to be reliable to make sure that it gets updated on time and also there needs to be a good understanding, because there are contracts that are contracts and there also verbal things that could change that contract...”* (D8 8:7).

5.4.2.2. Joint Knowledge Creation

Seven out of the 12 respondents mentioned collaboration as an element needed to align supplier buyer governance structures – this is because there needs to be joint knowledge creation to ensure progress between buyers and suppliers which is only possible through a collaborative process between buyer and supplier.

By way of an example, Respondent 10 explained that, *“I also want to say that joint knowledge creation, a good example would be, I’ll bring it down to let’s say the wheel alignment machine. The machine that will do the wheel alignment for the axle. We set up the machine and we get some codes from the buyer and then we do the alignment. Then the car goes to the buyer and they realize our alignment’s out by 1 degree, 1 minute, or 2 minutes or however they measure that. Then that feedback is given back to us to say look, you’re still out so then we tweak the machine a little bit for that model and okay, let’s put an offset on it and then we build it. In other*

words, the information that we send or the information comes back from the buyer aides us in that collaborative communication, aides us to come to joint knowledge about the effects that we have or the effects of minor adjustments and eventually for us to align that axle according to the buyer's standard needs a lot of communication to-and-fro between buyer and supply chain and eventually we get it right.” (D10 2:23)

According to respondent 12, joint knowledge creation exists to ensure that the buyer is satisfied with the products being purchased, “...*the buyer comes to us for a design package or technology and it is discussed at certain levels to ensure that what you are asking for we can provide and what we provide you with you are happy with. So, there is a lot of creative communication going on especially between technical departments and engineering” (D12 4:11).*

5.4.2.3. Honesty and Integrity

A trust element brought up by more than half of the participants was that of honesty and integrity within the relationships to ensure successful buyer-supplier relationships.

Respondent 10 commented that information may either be good or bad, and through integrity one has to filter out the value of the information, ensuring that it is not going to affect another party in any negative way; “...*that’s where integrity comes in...you’ve got to be careful what you say and what you don’t say you know...because there’s a tremendous amount of information available. Some information is good, and some information is bad and in terms of integrity you have got to filter out the value information and you make sure they are not used to the disadvantage of another party” (D10 2:7).*

Respondent 12 stipulated that honesty and confidentiality are needed to ensure that the relationship works over a long period of time, and as a result build trust: “...*we rely on each other’s honesty and confidentiality and work standards to build a relationship over a period of time. If there is no trust there, it is a disaster...I need to understand that the people that I am dealing with are fair and honest, and it has to be, because any dubiousness will ruin it. It becomes more of a fight and mistress sort of relationship rather than a fair and open one”*

Respondents 3, 4, 7 and 8 shared similar views on the critical importance of honesty and integrity within the buyer-supplier relationships. Respondent 7 summed it up by stating that “...*Honesty and integrity, that lies within the company’s brand. You have to be honest and have integrity. If you do justice to that, you are doing justice to the company....”* Furthermore, Respondent 7 elaborated that acting in a fraudulent manner / without integrity would result in

serious ramifications for the company itself.

5.4.2.4. Information Sharing

Seven out of the 12 respondents also spoke about the collaborative element of information sharing.

According to respondent 10, *“...with information sharing, if you don't do it collaboratively you're going to have lots of problems. The collaborative side of it is very important.”* (D10 2:16)

Respondent 12 commented that there is a lot of IP that is shared within the BSR, hence there is an element of trust and collaboration within the relationship, *“Yes. As a tier one supplier we have a lot of IP because we do a lot of design and we do a lot of processes and we must share a lot of information with the OEM to ensure that they are happy with what we are giving them. There is a confidentiality thing but there is an openness about sharing information related to the products and services we have”* (D12 4:7).

Respondent 2 mentioned information by way of an example of how a senior official from a different country came to assist, *“When we started the whole project, we had to do machine set up validation of the parts, getting to know our suppliers. He was in Austria, he came to see how far we are, he came to share certain knowledge, transfer knowledge and to see where we also are. There was always that, what do you think what we can improve, what we can do better and especially the type of part that comes out the machine, we need to improve. So, there is always that collaboration and relationship between the two parties”* (D2 2:7); *in the process. So, there is always that information sharing between the parties.”* (D2 2:9)

Respondent 3 commented that there is constant sharing of information between the two parties, which ensures that the deliverables are met well *“...we would share the information that we have they would share the information that they have. The we would put out requirements on the table and the supplier would work around that. Yes, I can meet these requirements, I can help you with whatever technology that you need. This is where you find things like incentive alignment, because normally in those situations we would say...remember it costs money to do the development. Normally we do the development, so we know there is a budget that has been allocated to do development on a component or whatever...”* (D3 3:13)

Respondent 4 argued information sharing leads to better shared decision making, *“...If you*

share the information, you agree on the goals. The most important thing that I see here is actually that point where the decision is made that it's a shared decision between both parties and as soon as it is a shared decision between the both parties, both parties will want to protect this..." (D4 4:6)

However, an interesting insight mentioned by Respondent 7 is that of how collaboration is limited, and information sharing is skewed, how the OEM drives information sharing and shares more information than the supplier does. *"...So, information sharing will be driven from the OEM and not necessarily from the supplier, if you are talking about that relationship. So, for me collaboration is very limited. You know like I said your supplier has their own set of terms of governance structures and you won't be able to share information in a collaboration point of view. Yes, a couple of meetings is good. Sharing limited information is one thing" (D7 7:14).*

Respondent 11 also talked of the limited nature of information sharing, *"... Information sharing as I said, up to a certain level. From a buyer's perspective we don't share information with suppliers or other competitors. That is a no-go but information sharing like when product change takes place and as I said if someone tries to hide information to get a better price or something either if it's from a buyer's perspective or it's from a supplier's perspective it will come back to you sooner or later..." (D11 3:8).*

It is clear that information sharing is a big element in ensuring collaboration in BSR.

5.4.2.5. Confidentiality

A common theme amongst the respondents is that of confidentiality. According six of the respondents, the trust element-confidentiality also plays a key role in ensuring the alignment of buyer-supplier relationships to governance structures. These respondents believed that there needs to be confidentiality within buyer-supplier relationships to ensure success.

Respondent 7 simply put it as, *"...confidentiality is key...Confidentiality is definitely important" (D7 7:7).*

Respondent 3 explained that confidentiality is crucial as there is lot of intellectual property being exchanged by two parties, hence there is a need for information to stay between the relevant parties; *"...there is a lot of critical information that gets shared between us and suppliers. It's not just when we are already in business. Because what we do, before the*

nomination, confidentiality it comes into the picture.... We wouldn't share information in terms of the drawing specifications with a company that has not signed that confidentiality agreement" (D3 3:6).

Respondents 2 and 4 also emphasised on the critical importance of confidentiality with specific reference to the need for confidentiality agreements as well. These statements were also backed up by respondents 1 and 8 as well.

5.4.2.6. Collaborative Communication

Another common theme amongst the respondents was that of collaborative communication. According to 5 of the 12 respondents there needs to be collaborative communication within the buyer-supplier relationships to ensure alignment to governance structures as well as the success of the relationship.

Respondent 5 argued that *"...the closer the parties are working together, the more they can steer each other... The more transparency we have, the closer we as an OEM or the supplier as a South African based company can lead the collaboration into government structure. So, yes. For me collaboration is an element to align buyer-suppliers, to government structures... So, for me collaboration- yes" (D5 5:2).* The implication being that by collaborative communication there is culture of transparency and openness that can be used to further enhance the buyer-supplier relationship.

Respondent 10 remarked that the collaborative communication process ensures that there is constant feedback on a design or product to be supplied. This then assists suppliers to match needs to the requirements of the buyer.

Respondent 10 explained, *"...the information that we send or the information comes back from the buyer aides us in that collaborative communication, aides us to come to joint knowledge about the effects that we have or the effects of minor adjustments... collaborative communication often resolves quality issues or adjustment issues where you have two measuring systems...If there's no collaborative exchange there of information, you'll never get that right."*

From the data gathered, it is indicative that both trust and collaboration play an effective role in ensuring the alignment of buyer-supplier relationships to governance structures. The major trust elements that were highlighted were that of reliability, honesty, integrity and confidentiality. Collaboration -elements that were brought up by the participants included joint

knowledge creation and collaborative communication. Through these major elements, it was evident that further elements such as work standards, information sharing, resource sharing and openness and transparency could be established.

5.4.3 RQ1 sub-question 3

Does the company trust that a supplier will fulfil its contractual obligations?

This sub-question was asked to magnify the level of trust placed by a buyer in a supplier. This was a strategic question aimed to delve whether trust is a major component in the buyer-supplier relationship. Eight of the respondents commented that companies (buyer) expects or trusts that their suppliers will fulfil their contractual obligations.

Table 4: Overview of RQ1 sub-question 3

Rank	Does the company trust that a supplier will fill its contractual obligations?	Count	Respondents
1	Yes	8	1,2,3,5,6,7,9,10,12
2	No	3	4, 6,8
3	Did not say	1	11

5.4.3.1. Yes- there is trust

This theme was substantiated by eight interviewees. According to these respondents there is an element of trust placed in the supplier, that they will fulfil their contractual obligations.

According to respondent 5, there is a 100% trust that the suppliers will fulfil their contractual obligations. *“...we are 100% convinced that they will fill their contractual obligations.” (D5 5:4)* Respondent 2 commented since there is no ambiguity in what is required, *“...there is always that clear understanding of what’s our expectations. There is no mistrust...” (D2 2:11).*

Respondent 3 highlighted that trust is part and parcel of the relationship between buyer and supplier, so they make an added effort to strengthen this relationship to maintain 100% trust that the supplier would fulfil their obligations. *“...you have trust in the supplier... So, what we do is we would go to the suppliers and build the trust and the relationship to make sure these guys have the technology, the expertise. We need to enhance the relationship” (D3 3:14).*

Respondent 7 highlighted that the trust is build depending on the quality of service provided.

This implied that if poor service was rendered, there could be trust issues that arise between the buyer and supplier. *In the start yes, but it all depends on how the performance of the company is. If OEM receives goods based on the QCDDM (Quality Cost Delivery and Moral), if the goods based on those four key elements, the relationship is perfect” (D7 7:2).*

Respondent 9 argued because there is an international purchasing contract that gets agreed and that creates the framework, which ensures that there is a certain level of trust placed within the relationship. *“...There has to be a trust relationship, an understanding, openness. Again, trust is the right word.” (D9 1:16)*

Respondent 10 said, *“Absolutely, yes....relationship can have the power to destroy a business opportunity or a supply chain or a supply chain opportunity can be destroyed because of a relationship issue and you know I think the relationship issues are most of the time coming around because of trust issues in the past where most of the times the supply chains have let down the buyer by not conducting in the right way...and so absolutely, relationship and trust are a big portion of it.” (D10 2:25)*

According to respondent 12 there is trust in the supplier, however, this is backed up because there has been a thorough investigation on the supplier and what they do. According to this respondent, *“...before you take on a supplier you must go through certain steps that ensure that we can do the job for you. And our suppliers can do the job for us...so, to answer your question, yes, that company has to trust the supplier to fulfil his contractual obligations.” (D12 4:12)*

5.4.3.2. No – there is no trust

An interesting insight that emerged from one of the participants was that sometimes buyers were more reluctant to fully trust that suppliers from 3rd world countries would fulfil their contractual obligations. Respondent 6 made this clear by stating that, *“...I don’t trust 100%. I feel like South African suppliers you have to, even if it’s a supplier you know, a supplier situated here but a head office is in Germany, US or wherever, I feel like you really have to sit on them, you really have to monitor them” (D6 6:5).*

Respondent 8 commented that there is not 100% trust, rather the notion that this is a business, and the aim to make the best profit is what ensures suppliers to fulfil their contractual obligations. Respondent 8 said, *“...the reasons we were saying that is because you are running a business...I provide you with a service and our product and you pay me for that product, but at any given time both parties are trying to get, in my view, the best profit*

possible.... A lot of the time we don't really have that 100% trust, but we understand that is business." (D8 8:10).

Another interesting insight that emerged from Respondent 4 is that it is not necessarily trust but rather an expectation that suppliers would fulfil their contractual obligations. *"I don't think necessarily they trust, but they expect it. Trust only comes afterwards. Trust comes after you've demonstrated that you achieved what you wrote down on a piece of paper and said this is what we want." (D4 4:7)*

Respondents also went on to mention factors that are key when it comes to trusting a supplier to fulfil its contractual obligations.

Four out of the 12 respondents mentioned that relationship outcomes or relationship bearings as a key factor when it comes to trusting a supplier to fulfil its contractual obligations.

Respondent 3 explained, *"Relationship outcomes- again this is important. It's very easy for a supplier, if the relationship is not what it should be between us and the supplier, it is very easy for them to share or sell the sensitive information, things like technology, to our competitors. This is where the relationship comes in, you have trust in the supplier...We need to enhance the relationship, also the technology that they have, they might share it with other OEs; there's nothing stopping them from doing that" (D3 3:14).*

Respondent 5 shared the same sentiments with Respondent 3, in that the relationship outcome will fulfil their obligation on a contractual basis. The respondent said, *"100%.... If there is any doubt that he will not fill his contractual obligations, he will definitely not be nominated, because we have big problems if he doesn't fill his contractual obligations. That's why if we nominate them, we are 100% convinced that they will fill their contractual obligations" (D5 5:4).*

Respondent 7 explained quite in- depth, agreeing with respondents 2 and 3, *"...it all depends on how the performance of the company is. If OEM receives goods based on the QCDDM - Quality Cost Delivery and Moral, if there are the goods based on those four key elements, the relationship is perfect." (D7 7:20).* The respondent further explained, *"...If any one of them are not met, alright interventions are held and if nothing happens, the relationship actually doesn't develop that well..." (D7 7:21).*

Two respondents mentioned that trust is an element, however, this is also backed up with the contractual obligations that are in place, i.e. a combination of trust elements and contractual

obligations are key when it comes to trusting a supplier to fulfil its contractual obligations.

5.4.4. Conclusion of RQ1

Research question sought to understand how accountability provides trust in BSR. From the research data collected, it is evident that many trust and collaboration elements are needed to ensure that there is adherence to governance structures within the BSR. Most respondents expressed that they form their relationships based on trust, and this is further enhanced through tools such as service agreements, contracts, performance measurements (KPIs and score cards) and tools that assist maintain the needed trust within the relationship. Interesting insights include the fact that performing background research on the supplier prior to engaging with them also enhances the trust within the BSR. However, there are some participants that felt that the relationship is maintained not on a basis of trust, but rather because of the tools that are in place to ensure that there is a form of accountability, such as contracts etc.

5.5. Results of Research Question 2

The main aim of this research question was to prompt the respondents to think about what needs to happen within the buyer-supplier relationship to ensure that regulatory uncertainty within the organisation is kept to a minimum. Research question 2 was divided into 5 sub-questions as indicated below:

1. Can you broadly indicate an understanding of an international/local relationship with critical partners?
2. When is it necessary for Buyer/Supplier to outsource their manufacturing, when this is done what enables them to provide a fair amount of collaboration and trust to seek value co-creation?
3. What is the nature of relationship between formal control and social control? Can you give further insights on relationship contracting?
4. Is formal control more important or less important in the buyer-supplier industry?
5. Can you give insight on partner selection and any strategic alliances in export market/local suppliers?

5.5.1 RQ2 sub-question 1

Can you broadly indicate an understanding of an international/local relationship with critical partners?

This sub-question promoted the respondents to provide a broad understanding of their international/local relationships with critical partners. The following themes emerged from the responses provided as indicated in Table 5, Overview of RQ2 sub-question 1.

Table 5: Overview of RQ 2 sub-question 1

Theme	Count	Respondent(s)
Constant Collaboration between international & local critical partners	1	2
Significance of operational level relationships	1	3
Buyer vs Supplier push-pull	1	4
More trust for International suppliers than local suppliers	1	6
Criticality comes with how big your contract is & the cycle time to deliver goods	1	7
International creates framework - Local deals with specific criteria unique to the market	1	9
International/Local Suppliers must adhere to buyer guidelines	1	11

Checks and balances globally between all parties concerned	1	12
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All respondents shared different viewpoints when it came to this sub-question, hence a consistent or recurring theme was not identified.

Respondent 2 described that the relationships with critical partners entail constant collaboration as they are part of a global team. This helps them maintain a good relationship because they already have a blue-print or set governance structure to work with; *“...because this is a global program...whatever changes happens in the US, it comes through to South Africa and there is always that relationship. So, we have a good relationship, even though it’s always not easy, because we also currently have constraints with them, especially in delivering the parts.”* (D2 2:1)

According to Respondent 3, to ensure a good relationship with critical partners, whether local or international, you need to have significant or good operational relationships on the lower levels as well, without which relationships with critical clients could be hampered. Respondent 3 stated, *“...what is critical when it comes to the relationship between a supplier and a buyer, it’s the daily activities that needs to take place... On a lower level you have the relationship between, on an operational level, the buyer and supplier, quality and the supplier, logistics and the supplier. You can have the contract as much as you want but if on a lower level you don’t have things in place in terms of you as a customer ensuring that the supplier understands your specific requirements....”* (D3 3:2).

The respondent further added it is important to mitigate risk on an operational level first so that critical relationships do not experience any problem. *“If there are any deviations within the process, then that is when you get the problems.... You can have all your contracts in place, but if that relationship on operational level is non-existent, you’re going to sit with problems all the time...”* (D3 3:1).

Respondent 4 talked about understanding an international/local relationship with critical partners with the buyer-supplier push-pull scenario. The respondent sheds light on how buyers have more power over a supplier and how it is a push and pull relationship, i.e., how buyers pull a lot from the supplier side in trying to get more, better quality, and better pricing. The respondent argued that *“...in business everybody wants to sound clever and the hardest thing is to go to the other side of the table and ask that guy for more information because you don’t understand. Especially if you’re on the selling side. If you’re on the buying side, it is more natural. It appears more natural to ask more questions that you want more clarity. But if you’re on the selling side that’s a very difficult thing. It puts a bit of strain in the relationship.”* (D4 4:3)

Respondent 4 further added, *“...I did work at both ends of the scale as well and when you as a seller needs to go to ask for a price increase it’s much more difficult than when you are the buyer”*. The implication is that buyers seemingly have more power than suppliers within the buyer-supplier relationship as they are the ones that stipulate the requirements of a design or product.

Respondent 6 mentioned how they trust international suppliers more than the local suppliers, the respondent said, *“...I trust my BCC suppliers more than the local ones, because I have more issues with the local suppliers, but I suppose I don’t know all the BCC issues because we’re not involved in the problem-solving thing with the BCC supplier. We’re just responsible for the problem solving within the local supplies...”* (D6 6:1). Respondent 7 explains that how critical the relationship is, comes with how big your contract is, and the cycle time over which goods are to be delivered. The respondent said, *“...critical partners, to my understanding, is based on two aspects. The first aspects are how big is your contract with the OEM. So, criticality comes with how big your contract is...”* (D7 7:1).

Respondent 9 talked about how the international relationships create the framework and how the local relationships deal with specific criteria unique to the market. The respondent said, *“Again there are these global agreements that are binding, they provide the outer framework. We have local addendum to that should any issues arise, ...”*(D9 9:2). *Both are critical, because the international one creates the framework where we operate in, but the local relationship deals with specific criteria and problems unique to this market.”* (D9 9:1).

Overall, varying responses were obtained when it came to the understanding of what ensures a good relationship with local and international suppliers.

5.5.2. RQ2 sub-question 2

When is it necessary for Buyer/Supplier to outsource their manufacturing? When this is done what enables them to provide a fair amount of collaboration and trust to seek value co-creation?

This research sub-question was asked to find out from the respondents when it was necessary for a buyer or supplier to outsource their manufacturing and when this was done, what would enable them to provide a fair amount of collaboration and trust for value co-creation.

Table 6: Overview of RQ2 sub-question 2

Rank	Theme	Count	Respondents
1	Focus on core competencies and improving efficiency	6	1, 6,8,9,11,12
2	Supplier Capability Issues	5	1,3,4,5,6
3	Value Creation between stakeholders	4	2,7,9,10
4	Risk Reduction	2	4,10
4	OEM Decisions	2	7,10

5.5.2.1. Focus on core competencies and improving efficiency

Six of the 12 respondents mentioned that one the reasons for outsourcing is so that entities can focus on their core competencies, that is, what their primary business is, in order to improve on their efficiencies.

Respondent 1 identified that the main reason they would consider outsourcing their manufacturing will purely be because their company's core focus is not that, hence there is no economic benefit for them to do the manufacturing themselves; "...we don't see it as our core competency, but we still want to understand how it works, but as suppliers can do it more efficiently for us and therefore cheaper, that's when we outsource it to suppliers". (D1 1:3). Respondent 8 also reiterated what respondent 1 shared, in that they outsource manufacturing when it does not form part of their core functions. "...We outsource that, because there is another company who does injection moulding. We are not specialists in injection moulding and we also get the equipment, we don't have the economies of scale to do that...".(D8 8:5).

According to Respondent 9, outsourcing allows the company (buyer/supplier) to concentrate on their core technology and competencies which ensures that the product is of a higher quality. "...I mean there is a reason why the OEM outsources the manufacture of components; it allows you to concentrate on your core technology, competency, to ensure that your product is of a higher quality. If you start diluting your competencies in other words diversifying too far, you will often find there is some aspects of the diversity that gets less attention...and ultimately starts costing you quality and financially. ...". (D9 9:3)..

Respondents 11 and 12 shared similar views and agreed that outsourcing is only needed when the manufacturing does not form part of their core functions, and it is not financially viable to perform the manufacturing themselves.

5.5.2.2. Supplier Capability Issues

Five respondents commented that they would outsource their manufacturing if there are supplier capability issues.

Respondent 1 stated that buyers would prefer to outsource to other suppliers if their long-term suppliers are no longer capable or incurs challenges producing the required goods – *“...if you’re talking about one supplier let’s say is supplying or producing and supplying a certain part number and it’s not capable of doing that, then you ask another supplier to do the same part number...”* (D1 1:1).

Respondent 3 also said outsourcing usually happens when the supplier has difficulties in producing the required parts, *“...in this case it would be a third-tier supplier, because we have a supplier that makes whatever component, whatever it is. Then you find he’s got difficulty producing the part and then he must outsource. Well, it does happen sometimes....”* (D3 3:5).

Respondent 4 mentioned that as a supplier, if it is not possible to produce the required product, then it will be outsourced to those suppliers who can; *“...the other reason...is probably because you can’t do it...”*(D4 4:4)

Respondent 5 expressed similar views and expressed that, *“The first one is in my opinion; do we have capacity to produce it in-house? So, do have space? Do we have employees? Do we have the time to industrialize? So that’s the first questions. Do we have capacity... if no ok we need to give it to supplier and the same for a supplier, he needs to give it to a sub-supplier according to my understanding...”*(D5 5:1).

Two of the 12 respondents talked about third-tier supplier challenges as a reason for outsourcing.

Respondent 3 also said, *“In this case it would be a third-tier supplier, because we have [AUTOWORKS] supplier that makes whatever component, whatever it is. Then you find he’s got difficulty producing the part and then he must outsource. Well, it does happen sometimes”.* (D3 3:5)

Respondent 6 said, *“Okay, let me look at rather the supplier outsourcing business that we’ve already allocated to them. What would happen is we say that the supplier is responsible for any tier two supplier. We’re not responsible to monitor or to do pre-supplier evaluation of any tier two supplier. We leave it to the tier one. The supplier must get our approval that they can go ahead and outsource those specific parts. Yeah, we basically leave it up to them. They*

know the requirements because that supplier would have to do exactly what they were doing so they would also know the requirements...” (D6 6:3)

From the analysis it became evident that in addition to economies of scale and financial feasibility, suppliers may outsource if the suppliers themselves do not have the capability to design or produce the required product, and the tier levels of the suppliers also have an influence as well.

5.5.2.3. Value Creation between Stakeholders

Four respondents believed that outsourcing is a way to create value between stakeholders. According to respondent 10, outsourcing can add value to a commodity, potentially due to regulations that may be in place. Respondent 10 states, *“sometimes they outsource to create value. In different countries they have different regulations regarding value add. In other words, you can’t go to Russia and start doing production equipment assembly without having a 30% value-add or you can’t sell a car there if you don’t have a certain portion of value-add that talks into duties. So, they often outsource the commodity to increase value-add in terms of the local regulations so that could be one of the reasons” (D10 10:4).*

Respondent 9 highlighted the need for the supply chain to benefit as a whole, and added on what respondent 10 also said – *“...again, the whole supply chain benefits from this expertise, and it is in these scenarios where it does make sense to outsource, it gets back to the question of its great value to both the sub-supplier as well as the OEM.” (D9 9:4)*

Respondent 2 explained that outsourcing promotes value creation between stakeholders in terms of localisation – having an increased local footprint and local content and by investing in local suppliers through outsourcing, they would obtain incentives from the government; *“...so, the more investments you have locally, the more benefits you get... we get about 30% back from the government and that’s incentive. It actually increases how they can spend the money, how to expand the business so it actually promotes that.” (D2 2:5)*

Respondent 2 also spoke about how outsourcing benefits stakeholders through job creation. *“I think especially, from a supplier point of view, especially now in you know with what benefits the OEM for BMW, is the local content. Especially in our top shelves the local content has increased so it benefits the customers, it also benefits the local market you might create additional jobs and for the sub-suppliers. So, it’s more job creation...” (D2 2:2)*

Respondent 7 goes on to say once the decision to outsource is taken, it is the responsibility

of the OEM to ensure that enough guidance is given to the supplier to ensure that there is value co-creation by developing or producing the parts that are required.

5.5.2.4. Risk Reduction

Two respondents mentioned that outsourcing is often considered when there is a level of risk involved. Respondent 4 believed one needs to outsource when it reduces risk, because it is always better and cheaper to manufacture internally rather than outsource it. According to Respondent 4, *“... the only time that you should outsource is when it reduces risk. There is no way that somebody else can do something cheaper than you can do it...because after all the job is done by an outsourced company there’s still a receiver’s invoice to be paid. So, it’s only when there’s severe risk involved, and you want to avoid that certain risk. This can be a risk of quality or a financial risk that’s driven by a sourcing problem”* (D4 4:3).

Respondent 10 said outsourcing could negatively hamper the quality of the product provided, hence it is a huge risk to outsource, hence outsourcing should only be done if it must be, and the risks associated are low. *“...It’s much more difficult for the supplier to be competitive because he has to deal with more risk being responsible for this stuff...it could be risk in terms of there’s a huge risk in terms of assembling axles. If you have loose bolts, if you have a recall campaign and they close your doors so there’s a huge court case. If ZF does that it’s not their responsibility, it’s our responsibility regarding risks....”* (D10 10:3).

5.5.2.5. OEM Decisions

Respondents 7 and 10 conceded that often decision to outsource is dependent on the decisions taken by the OEMs, i.e., it becomes a decision to either make or buy.

According to Respondent 7, *“So, for me a lot of the times companies do the make or buy decision and the make or buy calculation. That will determine if you need to of course supply internally or purchase from an outsource process. So, what typically happens, if OEM is producing part A and we then come to us review our costings and say hold on, we need to increase our profits, if profits are becoming an issue. That ties to value creation. We need to increase our value within the company. We will then do a calculation to see on specific items. Your smaller items based on the invest, do we need to continue making or buy it from an external supplier. So that will be based on profit for the specific company and no decision will go without the profit decision in terms of make or buy...”* (D7 7:2)

Respondent 10 shared the same sentiments with Respondent 7, *“...it’s basically a make or*

buy decision. Exactly so there's a lot of things that go into make or buy. Strategy is one of them. Often, it's not cost. Strategy is aligning maybe with a global or a future target. It can be cost. It is sometimes cheaper to outsource...So, in terms of labour, outsourcing is often cheaper because the supply chain must be more competitive. OEMs don't because they sell vehicles and they can add a mark-up on them. They just remain competitive within their product category. It's much more difficult for the supplier to be competitive because he must deal with more risk being responsible for this stuff. So, make or buy could be a strategy..."
(D10 10:2)

5.5.2.6. Other themes

According to Respondent 10, one of the reasons it is necessary for a buyer or supplier to outsource in manufacturing is to be compliant with regulation. The respondent said, "...another reason could be compliancy towards regulations like BBEE. ..." (D10 10:5)

From the results, it is highlighted that the main reason for supplier's outsourcing their work is based mainly on the economies of scale, their core functionality and the capability of the supplier to produce the required design/product. If any one of these criteria mentioned are not fulfilled, suppliers would look to outsourcing.

5.5.3. RQ2 sub-question 3

What is the nature of relationship between formal control and social control? Can you give further insights on relationship contracting?

This sub-question was asked to understand the difference between formal and social control and how these were employed within the automotive industry.

Table 7: Overview of RQ2 sub-question 3

Rank	Theme	Count	Respondents
1	Dual Accountability – Formal control	6	5,6,7,8,9,10
2	Trust Collaboration – Social control	5	2,3,5,6,10
3	Both formal and social control fundamental	2	4,12

5.5.3.1. Dual Accountability

50% of the respondents mentioned dual accountability when describing the nature of relationship between formal control and social control. These respondents shared that formal

control in the form of contracts and agreements (formal control) are needed to ensure dual accountability.

According to respondent 5, *“...formal control is more on dual accountability.” “...the formal controls are naturally within a legal one, so contracting via the order or the offer from the supplier and our order I think it’s a formal control. That is a legal part of the relationship...”*. (D5 5:3).

Respondent 8 also felt that strong formal controls are related to dual accountability, i.e., *“...there needs to be a strong relationship with dual accountability... There needs to be a strong formal relationship, not formal in a social relationship when it comes to the formal control. We need the contract.”* (D8 8:6).

Respondent 9 said that *“...it is vitally important for both businesses- to survive, to attract investment and have growth there has to be this trust from both sides. I did touch on dual accountability, we need to know we act now to the problem and keep business running and later, see where the fault lies, who takes responsibility. And it’s again that relationship where we know whichever party is at fault, that there will be accountability either way...And yes, we got dual accountability to, make sure that that sub-supplier is doing their job correctly, they got regulations, are providing correct quality, etc. And that we too take on that responsibility...”* (D9 9:5).

5.5.3.2 Trust Collaboration

Trust was brought up as an element of a social control mechanism according to five of the respondents.

Respondent 2 argued on the need for more social control, how trust is built through collaboration and sharing of ideas and that without this social relationship there could be friction between buyers and suppliers. *“I think besides the formal context socially we also need to act a lot...So, there is always sharing ideas on how they see things need to happen, processes that needs to follow...how do we pay, they payment terms, structuring certain things...Trust is getting built, if there are any concerns that always arises then you can say I can contact this one in order to help me. Whereas if you don’t have that informal relationship it brings like sometimes friction between parties. So socially yes you need to be, you have a social relationship with the customers.”* (D2 2:6)

Respondent 3 commented that if there was no social control, it would adversely affect the BSR

“...if the social relationship or trust and collaboration is not there then you will really struggle” (D3 3:4).

5.5.3.3. Both formal and social control fundamental

Respondent 4 said there needs to be elements of both formal and social control as one is dealing with human behaviour and culture, *“... there is a requirement for both in this world to have enough operation, because thing is people do disappoint. That’s one constant that I came to know and then you need to be able to revert to your formal controls that you put in place, you know the written documents and the communication that was established...” (D4 4:6)*

Respondent 12 shared the same view and commented that formal controls are necessary to set the rules, and the social ones to help build and align the BSR, *“The two go hand in hand. The social control aspect of being able to have trust and integrity between two players in the game, but like all games there needs to be rules and that is where the formal controls come in.” (D12 2:3)*

5.5.3.4. Other Themes

An interesting insight made by one of the respondents was that of the role of culture and work ethics and how they affect or have an influence on the nature of formal and social control. According to Respondent 1, *“... this industry also has got a certain culture. That’s why I’m saying suppliers do know how to work with automotive OEM. There are certain ways of working. A certain culture. ...It’s also a cultural thing. It’s related to culture. Work ethic is the right word. And I think, again it depends on the industry that you’re working in. Differences depends on the country and the culture you’re working with that, yeah differences. It depends very much on these things...” (D1 1:4)*

The respondent further explained this culture and work ethic difference between first world countries and emerging markets, *“...See in Germany, talking about these relationships, in Germany people are very fact-driven, fact-based....if you could talk about negotiations, agreements and stuff like that there is not much about being emotional or something like that. They are very fact-driven. There is a price. There is a certain agreement and you must stick to it, full stop. Very, very fact driven. In South Africa, there comes a little more to it. There is more like a personal...the personal component is more important than in Germany. In Germany it’s not that important like if you could have a beer with your counterpart and talk about, I don’t know, soccer or something which is something for instance it’s more important*

in South Africa. You have to build up a relationship on a more personal level than in Germany.”
(D1 1:5)

Respondent 7 gave further insight on the relationship contracting, “...*The OEM expects that the supplier has their internal relationship contracting all in place. If it is a critical supplier and once a contract is signed and there seems to be a relationship issue within the company, the OEM would typically send out a supplier or send out resources to help the supplier with sorting out the relationship contracting. So, OEM or buyer would typically get involved in the relationship contracting, but not necessarily have legal contracts and so forth signed...* (D7 7:4).

The evidence suggests that dual accountability is maintained through formal controls while trust collaboration elements are instructed by social control. Culture and work-ethics also have an influence on the nature of the relationship between formal and social control.

5.5.4. RQ2 sub-question 4

Is formal control more important or less important in the buyer-supplier industry?

Analysis from the previous sub-question highlighted that both formal and social control are fundamentally needed as one ensures dual accountability while the other focuses on trust and collaboration aspects. In this question, the researcher tried to identify which of the two controls were deemed to be more important within the OEM industry and BSR.

Table 8: Overview of RQ2 sub-question 4

Rank	Theme	Frequency	Respondents
1	Formal Control is more important	6	2,6,7,8,11,12
2	Both are equally important	4	3,5,9,10
3	Social Control is more important	2	1,4

5.5.4.1. Formal control is more important

Six of the 12 respondents commented that formal control is more important than social control within the buyer supplier industry.

According Respondent 2 formal control is more important as this will act as a cover against unfortunate events, “*I think formal is more important, especially in the industry that we are in, because it is a cut throat industry...just to cover yourself in the events something does happen.*

I think formal is necessary ...” (D2 2:9).

Respondents 6, 7 and 11 blatantly shared that they believed that formal control was more important. *“Formal control is more important. Way more important I feel.” (D6 6:7).* Respondent 7 said, *“...Formal is much more important. It’s priority number 1. Your informal...that is always secondary. Always.” (D7 7:11-12).* Respondent 11 opined that, *“...It’s way more important than social control...So formal control is far more important.” (D11 1:5)*

Respondent 8 expressed that relationships are initiated on a formal control such as a signing of a contract or service level agreement, hence formal controls are more important than social ones. *“I lean more towards the formal control is more important. You need that contract for the business relationship to launch itself, or to take off. I would say the social control is as important, but the formal control, the contract is of utmost importance”.* This sentiment was shared by respondent 12 who stated that, *“the formal control is the more important one; it is the basis of the contract. There could be changes so you need the formal control as a kind of rule book for everyone to play the game to.” (D12 2:6)*

5.5.4.2. Both equally important

Four of the interviewees commented that both formal control and social controls need to be in place within BSR and both were equally important.

According to respondent 9 *“both are just as important...in my opinion both can’t happen without the other. In this relationship they are both just as important” (D9 9:10).* Respondent 3 stated that, *“...they’re both the same, because if you don’t cover yourself in terms of ensuring that you have formal contracts in place upfront, if something goes wrong and you are exposed.” (D3 3:9)*

Whilst respondent 5 agreed that formal control is important, the respondent was cautious, *“For sure I think the formal control is the basis...that’s the fundamental thing. But it’s not everything. That’s the important thing...But if we just have the formal control and no social collaboration and social control it will not be as successful as well.” (D5 5:6).*

5.5.4.3. Social control is more important

Respondent 1 argued that social control is more important than formal control because the formal control, or the contractual part of it, is very clear – everything is stipulated in the contract and both parties sign it and must stick to it. However, the contractual part normally does not make collaboration successful in the long term. The respondent argued that in the long-term

informal controls enabled successful collaborations or relationships.

Respondent 4 said whilst social control was more important – it should be exercised with caution lest people take advantage of the individual, *“Social control is much more important to me because it gives me that flexibility... But the social control is a very dangerous slippery slope to stand on because if you rely on that, you need to be an extremely strong individual because people might see that you’re a very flexible person and open for approach to shenanigans. ...”* (D4 4:9).

An interesting insight brought up by one of the respondents is that location of a plant /company or supplier plays in determining which of the two is more important. According to respondent 10, *“It depends on where in the world you are. I think in South Africa socially is equally important because of the unions, because of the way that the labour law in South Africa are dictated by unions and negotiated by governing councils so things like that. I think often the buyers are totally over-written in their expectations because of the unions and the social side of the labour practice. I think it speaks for itself. We know all the challenges; we know the strikes. We always know the outcome and I think it purely depends where in the world you are.”* (D10 10:14).

The general view as evidenced from the results were that formal control was more important than social controls. The main argument was that formal controls are put in place from the onset of the relationship, and since they are the foundation on which the relationship is founded, they are more important. An interesting notion that was brought up by one of the respondents was that the importance of the type of control is location dependent – in countries with more volatile labour markets, social controls could prove to be more important compared to countries where there is less volatility.

5.5.5 RQ2 sub-question 5

Can you give insight on partner selection and any strategic alliances in export market/local suppliers?

This sub-question sought to find out from the respondents what their insights on partner selection and strategic selection in the export market/local supplier were.

Table 9: Overview of RQ2 sub-question 5

Rank	Theme	Count	Respondents
1	Supplier Capabilities - Skills/Expertise, technical capabilities,	7	3,6,7,8,9,10,12

	financial capabilities		
2	Information Sharing & Confidentiality	4	3,8,9,11
3	Joint knowledge processing in creating innovation	2	11,12
3	Government Regulation Influences	2	7,9
4	Technical knowledge & advantage	1	2
4	Professional Screening Processes	1	10
4	Competitiveness & Global Footprint	1	10
4	Cost-saving opportunities/ Cost -effective production methods	1	3

5.5.5.1. Supplier Capabilities - Skills/Expertise, technical capabilities, financial capabilities

Seven respondents talked about supplier capabilities as a key factor they looked for when selecting a partner or forming any strategic alliances.

Respondent 6 said that before they select a supplier, they perform a pre-evaluation of the supplier to make sure that they have the needed capabilities to deliver the required goods, *“...I need to do the supplier pre-evaluation, make sure that they are technically capable of producing the part, and that is the most important thing. They are technically capable, and their finances are in order.”* (D6 6:6)

Respondent 7 explained how they are part of a global organisation and they cannot be part of the partner selection process because South Africa as a region does not have the technical capabilities to compete with the multinational companies. *“...South Africa doesn't have the capabilities now, to do what the OEM or big Multinationals are doing. From the skills, technical and knowledge point of view there needs to be an improvement. If we can prove that for the next model or the next life cycle we can provide the capabilities, skills, joint sharing process, information sharing, confidentiality to build up a supplier locally then we would be able to make that work. We will get involved in the partner selection and so forth...”* (D7 7:9).

Respondent 9 commented on expertise as a factor in forming strategic alliances, *“...it doesn't make sense trying to do everything yourself when you don't have the expertise. It makes sense to outsource, and to align yourself with people that have got that expertise and of course those become strategic alliances...”* (D9 9:6).

Respondent 10 also talked about the need to have the required skills and capabilities to perform the job at hand. *“...It's the same evaluation criteria that applies. Do they have technical knowledge, do they have the capacity, do they have the resources, do they have the*

skills and the qualification for that.” (D10 10:10).

5.5.5.2. Information Sharing and Confidentiality

Four respondents mentioned that the level of information that needs to be shared, and the need for confidentiality as a deciding criterion in a selection or a partner or formation of a strategic alliance.

According to respondent 3, *“...confidentiality as well, that is a given.”* Respondent 8 pointed out that there will be a lot of information sharing and confidentiality hence prospective partners need to be trustworthy. Respondent 9 said, *“...because there is a high level of confidentiality in the design and technology- yes we have to have a strategic in the alignment with the buyer to ensure that it all works”*.

5.5.5.3. Joint knowledge processing in creating innovation

According to respondent 11,

“...you have to proactively create innovation now. So, we must try to find innovation that we want so that we can approach a supplier. In the past, it was always they came to us, here’s something for you and times has changed so we must say for instance if we want to go into rectification, and we want for instance a kind of battery or a charger that charges a battery the moment you enter the garage. Now it is something we must ask for. We must be now a step forward. We have to be proactive and create these strategic innovations with potential suppliers and to do so you spend special agreements and confidentiality agreements with those potential suppliers because we want to be the first in the market and not the followers...”
(D11 1:4)

Respondent 12 explained joint knowledge processing in terms of strategic alliances. The respondent said, *“...Strategic alliances, we have quite a few of them in terms of we have a patented product the headline of manufacture which is known as glass u-tech, and we have strategic alliances in terms of the buying power to supply this product to all the OEMs across the world. So, the buying strategy across the world because of the volumes that we are buying is very important.”* (D12 2:5)

5.5.5.4. Government Regulations

Respondent 7 suggested that government regulations could also potentially affect decisions about partnerships and strategic alliances. *“Government creates standards. You have APDB*

and AAS all the normal standards that you can specifically claim. It is all based on what is the benefit and how does your business look.” (D7 7:6-10)

Respondent 9 stated that “...*From one point it is strategic that we keep it in a South African market, another it is not as strategic exactly which partner we use. However, looking at other components it does become very strategic...because there are government regulations, design, a high level of confidentiality in the design and technology- yes we have to have a strategic alignment to ensure that it all works.” (D9 9:7).*

Overall, the main criterion respondents mentioned that are looked out for when selecting a partner or forming a strategic relationship is supplier capability – i.e. the supplier needs to be technically capable and financially stable, with the necessary skill and expertise to handle all buyer requirements.

5.5.6 Conclusion of RQ2

Research question 2 intended to uncover the common subthemes amongst the respondents regarding what must happen between the buyer-supplier relationship to ensure that regulatory uncertainty within the organisation is kept to a minimum. Most respondents agreed on that contracts and adherence to these contracts (formal controls) was key to ensuring that regulatory uncertainty within the organisation was kept to a minimum. The social controls also play a role in building the BSR, however, it was highlighted that the BSR is founded on formal controls. Additionally, because of the criteria in place to ensure that the suppliers selected will be the best fit for the buyer, the BSR is also enhanced – this also ensures that any regulatory uncertainty within the organisation is kept to a minimum.

5.6. Results of Research Question 3

Trust and control can mitigate risk of non-compliance. Trust can be established based on governance structures which can mitigate the risks involved or the co-operation of both parties whom may have knowledge and capabilities in which mutual benefit can be derived and exploited (Varoutsas & Scapens, 2018). They go further to say that contracts and goodwill can mitigate the risk of opportunistic behaviour that can occur from a relationship, ultimately trust will be needed to allow for effective control. According to Fawcett, Jones, and Fawcett (2012), as companies evolve into a mature relationship, it is necessary to assess the risk and benefit in that they need to consider the supply chain trust that has to be part of a nurturing process over the term of the relationship. They go further to indicate that as they further in the trust maturity of the relationship then the risk curve further decreases.

5.6.1. RQ3 sub-question 1

Does the need for trust exist in more volatile markets? Please explain.

Table 10: Overview of RQ3 sub-question 1

Rank	Theme	Frequency	Respondents
1	Yes	8	2,4,5,6,7,8,10,11
2	No	3	3,9,12
3	Did not say	1	1

From the results it was highlighted that most participants (8 out of 12) felt that trust needs to be more present in more volatile markets.

Respondent 2 blatantly puts it as, trusts always needs to be there. *“...especially the industry that we are in, trust needs to be there at all times...”* (D2:2:14).

Respondent 4 explained that volatile markets pose more risks - the volatility does not make it appealing to do business in such markets hence there needs to be more trust placed in such situations. *“It’s actually more important, because if you’re set in a volatile situation, it’s very easy for me as the seller to think of a hundred and one reasons why I couldn’t do it because things are so volatile”* (D4 4:1).

Respondent 5 reasoned that the more volatile environments require more trust than stable ones; *“...trust is very fundamental and the trickier the environmental situation is, so the more strike, the more power shutdowns, the higher is the requirement of trust. So, the more we need to trust the supplier, he does everything he can to have a stable production as possible. If everything is fine and we know that he is in an a very safe environment and has best situation I think trust is not as important, because you will be able to produce in good quality and quantity anyway...”* (D5 5:1).

According to Respondent 7, it is due to the unpredictability of volatile markets that more trust needs to be placed in such markets, *“...when a market is unpredictable, there will be external or internal influences...there needs to be a lot of trust. You need to ensure that set supplier can overcome or you can produce in a volatile market, because that creates a lot of unbalance and uncertainty within the market. And that of course leads to policy uncertainty”*. Respondent 10 shared the same view and opined that there is a need for a higher trust in emerging markets especially in the wake of uncertain policies. *“...when they hear land expropriation without compensation, those are the type of keywords that sets everybody up the tip of their seats.*

What's going on with government, their policies? Uncertainty about South Africa. Does it make sense to still have South Africa as a market? Things like that. Absolutely. A higher trust in the emerging markets, much higher trust in their established markets.” (D7 1:1).

Three respondents felt that there should be no difference in the levels of trust between less volatile markets and more volatile markets, however, these respondents also suggested that there is more need for transparency and communication in such markets – more than trust.

Respondent 9 argued that what is critical in volatile markets is openness and communication rather than trust, “... *What is critical for volatile markets is openness and communication’s there is a good social relationship, and we all understand the market, the volatility, we are communicating regularly we can handle the situation together as a team. If we start saying that we need to have more trust or less trust, I don’t agree with that” (D9 3:1).*

Respondent 3 spoke of the trust versus risk exposure dilemma with regards to the need for trust in volatile markets, “*There is a fine line between trust and putting yourself at risk as an OEM. Yes, you can have your trust in place, but remember we are not operating in a silo, because we are globally exposed, so that means whatever we do we must make sure that we fall in line with global trends....The commitment of [AUTOWORKS], whatever country that they are in, they will be sourcing from the local suppliers, it’s always a big question mark. The answer to that question is that there is a fine line; a very fine line.” (D3 3:1)*

Respondent 12 opined that trust was very difficult to get in volatile markets and that for the new players; the cheaper markets, the developing markets, building the trust is going to take a little while.

5.6.2. RQ3 sub-question 2

Can you elaborate on the need for trust with regards to the following? Describe the relevance and effectiveness of two collaboration strategies, this being direct investment in supplier development and close relationship building? Describe the understanding of the international relationships with critical partners.

The following themes were common amongst the respondents.

Table 11: Overview of RQ3 sub-question 2

Rank	Theme	Frequency	Respondents
1	Work Standards	3	1,7,8

1	Confidentiality	3	1,7,8
2	Honesty & Integrity	2	1,7
2	Shared Value	2	2,7
2	Opportunistic Behaviour Challenge	2	4,6
3	Politeness & Friendliness	1	8
3	Local Relationships	1	9
3	The bigger the investment - the need for more trust	1	10
3	Joint Ventures	1	12
3	Sustainability	1	3
3	Cultural Barriers/Differences make the need for trust more important	1	4
3	Transparency & Collaboration	1	5
3	Knowledge Sharing	1	6

5.6.2.1. Work Standards

Some of the respondents (3 out of 12) mentioned work standards on the need for trust with regards to their description of the relevance and effectiveness of direct investment in supplier development and close relationship building.

According to respondent 1 work standards are essential in setting the precedence for how collaboration should work, and this makes it easier for both buyer and suppliers to engage with each other, *“...I think all these work standards, if the mindset is the same, it makes it easy for both parties because then you don’t have to explain everything. It’s just a common way of understanding how a collaboration should work...”* (D1 1:3).

According to Respondent 7 many a time the OEM and supplier have direct collaboration but because of the many confidentiality topics, which they are willing to share with third-tier suppliers because they can assist or unlock additional funding for them, *“So, I think relevance and effectiveness, direct investment in supplier development is important and then also close relationship building. That talks to each other, because when you have direct investment in the supplier you must have close relationship building...”*(D7 1:4). According to respondent 7, direct investment in the supplier is a key facet in close relationship building as this maintains work standards.

Respondent 8 related the work standards established over many years to the level of trust and collaboration existent now, *“...that level of trust and collaboration, if we can call it that, was built over many years and on different entities meaning not only just price, but also ability,*

knowledge and skills and so forth. So, there is a need for trust and without that we won't be able to do the job.” (D8 2:2)

5.6.2.2. Confidentiality

This theme was brought up by three respondents. According to these respondents, confidentiality (trust-element) is important to maintain relationships with critical partners.

Respondent 1 stated simply that “...*Confidentiality is important ...*”(D1 1:4). Respondent 7 explained why it was important to have confidentiality or for confidentiality to be kept in the situation where third party companies that are government funded organisations, could assist the supplier becoming more competitive and also help the OEM become a stand-alone entities, “...*the second way is making use of a third party service provider to actually improve the production system, that way the OEM is set to be stand-alone, so government has the supply development initiatives in South Africa, where you have a third party company that is a Government funded organisation that can assist the supplier becoming more competitive and you know working better standards, ensuring that honesty and integrity is kept, confidentiality is kept...*” (D7 1:4).

According to Respondent 8, “...*there's definitely a level of trust and there's a sense of openness and transparency within the OEM business and automotive industry...*”(D8 2:3)

5.6.2.3. Honesty and Integrity

According to Respondent 1, “*Confidentiality is important, honesty and integrity of course...*” (D1 1:4). On honesty and integrity, respondent 7 said, “*The second way is making use of a third party service provider to actually improve the production system, that way the OEM is set to be stand-alone, so government has the supply development initiatives in South Africa, where you have a third party company that is a Government funded organisation that can assist the supplier becoming more competitive and you know working better standards, ensuring that honesty and integrity is kept...*” (D7 1:4)

5.6.2.4. Shared Value

Respondent 7 explained the need for trust in the shared value process. According to the respondent, the more the trust, the more the level of investment and this leads to buyer-supplier growth and furthering of the BSR. “*I think especially the industry that we are in, trust needs to be there at all times. ...trust brings benefits you understand so if you don't trust, even*

in your social life, you don't trust someone you won't want to invest in them...But if there is always trust you can further your business, you can further your investment, you can further your relationship and partnership and you are growing with the customer" (D2 2:2-3).

5.6.2.5. Opportunistic Behaviour Challenge

Respondent 4 talked about the opportunistic side or nature of people in the direct investment in supplier development and close relationship building processes and how that impacts and affects trust. *"...you get people that disappoint you when it comes to that because they see you as a guy that you want to build this relationship and then they go behind closed doors and they start playing the game. Many other ways the truth has a strange way of coming to the forth and normally that ends very bad for the people that tries to be... That's when suddenly you tend to know why it's important to have contracts..." (D4 4:2-3)*

Respondent 6, on the opportunistic nature, mentioned how it was very easy for local buyers to only look out for themselves at the expense of the local suppliers, *"So, I feel like there is need for more trust. We really want to help our local suppliers grow and that's what they need to understand, that we're there to help them grow. We want them to make a profit. We want them to survive, because it's helping the country. It's not just helping us as [AUTOWORKS], but the country. And us as buyers we have, especially local buyers, we always must have that in mind. We must think about the country and it's very easy to say what's best for our company..." (D6 6:1).*

5.6.3. RQ3 sub-question 3

Describe your thoughts on adversarial relationships and if there is any room in the relationship with your supplier or buyer?

Table 12: Overview of RQ3 sub-question 3

Rank	Theme	Count	Respondents
1	Adversarial supply chains have no place in the future	5	5,7,9,11,12
2	Always room for Adversarial relationships	2	6,10
3	Implementing Alternative measures before initiating legal proceedings	1	1
3	Avoiding knock-on effects that would be a result of legal action	1	1

3	Conflict management & communication	1	2
3	Need for Supplier to understand (buyer) requirements	1	3
3	Negotiation Challenges - Sustainability of deals	1	4
3	Culture of OEM	1	8
3	Looking at the big picture	1	8
3	Need for mature leadership	1	10
3	Need for structured communication	1	5
3	Put Mitigation Plan to address adversarial relationships	1	7

5.6.3.1. Adversarial supply chains have no place in the future

Five of the 12 explained that adversarial supply chains have no place in the future. According to Respondent 5 there is space for discussions to challenge fundamental issues, however, adversarial relationships make collaboration very difficult *“... We should not as an OEM give the impression that we are the one that are ruling the relationship. With that we would build up adversarial relationships. I think for adversarial relationships there is no space. There is a space for challenging fundamental discussion and we need not be friends in all communications...but for adversarial relationships there is no space, because then we reduce trust and reduce transparency drastically and then it is very difficult to collaborate.” (D5 5:3).* The respondent highlighted that adversarial relationships could hamper the trust in the BSR, making it difficult to work together.

Respondent 7 also reiterated that such relationships make collaboration very difficult and stated that adversarial relationships are definitely *“...a no-no... You want to limit uncertainty to as little to none as possible... I don’t think that’s healthy. That will affect all your collaborative elements and your trust elements. It will all just make it so much more difficult.”*

According to Respondent 9, *“...If an adverse relationship continues I would say there is no room... a relationship like that can’t continue in this market. If you’re going to be constantly doubting or not trusting your supplier- that relationship can’t continue”*

Respondents did offer possible solutions on how to deal with adversarial relationships, each varied from the other. One of the respondents, Respondent 1, suggested implementing alternative measures before initiating legal proceedings as a possible solution to deal with adversarial relationships. Respondent 3 emphasised on the need for suppliers to understand (buyer) requirements.

According to Respondent 3, *“In most instances it’s not something that could actually affect the*

relationship, where you get a complete breakdown. The only way to mitigate that is if there is an understanding that the supplier understands what our requirements are, that is a basis now of the relationship going forth.” (D3 3:3)

Respondent 8 suggested looking at the big picture when dealing with such relationships. *“ I fight for my party, you fight for your party, but at the end of the day we need to look at the bigger picture and understand that I am in this for the business. You are in it for the business and it needs to be a win-win situation. We need to be professional.” (D8 2:5).*

A contrasting insight is one mentioned by Respondent 6. The respondent argued that there will always room for adversarial relationships, but relationship management is very critical, *“...There is always room for adversarial relationships, because no two people are always going to have the same opinions and the same thoughts about a specific topic and that type of thing. It’s there. It’s real and that’s where relationship management comes in...” (D6 6:3).*

Respondent 7 suggested that there should be mitigation plans put in place to address adversarial relationships, if there are any present.

5.6.4. RQ3 sub-question 4

Describe your challenges that are faced with the buyer and supplier relationships?

Table 13: Overview of RQ3 sub-question4

Rank	Themes	Count	Respondents
1	The Business environment	12	1,2,3,4,5,6,7,8,9,10,11,12
2	Location	8	1,4,6,7,8,10,11,12
3	Challenges within legal frameworks in contracts	7	1,2,4,7,8,10,12
4	Quality issues	6	1,7,9,10,11,12
5	Slowness to react	3	7,8,9
6	Investment into South Africa	1	9

5.6.4.1. Challenges within the business environment

All 12 respondents mentioned challenges within the business environment as one of the challenges faced with the buyer and supplier relationships.

Respondent 1 spoke of how BBBEE was a challenge, *“...as you know in South Africa BBBEE is a big challenge in the business environment...”(D1 1:10).* Respondent 2 raised the issue of the relationship with local suppliers in that because they do not have a lot of decision making

power it delays the overall decision making process, *“I think from our side or from my side is that the relationship with a local buyer, because the local buyer doesn’t have a lot of decision-making power, so we always have to go to Europe and they have to make a decision, then it is filtered through to the local. Also, certain expectations, like I said certain things that they local buyer cannot do, so we always must refer it to Europe and its it makes a delay in certain things. So, when you ask a question it always gets referred AGI, especially when it comes to small things, not even big things, so it’s frustrating for us but we try to manage it in a better a way.”* (D2 2:5)

Respondent 3 mentioned technology as their biggest challenge, how what was specified two or three years ago will not be the same a year from now. The respondent raised issues around the emission requirements. Respondent 5 mentioned challenges that arise because of changes in targets or the business environment often affect buyer-supplier relations, *“...If you are sitting together with an opposite that has the same targets as you, I think you can collaborate the structure well, not a problem. But if you have a different target then it becomes a little bit challenging. That is the difficult thing for buyer-supplier relationship.”* (D5 5:5).

Respondent 7 mentioned daily operational challenges. According to respondent 7, *“...in terms of challenges within the business environment you have daily operational challenges, I am going to come back to the QC DM’s. Those are the key challenges that are faced with the business environment today. Everyday there will either be a quality, cost issue, delivery issue or an employee within the company having a low self-esteem or low morale issue or personal issue that affected him or his or herself and those are the biggest challenges...”* (D7 1:7)

Respondent 8 mentioned unions as the biggest challenge within the business environment. *“...we have the challenges of unions...”* (D8 2:6).

5.6.4.2. Location

Seven out of the 12 respondents brought up location as one of the challenges faced in the buyer-supplier relationship.

According to respondent 1, buyers find it hard to manager suppliers that are based internationally or where goods must be imported; *“...we get a lot of parts that are imported to South Africa, imported by local suppliers to South Africa. And this supply chain is very complicated. It became very complex. And that is something that is very difficult to manage for the buyer as well as for the suppliers.”* (D1 1:12).

Respondent 6 argued, *“Proximity...is very difficult because whenever there’s an issue you can’t just go there. And in terms of budget issues and that type of thing it’s very difficult. I know in my department they kept cutting my trips like, no you can’t go, and now the supplier is in big capacity trouble basically. Now they want explanations, but you’re not there at the supplier. You can’t monitor anything. You can’t get a real feel if you’re not there. So, proximity is really an issue...”*(D6 6:5). Like Respondent 1, this respondent touched on the difficulty of monitoring suppliers that are in different countries.

According to respondent 7, in addition to technological advancements enhancing globalisation, there needs to be behavioural management as well to avoid challenges faced by proximity of location. *“... So proximity location is key and it affects a lot of people, because yes, globalisation has ensured us that we can buy or produce or service goods anywhere around the world because of technology, but there also needs to be some behaviour processes implemented within the chain so that we can actually service or receive products from the locations across the world within a reasonable timeframe and cost as well.”* (D7 1:9)

Respondent 8, however, shared a different view from the other respondents on this subject matter. The respondent argued *“...This day and age I don’t believe that proximity of location is not so important anymore, because companies are moving to low-cost countries and it’s all about getting the bigger product out to the best price. You can have a product supplied to you from the other side of the world and get the parts here on time.”* (D8 2:5)

5.6.4.3. Challenges within legal frameworks in contracts

Seven respondents felt that legal frameworks within contracts between buyer and supplier could be a cause of worry or challenge between buyers and suppliers. Respondent 1 elaborates the need for both parties to be clear on the contents and details of the contract to avoid any challenges or conflicts. *“So, whenever you’ve got disputes on contracts that were signed then it might be because one party got a different understanding but normally they are phrased in a way that is clear and if one party does not adhere maybe to a certain rule or process, that is stipulated in that contract then it is just because a certain party is not aware of it...”* (D1 1:11)

Respondent 4 shared similar sentiments as respondent 1 about the challenges faced when what is stipulated in the contracts are misinformed or misunderstood by the two parties. *“When it comes to challenges within legal framework and contracts, well it comes down to understanding. Because the buyer and the supplier, the two people that’s meeting, are normally not the people that’s driving the legal framework. There’s other people, they are the*

messengers, and that's very frustrating because these two guys they negotiate on behalf of other people with higher knowledge..." (D4 4:7).

According to respondent 7, challenges within the legal framework and contracts come down to performance measurement. Respondent 8 said that, specific to South Africa, there could be challenges in terms of compliance to BEE regulations. *"...There are challenges when for example we need it to put people of colour into certain positions when we need to be BEE compliant. So, there are challenges, but there are ways around it and not meaning negative ways around it. We need to understand why we have those challenges and why we have those policies in place and why become a challenge, there are proper ways of implementation. So, there are some challenges and a lot of times the customer, the OEM, will force on us a supplier's how to do things or how to follow specific contracts..." (D8 2:7)*

5.6.4.4. Quality Issues - Quality within Africa

Six respondents spoke about the challenges faced with the quality of work sometimes provided. There seemingly is a misconception that quality of products from Africa is bad, which could potentially create challenges in the relationships between buyer and supplier. However, participants 1,7 and 9 highlighted the quality received from Africa is good.

Respondent 7 said, *"Quality within Africa is really good. People tend to perceive us as not quality, a bad quality industry, but we produce a lot of good quality parts. We have received a lot of global quality awards..." (D7 1:10).*

Respondent 1 argued, *"I mean in Africa in the end I think you would get the same quality. The way to get the quality is maybe a little bit different. But maybe because sometimes it takes a little bit more re-work to get to a certain quality than in other plants in the world but normally in the end you get the same quality, but you must, sometimes you put a little bit more labour and effort into it to get more quality. That's the main difference I would say."(D1 1:13)*

Respondent 9 said, *"I think Africa has a high level of quality, certain aspects. There's a lot of unique skill, talent. From that point of view Africa has a lot to offer, we've seen that in your own plant...Quality in Africa is good, but it can also be bad. There're 2 broad aspects to this question." (D9 3:6).*

5.6.4.5. Slowness to react

Respondents 7 and 8 agree that the South African industry is slow to react, and this poses a challenge.

According to respondent 7, *“...We are slow to react. I think some suppliers are very slow to react with the changing whether it be technology or systems, or you know... inheriting a buyer’s system or trying to delay that because we have resistance to change and it comes a lot from not actually the system or the people. The management may want to do it, but you don’t have the buy in from the employees....”* (D7 1:10).

Respondent 9 explained that the lead time effectively causes a delay in the reaction time and seemed quite surprised by the notion of being “slow to react”. *“Slow to react? I don’t think we have that issue in this market, but what does make us slow to react is the supply chain, the lead time. We tend to in South Africa be very flexible, we’ve seen that...I think in South Africa we’ve got that good type of working ethic, which to me is quite unique now that I have been exposed to other markets. A lot of the other markets don’t have that type of camaraderie, values, etc. So, from a South Africa point of view we are quite blessed with that.”* (D9 3:4).

5.6.5. Conclusion of RQ3

This research question intended to uncover the common subthemes amongst the respondents regarding how out how accountability provides supply chain trust in buyer-supplier transactional arrangement. Respondents highlighted the role of leadership, and how leadership is extremely important in driving this accountability. Respondents also highlighted the need for broadening the involvement and engagement of local suppliers. They argued that there should be more involvement from the local supplier in terms of engagement and communication with them. The use of various tools to understand accountability between the buyer and suppliers highlighted on the use of frameworks, two-way score cards, various tools for checking the quality of the suppliers and other quality control measures. Respondents also described their value creation processes in partnerships within the supply chain which elaborated on issues such as collaborations, increased sharing of information and supplying unique products just to name a few.

5.7. Results of Research Question 4

How does supply chain trust and collaboration create a more meaningful BSRs that leads to supply chain value creation?

According to (Fawcett et al., 2012), two critical cycles are required to work together, one, which has been identified as the relationship trust cycle and the other the collaboration capability. They go further to say that the trust cycle and the collaboration capabilities lead to identify four

stages of trust, namely, phase one: limited trust; phase 2: transactional trust; phase three: relational trust and the phase four: collaborative trust.

5.7.1. RQ4 sub-question 1

Describe your thoughts on how a buyer and supplier meet the needs of the product in the end of supply to customers?

Table 14: Overview of RQ4 sub-question 1

Rank	Theme	Count	Respondents
1	Leadership	7	2,4,7,8,9,10,11
2	Engaging Suppliers	5	1,2,3,7,10
2	Selection of Strategic partners	5	3,7,9,10,11
3	Communicating of Value	4	3,5,7,10
4	Critical purchases	3	4,7,10
5	Broadening of involvement	1	4
5	Best Managers - Facilitators	1	6
5	Best Practices	1	9
5	Best Managers	1	11

5.7.1.1. Leadership

Seven respondents mentioned leadership as an important factor in the buyer-supplier relationship with regards to meeting the needs of the product in the end of supply to the customers.

Respondent 2 emphasised on the importance of leadership, *“I think leadership is important especially when it comes to the first phase of the project...because it has a clear understanding from the top down, it has clear vision for the people at the bottom...”* (D2 2:7)

According to respondent 4, *“Leadership is extremely important at both ends, because good leadership is freeing up these individuals so that they can be allowed to express their personality in the things that they come up with...”* (D4 4:10).

Respondent 9 emphasised on the need for strong leadership suggesting that good leadership will ensure that the quality of work delivered is of high quality as well; *“yes we need strong leadership, good management at the sub-supplier, supplier, the OEM. Because there is now*

this good level of management the quality is at a high level. Should there be a problem it should be addressed in the correct ways, in the correct times without taking any chances, doing proper research on it...". (D9 3:8).

Respondent 8 expressed similar views as that of respondent 9 stating that poor leadership could affect product quality if not properly addressed, “*..they need an element of leadership definitely, to get that leadership and understanding of what is needed in the product for the end result and at the end of the day, also good leadership is vital to the product...*” (D8 2:10)

Respondent 10 commented that leaders handling the projects should be equipped to make the right choices to forward the company further, hence good leadership is an important facet in ensuring the needs of the customer are met “*...in terms of leadership we assume by trusting the buyer that he is adequately equipped to handle this particular outsource process...*” (D10 4:11).

5.7.1.2. Engaging Suppliers

Five respondents felt that it was important to ensure that suppliers should be engaged to ensure that the needs of the customer are met.

According to respondent 7, “*...engaging the supplier is number 1. You should definitely engage the supplier and try and work towards that...*”(D7 1:13). Respondent 10 argued that constant communication with the supplier and engaging with them is a way to build customer’s confidence that the needs of the product will be met, “*There’s obviously a lot of engagement back to the buyer with questions, things to clarify, things to align, things you need to confirm, yeah.*” (D10 4:14)

According to Respondent 1 the best collaborations are with suppliers that know the buyer processes very well, i.e., well engaged, “*...the best collaborations are with suppliers that know, for instance, the process of the OEM very well. Because they also make you aware of certain things that might happen. And certain things where they know may be the OEM process are not 100% right. So, we must make them aware of certain issues that may arise. So, that’s the best collaboration. So, there is accountability involved both ways and the supplier that knows the processes of the OEM very well sometimes better than the OEM itself actually makes actually a very good relationship*” (D1 1:17).

Respondent 2 raised an important concern regarding the lack of sufficient research into the local suppliers and subsequent engagement with them, “*...When we have to make decisions*

on where to purchase...not a lot of work was done when it came to the directed suppliers, because it's a global program you cannot put so much demand on that specific supplier...I think from that perspective there should be more involvement from the local supplier and then decisions are made" (D2 2:8).

5.7.1.3. Selection of strategic partners

Five respondents also commented that a selection of strategic partners as an important factor in the buyer-supplier relationship with regards to meeting the needs of the product in the end of supply to the customers.

Respondent 3 explained that the first step with a selection of strategic partners was defining the types of technologies required, *"...selection of strategic suppliers- you need to define first what sort of technologies you require. If you require a certain technology, what suppliers are in the market that you can use? Then you have to build those relationships with those suppliers so that you can achieve whatever is required..." (D3 3:6)*

Respondent 9 reasoned that in the end it was all about the end customers, *"Ultimately the end customer wants that perfect vehicle that they have invested in, they do not want any quality problems, warranties. They want a vehicle that is well built, value for money, so how do they get that? That boils down to best practices, strategic involvement with the correct suppliers..." (D9 3:7)*

Respondent 7 said, *"...I think it's providing a quality part...if you have selected the right strategic partners, involve them further and be practical and not theoretical. It's also very key." (D7 1:13)*

5.7.1.4. Communicating of Value

Respondent 5 explained how communicating of value is an important factor in the buyer-supplier relationship with regards to meeting the needs of the product at the end of supply to the customers. *"... the buyer sets the premises. The supplier does the innovation...So, the supplier is the one producing and delivering and afterwards the buyer is a kind of the first customer. He is the referee and saying yes, the quality is fine. I, as your customer, can accept the quality and I can give that quality further to our customers so that they will have no problems. They will have the right quality and they will receive the cars on time because you will deliver in time. So, at first, the buyer is setting premises that the supplier is doing the industrialisation, doing the work in the end. And afterwards, the supplier is the one delivering*

the goods. The buyer is the first referee. He is a kind of simulation of the customer. If he is happy, hopefully, the customer at the end of the car will be happy as well.” (D5 5:6)

5.7.1.5. Critical purchases

Respondent 10 argued that a supplier has to have access to the unique content or at the least be aware of such unique content, *“...When you talk about critical purchases during a resource process there are long lead items. There is unique content that can only be sourced from certain companies or out of certain regions of the world so you’re assuming your supplier would at least have access to those or at least are aware of them....” (D10 4:12).*

Respondent 7 opined that it is very key to have critical purchases under control, *“...If you have the critical purchasers under control...It’s also very key; At the end of the day the customer is why you are in existence and you should be doing everything to not necessarily exceed, because then it becomes over-processing, but meet the expectations of the customer.” (D7 1:13)*

5.7.2. RQ4 sub-question 2

What tools are used to measure and understand the accountability that you may have between yourself and the supplier/buyer?

Table 15: Overview of RQ4 sub-question 2

Rank	Themes	Count	Respondents
1	Use of frameworks	4	1,2,7,9
2	Two-way Balance Score cards	3	4,7,9
3	Supplier quality check tools	1	5
3	Quality Control	1	6
3	Various Tools for checking the quality of the suppliers	1	12
3	Customer Surveys	1	8

5.7.2.1. Use of frameworks

According to four of the respondents, there are frameworks in place to measure and understand the accountability within the buyer-supplier relationship. These include frameworks such as the LSV framework and KPI’s.

Respondent 1 talked about the LSV framework, *“...there is a framework, we call it the LSV. It’s a standardised document. It normally becomes part of your contract with the supplier*

especially when it comes to the development contract that you have with the supplier...It's for quality, for logistics, for instance part quality, production and logistics, exam and test reports, and implement indicated measures... This is all indicated in this report and this a document whenever in your daily relationship that you actually look in quite a lot saying, "okay, who has the responsibility for doing that?" and then you say, "listen here you have the document signed that it's your responsibility or it's our responsibility" (D1 1:18-20)

Respondent 7 spoke of KPIs, *"...And then from there the additional framework that is used is the KPI's. So, like you have KPI's on employees for targets you have KPI's between the buyer and supplier as well, to ensure that your targets are set, your meeting and achieving expectations." (D7 1:15)*

Respondent 9 said, *"...there are KPI's... there is a framework that gets used for it, we have internal management reporting, structures and reports that get reviewed on a monthly basis but more importantly is our SAP system..." (D9 3:9)*

According to respondent 2, *"...there is always a framework which [AUTWORKS] sets and to measure their suppliers and we understand that especially from the quality side...those certain frameworks need to be in place and that goes through to the suppliers, but there are definitely tools in place to measure us and to score us based on that." (D2 2:9)*

5.7.2.1. Two-way Balance Scorecards

3 of the 12 respondents mentioned that they use two-way balance scorecards to measure and understand the accountability within the buyer-supplier relationship.

Respondent 4 said, *"...When it comes to accountability, it's a two-way scorecard..." (D4 4:13)*

According to respondent 7, *"...the balance scorecard is definitely something that is key. The balanced scorecard is put together and you know the issue that manages between the supplier through the balance scorecard because it's agreed that comes from the contract..." (D7 1:14)*

Respondent 9 said, *"...there are KPI's, 2-way balance scorecard...There are mechanisms to ensure that things are done correctly." (D9 3:9)*

5.7.3. RQ4 sub-question 3

Describe elements of collaboration that occurs within your relationship?

This sub-question aimed at uncovering further what elements of collaboration were used currently within their BSR. Findings indicated that joint-planning was one of the main elements of collaboration used, with a frequency count of five.

Table 16: Overview of RQ4 sub-question 3

Rank	Theme	Count	Respondents
1	Joint Planning	5	4,7,8,9,12
2	Cost-effectiveness	4	2,7,9,11
2	Investments	4	7,10,11,12
3	Information Systems	3	7,9,12
4	Efficient & Effective	2	2,6

5.7.3.1. Joint Planning

5 of the 12 respondents mentioned joint planning as an element of collaboration that occurs within their buyer-supplier relationship.

According to Respondent 4, *“The more different things you do together, the stronger your relationship is...”* (D4 4:14)

Respondent 7 said, *“The types of collaboration that we can work towards is definitely joint planning...”* (D7 1:16)

Respondent 8 emphasised on the need for open and proper planning, *“So definitely there needs to be better collaboration between, or relationship, between parties when it comes to that, planning needs to be done properly, planning needs to be done more openly. I mean information needs to be shared...”* (D8 2:12)

According to Respondent 9 joint planning requires dual accountability, is critical from a capacity and programming outlook planning perspective but there is a challenge with joint planning when it comes to the day-to-day operations, *“Joint planning I think goes both ways. looking at capacities, planning from a forecast point of view make sure that suppliers and sub-suppliers meet the requirements. Also, when it comes down to day to day type of planning, not always a good idea. You have experts in most fields, and those are the experts that now how to manage that. If you interfere it can sometimes cause issues. BMW doesn’t come here every day and tell me what I need to plan on this floor, we know it is more effective to run this product followed by that product. But I don’t think that’s the type of planning you’re talking about? Definitely from a capacity and programming outlook planning is critical.”* (D9 3:12)

Respondent 12 said, *“We share the knowledge, we share the productions systems, all kinds of various information systems that allow us to do our business and supply on time. So, from an IT point of view, the planning and the investment and the information systems we have is very collaborative...”* (D12 6:11)

5.7.3.2. Cost-effectiveness

Four of the 12 respondents agreed to the notion that collaborative relationships can be more cost-effective.

Respondent 7 opined that collaborative relationships are very cost-effective, *“In terms of collaborative relationships. I think it is very cost effective...If you have a collaboration relationship you can kill two birds with one stone and come to a joint agreement. So that of course definitely reduces cost...”* (D7 1:16)

Respondent 9 reasoned that collaborations create a joint pool of expertise and the costs are spread between multiple customers which results in being cost-effective, *“...there is a joint pool of expertise, instead of one company the cost now gets spread between multiple customers. Having multiple requirements will develop best practice or product if you are only looking at it from one point of view you might not think of other aspects or be challenged on other ways to improve. Collaborative relationships are definitely more cost effective.”* (D9 3:10)

Respondent 2 opined that, *“...from the collaborative relationship I think it more cost-effective, it brings more value to what’s expected from both parties and also there is a clear picture of what needs to happen, so it does liberation in the relationship, does bring a more effective and efficient way of bringing the part forward.”* (D2 2:10)

5.7.3.3. Investments

Four respondents mentioned investments as an element of collaboration that occurs within their buyer-supplier relationship.

According to respondent 10 there is not so much investments happening, *“I think there’s not so much, investments as well. I’d say more in terms of quality and things like that which is driving the costs. Investment is difficult because I mean we have different ways to solve problems. It could be that you need to spend money on a problem and if there’s some experience from the buyer’s side to help you reduce that investment, maybe there’s some investment that you can take over or something like that, but the collaborative relationship is mainly on a quality level or problem-solving level”* (d10 4:17)

Respondent 12 said, "...So from an IT point of view the planning and the investment and the information systems we have is very collaborative in terms of do BMW understand that these things are needed, and they will help to pay for them, they'll invest with us" (d12 6:11)

Respondent 11 said, "...we share our expectations and if a supplier is not able to help us here we pay for them to get the output through to us. This is something that is a decisive part of collaboration...We don't let them down and say we don't want output done because we nominated you. We go right here and help them..." (d11 7:10)

5.7.3.4. Information Systems

Three of the interviewees talked about information systems as an element of collaboration that occurs within their buyer-supplier relationship.

According to respondent 9, information systems collaboration happens to some degree largely because of the intellectual property of information systems and therefore the need for caution to be exercised. "When we look at the kinds of collaboration, information systems I think to some degree, I have to be a little cautious on that one. Information systems are generally intellectual property, not always a good idea to be collaborative on that. What adds value and what is not confidential- there should be a sharing" (D9 3:11).

Respondent 12's view is totally different from respondent 9's. According to respondent 12 there is sharing of all kinds of various information systems so long it enables them to do business and supply on time, "We share the knowledge, we share the productions systems, all kinds of various information systems that allow us to do our business and supply on time. So, from an IT point of view, the planning and the investment and the information systems we have is very collaborative in terms of do, BMW understand that these things are needed, and they will help to pay for them, they'll invest with us" (D12 6:11).

5.7.4. RQ4 sub-question 4

Describe VALUE CREATION in your partnerships within the supply chain.

Respondents were asked to describe their value creation process. The question aimed to uncover if value creation provided increased forms of value creation and quality of products being provided to the line.

Table 17: Overview of RQ4 sub-question 4

Theme	Count	Respondents
Shared forms of work - efficient segregation of duties	1	1
Time factor - faster-streamlined processes (that lower cost of production over time)	1	2
Strategic Selection of Suppliers	1	3
Understanding of requirements by supplier	1	3
Sharing of Schedules	1	4
Sharing of Information	1	4
On-time quality supply of goods	1	5
Walk-about with the supplier	1	6
Buyer - Supplier Collaborations	1	7
Good relationship & partnership	1	8
Strategic Partnerships with expertise	1	9
Increased forms of value creation	1	9
Value creation through Outsourcing	1	10
Localization	1	12
Value Creation in terms of creating new products & improving production processes	1	11
Value creation based on transferrable knowledge	1	11
Provision of quality products - at the set standard	1	7

Respondent 12 explained shared value creation in terms of localisation. The respondent argued that by investing locally it enhances and shares value with the local suppliers “...by that localization we...enhance the local content of the vehicle here which is important to the South African supplies because of the APDP and we get a benefit of not importing costly logistics and all these kinds of things. It’s now a localized little project. And that enhances and shares value with our local suppliers and it also starts to give them more experience in the industry which I think is a value creation with our suppliers, our OEMs...” (D12 6:12). The respondent also explained how localisation created more value for the multinationals in that the amount of credits the company gets for localisation allows them to offset some of the logistic costs of bringing in other vehicles and shipping overseas. In this sense it opens the market a little bit more at a cheaper cost.

Respondent 11 mentioned value creation in terms of creating new products and improving the production processes. The respondent opined that value can be created if this is a product that the supplier has not provided yet which they can include in their portfolio or by helping suppliers set up better processes that would result into more efficient production that would

result in value add to the entire supply chain. An interesting insight respondent 11 provides is that value creation is based on transferable knowledge. *“... Value creation is very theoretical but from my point of view based on knowledge transfer” (D11 7:13).*

Respondent 10 spoke of value creation through outsourcing. According to the respondent, there is increased forms of value creation further down the supply chain. *“We’re creating value further down the supply chain by sourcing that logistic process because we’re not an expert or because we’re not the provider of that service...because we’re not experts and we don’t have the infrastructure we rely on somebody else and obviously there’s always something in it for somebody else so the value is just created further down in the supply chain... So, there’s value creation in many different sectors because of the industry and it’s by default. Security services, plant cleaning services, recycling services, waste separation services, maintenance services that could be contracted out. So, I think the list goes on and on. And each of those are part of the supply chain”.* (D10 4:19-20)

According to respondent 9, the quality of the product being provided for down the line is better, *“...the quality of the product. You are sharing expertise, developing a central core of expertise, of investment that allows for best practises. You wouldn’t get that in an isolated environment, strategic partnerships with expertise, has great value creation throughout the supply chain...”* (D9 3:13). On increased forms of value creation, the respondent argued that it could have both positive and negative effects. On the negative side the respondent argued that value creation could sometimes go overboard in that by outsourcing to a technology centre, it could overcomplicate it and add high value to it. On the positive side however, there are benefits from not only a financial point of view, but technological and safety, since a lot of parts in the automotive industry are safety specific now.

Respondent 8 described value creation in terms of good relationships and partnerships. *“Definitely I would say if I understand correctly, a good relationship and partnership. There’s the value of a good product that stems out of that relationship, and why I say that is that people or this is just a bit of old saying in that people buy from people. People don’t buy from companies or from a product they buy from people. And if there’s a good relationship, and whether this relationship is verbal or its electronic or whatever the case may be, there’s human intervention, there’s human collaboration between all human partnership, and that value in that partnership stems down to a good product, a good understanding...So, definitely there is value creation in partnership between supplier and customer”* (D8 2:13).

Respondent 5 described the value creation process in terms of on-time quality supply of goods. *“...for me the value creation is to increase the probability that results, or goods are*

coming in the right quality and at the right time. That's the value creation when we are working together between buyer and supplier I think. The right quality increases the possibility that goods, results, support comes at the right time with the right quality." (D5 5:9)

From the results above, most respondents believe that value creation provides for increased quality of products being provided to the line. This is because all the aspects of collaboration in the buyer-supplier partnership within a supply chain lead to value creation.

5.7.5. Conclusion of RQ4

This final research question intended to uncover the common subthemes amongst the respondents regarding how out how accountability provides supply chain trust in buyer-supplier transactional arrangement. Respondents highlighted the role of leadership, how leadership is extremely important in driving this accountability. Respondents also highlighted the need for broadening the involvement and engagement of local suppliers. They argued that there should be more involvement from the local supplier in terms of engagement and communication with them. The use of various tools to understand accountability between the buyer and suppliers highlighted on the use of frameworks, two-way score cards, various tools for checking the quality of the suppliers and other quality control measures. Respondents also described their value creation processes in partnerships within the supply chain which elaborated on issues such as collaborations, increased sharing of information and supplying unique products just to name a few.

Chapter 6: Discussion

6.1. Introduction

This chapter links the importance of the results that have been in this qualitative study and aligns them to literature presented in chapter two. The discussion will commence by aligning the results that each research question has been provided to literature in order to substantiate the insights and themes that have risen from the study. This provides an extension of literature that is currently available and further moves a focus of SCT, SCC, SCA and SCVC which is being addressed newly within the emerging market context.

6.2. Discussion of Research Question 1

RQ1: How does accountability provide supply chain trust in the buyer-supplier transactional arrangement?

The research question allowed an investigation of how accountability provided supply chain trust in the buyer-supplier transactional arrangement. To understand this further sub-questions were divided, and insights from the experts within the area of BSR arrangements were obtained.

6.2.1. RQ1 Sub-question 1:

How does the organisation treat dual accountability within the BSR relationship?

6.2.1.1 Contract and Service Legal/Level Agreements (SLA)

Literature suggests that agreements are the fundamental basis for BSRs to co-exist. These agreements ensure that service providers deal with problems that may arise during the daily operational activity that are established on both side of the partnership (Wang et al., 2014; Yang, Zhao, Yeung, & Liu, 2016). According to Yang et al. (2016), specified terms assist with establishing essential guides that define the fundamental responsibility and procedures in which the partnership needs to co-exist. From the results presented in chapter five, it was clear that dual accountability within the BSRs uses this form in establishing ground rules on how they would keep accountability visible or transparent within their organisations. One of the respondents mentioned dual accountability is fundamentally maintained through the process of drafting a contract to legitimise the buyer supplier relationship. According to Slobodow et al. (2008b), there should be some metrics that reflect the importance of dual accountability; this can be guided by laying a foundation based on the pre-requisite of the relationship.

Another essential aspect to contracts that a respondent referred to is that of a responsible, accountable, consulted and informed (RACI) approach which forms part of the accountability, that is, both parties have visibility. According to Gualandris et al. (2015), the goals of an organisation is to ensure that monitoring includes activities that are managed correctly. This should be done by either setting KPIs determined by a supplier evaluation criterion of goods that are supplied.

One of the respondents mentioned that “scope creep” typically occurs during fulfilment of a service that is done by a supplier; in such circumstances, the choice of amending a contract, adding a new SLA or adjusting an existing SLA should be a choice between the two parties depending on the extremity of the situation. According to Johnson and Sohi (2016), this occurrence is an amendment regarding contractual favour of either buyer in order to forego specific performance deliverables that cannot be obtained by a supplier. They argue that breaches of this nature will depend on whether the factors are favourable or not - a favourable factor manager can use an integrative alternative, and a non-favourable factor can be legally enforceable. According to Johnson and Sohi (2016), four primary categories are essential that may influence this decision, namely: “(a) external environment consideration, (b) interfirm considerations, (c) internal considerations, and (d) interpersonal considerations”(p.197).

6.2.1.2. Performance Measures

Holweg and Helo (2014) states that performance measures play an essential role in the management and maintenance of supply chains. One of the respondents stated that they have a rating system where they measure all suppliers on a quarterly basis, which covers aspects of purchasing, logistics, quality and production. According to Liu, Li, et al. (2017), two variables could affect the performance of a firm: the difference in a firms size and the duration of the relationship. From the findings, it was evident that the concept of dual accountability is not a common term that is used within suppliers, and usually, one-way accountability is generally the more commonly used practice.

6.2.1.3. Supplier Performance Management Tools – Surveys and Rating Systems

Respondents talked about how supplier management tools such as surveys or rating system can assist in the overall monitoring and management of accountability within their relationship. According to Yang et al. (2016), contract terms are the definitive guide that allows a process of establishing guidelines in which the relationship are co-created and governed. They go further to indicate that these agreements can be a foundation of procedures within delivery, quality, calculations on cost and contingency process if something were to go wrong, i.e. rules

of engagement. By being precise on policies of non-compliance, contracts tend to manage any uncertainty that may arise and may create a reduction in risk that may be opportunistic.

6.2.1.4. Meetings

The findings of the study also indicated that meetings could also help maintain accountability as help track e-cards, that is, where errors are in occurrence within daily operations. This findings is in line with Liu, Li, Shi, and Liu (2017) who suggested that some meetings allow managers to build social ties, manage limited access to resources, and reduce the level of uncertainty thereby increase interactions that happen more frequently between BSRs to allow for the smoothening of transition when it comes to handling operational business issues between partners.

Three main themes were identified. According to the findings, dual accountability within the BSR is maintained using contract/service level agreements, performance measures, supplier management tools and meetings.

6.2.2. RQ1 Sub-Question 2:

Describe how governance within contracts are managed and maintained. Is Trust and Collaboration an element to align Buyer/Supplier to governance structures?

Most respondents mentioned elements of trust and collaboration when asked this question.

6.2.2.1. Reliability

Respondents commented that reliability is an essential factor within the governance of contracts. A supplier or buyer is required to be reliable to subscribe to trust between the two in the execution of work. According to a respondent, reliability forms a basis of verbal agreements, and above that, of written agreements in the form of a contract. Jean et al. (2014) define trust as being confident that partners will have both integrity and reliability when transactions are executed. They go further to say that a form of reliability will stem from having a close relationship in the form of “communication and flexibility of coordination” (p.103). This study substantiates the findings of the research, indicating that reliability is a trust-element required within the governance of contracts. Revilla and Knoppen (2015) further reiterate this sentiment by suggesting that a buying firm will always have an improved level of confidence that would be influenced on “a supplier’s integrity, reliability and honesty” (p.1421).

6.2.2.2. Joint Knowledge Creation

According to Cao and Zhang (2011), joint knowledge creation can be defined as the extent to which partnerships within the supply chain arrangement utilise knowledge of the market developments and provide a response to the changes within the market, thereby creating a competitive advantage. Cao and Zhang (2011) further state that knowledge, which poses as a process, technology and knowledge of the markets, create a long-term competitive advantage. One of the respondents mentioned that joint knowledge creation provides the buyer an opportunity to ensure that they are satisfied that the product being procured is built correctly when added on for further processing. According to Revilla and Knoppen (2015), integrating of knowledge should be fostered by BSRs by going past good communication and establishing teams and knowledge centres, e.g. learning hubs, which will assist in providing insights that allow for an effective and efficient outcome between both parties. Joint knowledge creation will also evolve to a phase of joint-knowledge decision making, as the BSRs start to evolve the knowledge that is acquired, which further complements that decision-making process as both buyer and supplier will have to decide based on market trends, demand management, shared production planning, and further enhancements on how to improve their interdependent processes (Revilla & Knoppen, 2015).

6.2.2.3. Honesty and Integrity

According to Varoutsas and Scapens (2018), honesty and integrity will complement the level of trust within the BSR. A respondent commented that information may either be good or bad, and one must filter through the lines to obtain the correct information. All respondents stated that there is a level of importance within the BSR, and that both parties have to operate within this environment and level. Long-term trust is built the foundation of honesty and integrity and confidentiality forms a part of this. One respondent indicated that when working with an associated brand one has to work within the company's best interest. According to Dolci et al. (2017), there is constant change in the business environment, this may be a resulting effect of market pressures and the best way to cope with these pressures is to sketch a supply chain governance program that balances the interest of the firms and the autonomous behaviour in decision making within the individuals within the firm. The implication being that being honest and acting with integrity is a factor influencing the alignment of governance structures within BSR.

6.2.2.4. Information Sharing

A number of respondents associated themselves with the collaborative efforts with the element of information sharing. The link between information sharing and collaborative behaviour could

have an influential impact on resolving problems as indicated in the findings. A respondent highlighted an important aspect of collaboration – if your firms' collaborative efforts are limited with your suppliers then your information sharing effort will be skewed. According to Yang et al. (2016), information sharing ensures that the level similar sources of information is shared between supply chain participants; if both parties has access to similar information then it is hard for one party to take advantage of the other. Yang et al. (2016) further indicate that both information sharing and co-operative behaviour will aid service providers to make any changes that are in response to the customers change in requirements, and from this arises a better understanding on how best to meet changes in the market.

6.2.2.5. Confidentiality

Respondents within the study noted that confidentiality within the crucial within the trust of BSR, as the information that suppliers work with is intellectual property. Buyers are hesitant in sharing information with suppliers that have not signed a confidential agreement when going through a nomination process. According to Tukamuhabwa et al. (2017), co-operation between partners can also lead to confidentiality risks. In some cases before buyers engage with suppliers, they generally go through a contract review process, and in some instances, even though buyers go through a review process some information shared by a supplier can be quite sensitive, and the willingness that some suppliers can share is on the basis of goodwill trust (Varoutsas & Scapens, 2018). Once again, the findings once again indicate that there is a need for a trust-element (confidentiality) between buyer and supplier to achieve alignment to governance structures. These findings are in line with findings from Tukamuhabwa et al. (2017), and Varoutsas and Scapens (2018).

6.2.2.6. Collaborative Communication

A common theme that emerged from a number of suppliers is that collaborative communication is required to align governance structures. One of the respondents mentioned that the closer one works together with suppliers, the more the culture of openness and transparency is enhanced. According to Guerrini and Pellegrinotti (2016), the supply chain reference model promotes communication in order to provide continuous improvements.

6.2.3. RQ1 Sub-Question 3:

Does the company trust that a supplier will fill its contractual obligations?

Most suppliers and buyers believe that their suppliers will fulfil their contractual obligation, however, a small number of respondents felt that they would not. These respondents

determined that they would have to consistently monitor and track these suppliers in order to fulfil its obligations. It was argued from Johnson and Sohi (2016) that trust elements can have an adverse impact if not understood by the contractual party. They go further to say that relational exchanges in the form of contract between parties serve to regulate and guide the level of behaviour within the contract. Transactions can be assumed being either independent of future and past relational ties, and therefore BSRs are built on the foundation of enforceable obligations.

6.2.3.1. Yes- there is trust

Both buyers and suppliers had confidence that suppliers would be able to subscribe to meeting all contractual obligations. Five respondents have corroborated that they are 100% convinced that there is an element of trust in meeting contractual obligations. This links to the level of importance where the frequency of interaction is essential. According to Yang et al. (2017), the level of interaction between partners enables a better way of resolving disagreements and handling differences that may arise. They go further to indicate disagreements are handled more objectively through open, equal and detailed discussion which can result in partners being constructive and more meaningful in discussing divergences. Due to the contracts in place, this provided a level of trust within the relationship.

6.2.3.2. No – there is no trust

An interesting comment insight that emerged from the study was that buyers do not fully trust the suppliers from 3rd world countries. London and Hart (2004) argues that to be able to facilitate competitive advantage, a firm is required to be socially embedded by creating a web of trusted network with a diversity of organisations and institutions that may exist within the internal environment in which they operate. They go further to say that rather than looking at relative weaknesses within the emerging economy one should rely on resources and knowledge within the external environment. From the findings, and based on the literature evidence, it could be stated that this particular respondent feels that there is a lack of resources and networking within in emerging markets and 3rd world countries, hence bringing about a lack of trust that contractual obligations may be fulfilled.

6.2.4. Conclusion of RQ1

In conclusion, research question aimed to solidify both the BSR and understand specific elements towards it, that being trust. From the findings, it is evident that balance scorecards, service level agreements, performance management and KPIs play an essential role in the formation and management of dual accountability within BSRs. Additionally, BSRs within a

supply chain network require dual accountability to efficiently and effectively operate within the context of the market. It was also determined that there is an element of trust and collaboration that is required to form governance structures.

The basis of the buyer-supplier relationship is formed on formal controls firstly and after that move into informal maintenance and management of social contracts in the long-term. It was indicated by London and Hart (2004) that entering an emerging economy that a difference in strategic approaches is required to have a competitive advantage. They supported that relationships in the informal economies are based on a foundation of social cohesiveness and not legal contracts and the best organisations that know of their internal government and civil society procedures regulation.

Tools that are created to manage the level of accountability has importance in the structure and in how to manage and maintain governance structures. Tools devised for the management of operational tasks allow for accountability to exist within the organisation.

6.3. Discussion of Research Question 2

RQ2: What must happen between the buyer-supplier relationship to ensure that regulatory uncertainty within the organisation is kept to a minimum?

To identify the level of uncertainty within the organisation, research question aimed at establishing the criteria on which accountability is required to maintain the level of regulatory uncertainty within the organisation. A few criteria that were established include international and local relationships, outsourcing of critical functions, establishing a level of collaboration and trust is required to facilitate the importance of formal and informal controls that have an influence on the industry and lastly, the process of obtaining and managing strategic alliances.

6.3.1. RQ2 Sub-question 1

Can you broadly indicate an understanding of an international/local relationship with critical partners?

6.3.1.1. Constant Collaboration between international and local critical partners

Respondent 2 made a clear observation that constant collaboration is needed as they are a part of a global team. Having continuous interaction ensures that there is proper alignment in maintaining a good relationship. Blázquez and González-Díaz (2016) argue that, the larger the node strengths of a selected developing economy, the more interactions that are required.

Blázquez and González-Díaz (2016) further suggest that in production intense firms, with supply networks spanning in different continents with complex government regulations, the level of interaction becomes critical in support of overall production outcomes. According to Wagner et al. (2010), interaction within companies is preferential to relational exchanges and which aid in the creation and appropriation of more business value within the business environment.

6.3.1.2. Significance of operational level relationships

Respondent 3 referred to the operational level in which relationships are built on as a factor to keep regulatory uncertainty to a minimum. There is a need to ensure that all levels that reside in management, both tactical or strategic, are synchronised. According to Marcos and Prior (2017), opportunistic behaviour can become more prevalent as the relationships decline post-stages of initiation. Shahzad et al. (2018) indicated that there is a need to develop integrated frameworks. However, governance structures are developed on a task related basis. They go further to indicate that these tasks will have to be communicated to all forms of teams in that exist to support BSR's.

6.3.1.3. Buyer vs Supplier push-pull

One respondent identified that buyers seemingly have more power within the buyer-supplier relationship. Tanskanen (2015) suggests that some firms utilise close collaboration in the alignment of process and product development as well as including various teams from different levels of management to address the power-balancing mechanism. This is done to establish the most beneficial outcomes from these supply chain partners that exist. In some instances, suppliers may have the power due to patents on products. In this regard, working with these suppliers requires more significant efforts in collaboration. Schmitz, Schweiger and Daft (2016) reported that there are two forms of power, that being structural and behavioural. They indicate that behavioural power will be able to influence a supplier's decision outcome and structural power is the level of control a buyer or supplier will have over a rare resource. These two forms of power are prevalent in the BSR within the manufacturing of products and required to have some form of governance mechanism in managing these two relational norms.

6.3.1.4. More trust for International suppliers than local suppliers

Respondents mentioned that there is usually more trust placed on internationally based suppliers than local suppliers. However, at the same time, there is no visibility that international suppliers could be creating issues for the headquarter branch located internationally. A

presence of local teams are required to ensure that the foundation of a relationship is maintained. Schmitt and Van Biesebroeck (2013) supported that suppliers have located branches outside of their home country in order to strengthen their presence globally. This study stems a contradictory note to the findings, by suggesting that the trust placed in international suppliers is dependent on the type of support provided by the local staff.

6.3.1.5. Criticality depends on size of contract is and cycle time to deliver goods

A respondent supported that the importance of your critical partners will be dependent on how big your contract is within an OEM. It is vital for contracts be in place determine the role and position that the supplier has within the relationship.

6.3.1.6. International creates framework - Local deals with specific criteria unique to the market

An emergent theme was indicated by a respondent was the local offerings such as free trade agreements between governments assist in create a framework. Mostly, all free trade agreements are international frameworks in which both local and international firms will place emphasis on collaborating with government in order to facilitate inter-firm process alignments.

6.3.2. RQ2 Sub-question 2

When is it necessary for Buyer/Supplier to outsource their manufacturing? When this is done what enables them to provide a fair amount of collaboration and trust to seek value co-creation?

6.3.2.1. Focus on core competencies and improving efficiency

A strong emerging theme from the research was that of focusing on core competencies to create value by improving efficiencies. Half of the respondents indicated that the main reason for outsourcing is to allow a firm to focus on core competencies, and by doing so focus on improving their efficiency. The findings suggested that suppliers outsource when it does not make economic sense to create the product or design themselves, because it does not fall within their core functions. According to Wolf (2011), core competencies is relational to co-ordination of activities that exists within critical partners. From the respondents view core competencies is what provides higher amount of values within the organisation.

6.3.2.2. Supplier Capability Issues

Five respondents indicated that they would outsource manufacturing if there are supplier capability issues. Another respondent indicated that they will outsource if suppliers has difficulties in producing a part. According to Tatham et al. (2017), outsourcing activities will

create complexity for the focal firm. In this regard a higher, more complex system is required to ensure that firms are cohesively working in synchronisation. One of the respondents indicated a series of questions should be asked before considering outsourcing of activities.

- Do we have capacity to produce in house?
- Do we have the space if we have to produce the product in house?
- Do we have the people to support the production?
- Do we have enough time to consider industrialising the activity?

If the answer is no, then the consideration for outsourcing should be made. If the activity is outsourced, then there is required work is required from MNE to monitor and maintain the level of service. If the outsourced partner considers outsourcing, then he would be required to ensure that the same level of support is offered.

Analysis of these findings show that firms will, as much as possible, try and supply the required products, and only outsource if absolutely needed because there is an element of risk and work required as suggested by Tatham et al. (2017).

6.3.2.3. Value Creation between stakeholders

Outsourcing activities can create value to commodity due to the environment in which the outsourced partner is located. In some cases, the supply chain can benefit from this outsourced initiative. Government regulations can support and aid the location of the product being produced by utilising incentive schemes for these producing partners. Another benefit is that outsourcing partners within developing market allows for MNEs to benefit from the low-wage opportunity within such markets. According to Porter and Kramer (2011), organisations have recently been outsourcing to suppliers that are located in developing economies due to lower transaction costs. This enables firms to create value by producing a product at a cheaper cost, but also gives the potential supplier an opportunity in developing infrastructure and possible his social capabilities in the environment in which operates. One respondent also indicated that once an outsourcing decision is made then the responsibility and the guidance will be done by the OEM. These findings contradict what is discussed above and suggestions that outsourcing is refrained from due to the risks associated.

6.3.2.4. Risk Reduction

There were two respondents that mentioned that mentioned that outsourcing activities reduces the level of risk: (1) it can potentially be cheaper for you to outsource your activity and, (2) if the quality is hampered by your internal process and not part of your core function.

However, a respondent also made mention that you could also negatively hamper the quality of your own product.

6.3.2.5. OEM Decisions

Respondents indicated that the outsourcing is either a make or buy decision will generally be done after a review process that consists of costing and an impact analysis that a focal firm will facilitate. Another view point is that if a make-or-buy decision is made then the supply chain will still need to remain competitive. Yang, Zhao, Yeung and Liu (2016) suggests that, outsourcing strategies that are not properly co-ordinated can associate itself with high cost and failure rates. The findings are aligned to existing literature.

6.3.3. RQ2 Sub-question 3

6.3.3.1. Dual Accountability – Formal control

Half of the respondents indicated that formal control is a part of dual accountability and exists within a legal framework. One respondent noted that a strong relationship is needed for dual accountability and hence a contract (formal contract) is required to strengthen this role. Another respondent further indicated that dual accountability is vitally important for both businesses, and that there is responsibility for parties within the supply chain to be accountable for their actions within their respective networks. Slobodow et al. (2008) suggests that influences from a buyer can have drastic impact on the supplier and their operations. This can lead to a successful relationship, if nurtured correctly.

6.3.3.2. Trust Collaboration – Social control

The element for trust was noted by respondents as a social control mechanism. One of the respondents mentioned that with more social control, trust is built through the form of collaboration and the sharing of information, by doing this you can resolve much more issues and ensure that issues are resolved quickly. According to Li et al. (2010), social control is seen as being substitute in local BSRs and a complement within international BSRs. They go further to indicate that social control uses trust to promote the required behaviour that supplier may have, as suggested in the findings of this research.

6.3.3.3. Both formal and social control fundamental

Some respondents also felt that there is a need for both formal and social control as one element deals with the soft side, that being the behaviour and culture, and the other more with a legal basis or framework basis. Formal control in places protects people when social control fails and therefore both, as suggested in the findings, work hand in hand. Li et al. (2010)

suggests that formal and social control can be substitutes in a local relationship environment or can be used as complements within an international relationship setting. This is common amongst most MNE organisations located within a developing market.

6.3.4. RQ2 Sub-question 4

6.3.4.1. Formal Control is more important

Half the respondents suggested that formal control offers trust in the relationship. They indicated that formal control is more important as they believe that it is a form of protection against events that are uncertain. They go further to say that formal control is primary and social control is secondary. Formal control constitutes the signing of a contract or a service level agreement, thus giving BSR's a foundation to get started in further engagements which could follow into social control mechanism to control the relationship.

6.3.4.2. Both are equally important

Further respondents indicated that both formal and social control are required within the BSR's stating that neither can happen without the other. Further indications were made that one can't happen without the other, otherwise both parties will not be successful.

6.3.4.3. Social Control is more important

Another respondent mentioned that social control is more important as this drives the relationship in the long-term. Li et al. (2010) suggests that, formal contracts may not always cover various scenarios, however penalty clauses can discourage opportunistic behaviour and encourage a long-term sustainable relationship. It was further mentioned that formal control does not make the collaboration successful in long-term partnerships, and therefore long-term informal controls make the relationship successful. Social control can lead to opportunistic behaviour as people may see that you are very flexible person and open for clownishness. A respondent made mention that location of a plant may have an influence of whether social or formal controls are best.

6.3.5. RQ2 Sub-question 5

6.3.5.1. Supplier Capabilities - Skills/Expertise, technical capabilities, financial capabilities

Findings indicated that supplier capabilities are key when forming strategic alliances. Before a strategic supplier is selected, a pre-evaluation of the supplier is done to ensure that they have the capabilities to be able to execute the work. One respondent mentioned that partner selection process does not come from local base but is orchestrated internationally due the capabilities that lack in a developing economy. Another point that was highlighted is that

expertise plays an important role and buyers tend to align themselves with firms that inhibit strong expertise. It was also mentioned that strong expertise. According to Varoutsas and Scapens (2018) working in close proximity to major suppliers allows suppliers to be integrated within your design processes. Ramanathan and Gunasekaran (2014) suggests that every member within the supply chain imparts knowledge and expertise allowing for collaborative forms of decision making.

6.3.5.2. Information Sharing and Confidentiality

There were four respondents that indicated there was a level of information that needed to be shared as confidentiality is an important element in forming strategic alliances. Respondents were adamant that there would be a lot of information sharing and thus partners are required to be trustworthy.

6.3.5.3. Joint knowledge processing in creating innovation

Respondents had a view that to work with suppliers with new technology there must be a special agreement in place to create a strategic innovation. According to Cao et al. (2010), at a supply chain level, there is a continuous learning process that happens between partners, both buyers and suppliers are an essential part of innovation. The findings indicated are in line with studies which suggest that the opportunity for the creation of joint knowledge is a factor considered when selecting a partner.

6.3.5.4. Government Regulations

Government regulations and its influences were highlighted as a driver of partner selection from the findings. These influences can have a potential effect on decision making. Programs within the automotive sector offer an opportunity to create partnerships with MNE's. According to Bai et al. (2016), government regulations which have an impact on the economy improve the transaction costs for the exchange parties.

6.3.6. Conclusion of RQ2

Firms are required to focus on core competencies within the organisation and ensure that these core competencies exist within critical partners (Wolf, 2011). Suppliers with capability issues that are forced to outsource decisions, would require much more effort to manage this initiative (Tatham et al., 2017). Porter and Kramer (2011), indicated that outsourcing activity is a popular notion as this gives lower transaction costs. Outsourcing activities have a two-fold impact, i.e., either negative or positive. BSR collaboration is critical to ensure that

the right quality of the product is supplied to your production line. Decisions are needed from respondent for both buy or make factors are taking in play and strategies are required to formulated to ensure that supply chain remains competitive to the focal firm.

Dual accountability with regards to formal control is important it gives a foundation on which the relationship is built upon (Slobodow et al., 2008), which falls in line with what was highlighted by the interviewees. Slobodow et al. (2008) further elaborate that a buyer may have a strong influence on the success of the supplier. Trust and collaboration is part and parcel of formal and/or social control and some respondents mentioned that formal control is required in order manage the relationship, and in some places protect the relationship, while, social control can assist if there are slight deviations in requirements as contracts are not dynamic (Li et al., 2010).

As evidences from the discussion of RQ2, formal control is more important than social controls. Findings indicate that these two elements are fundamentally important and both work concurrently. The argument that was made by most respondents was that formal controls are put in place at the beginning of the start of the relationship to create a necessary foundation and social controls aid in the maintenance of the formal aspect but in an amicable way. This is inline with the findings in existent literature.

6.4. Discussion of Research Question 3

RQ3: How does supply chain trust mitigate the risk of non-compliance in the supply of goods or services?

Research question 3 aimed at understanding the element of trust in the form of mitigating risk of non-compliance towards a contract and the ability to supply goods and services. According to Varoutsas and Scapens (2018), contracts, as well goodwill, can avoid the risk that may arise when there is opportunism. They go further to indicate that trust will remain an essential element within BSRs, but as the relationship moves out of infancy and into a matured stage, risk will also reduce.

6.4.1. RQ3 Sub-question 1

Does the need for trust exist in more volatile markets? Please explain.

Most respondents agreed with the notion that more trust is required when the organisation exists to be volatile in more volatile markets. One respondent commented that trust must

always be there in the BSR. There was further mention that volatile markets pose more risks, and this does not make it appealing to do business in such markets hence there needs to be more trust placed in such situations.

6.4.2. RQ3 Sub-question 2

6.4.2.1. Work Standards

Work standards were found to be essential in setting the precedence for how collaboration should work, making it easier for both buyer and suppliers to engage with each other. According to Tejpal et al. (2013), trust is built on the fundamental core competence of partners, which include their knowledge, skills and abilities.

6.4.2.2. Confidentiality

This theme was brought up by three respondents. According to these respondents, confidentiality (trust-element) is important to maintain relationships with critical partners. According to Johnson and Sohi (2016), buyers and suppliers enter into an agreement which requires confidentiality and discretion between both parties. A respondent mentioned that third party suppliers have to treat information with confidentiality, hence there is a level of openness and transparency when dealing with these relationships. The analysis reveals that trust is an important element reducing the risk of non-compliance.

6.4.2.3. Honesty and Integrity

mentioned the apart from confidentiality also honesty and integrity forms part of trust element. According to Liu et al. (2009), honesty and integrity are an expression of respect confidence and dignity and belied between the two parties.

6.4.2.4. Shared Value

Respondents mentioned that trust in shared value process leads to more level of security within potential and existing investors. These findings are in line with the study conducted by Porter and Kramer (2011) who suggest that the aim for an organisation is not just to pursue profits, but to be able to become innovative and create growth in productive capacity and work towards a global economy and should pursue a more sustainable approach.

6.4.2.5. Opportunistic Behaviour Challenge

One respondent opined that it is natural for people to exhibit opportunistic behaviour and generally people will end up disappointing you. So, in this aspect, respondents referred to the fact that local suppliers still need to be trusted. One respondent mentioned that they would

consistently help suppliers to grow even though opportunistic behaviour may exist. According to Villena et al. (2011), hinders contracts and policy issues and may hinder the building of social capital.

6.4.3. RQ3 Sub-question 3

6.4.3.1. Adversarial supply chains have no place in the future

One of the respondents indicated that adversarial relationships have no place in the evolvement of future supply chains. He went on further to say that there is space for challenging initial discussions and there need not be friendly encounter in all communications. If, however, there is an adversarial relationship, the resulting factor would be reduced trust and transparency, which could hamper collaboration activities. The findings indicated that it is necessary to circumvent adversarial relationships by implementing an alternative measure before initiating legal proceedings. Literature confirms the same notion with Johnson and Sohi (2016) suggesting that within a BSR, resolution of breaches within contract through legal means is not feasible, due to long-term business relationships that have been managed over time. The analysis sheds light on adverse relationships, and that these have no future because BSRs are usually very long-term, and if the relationship is not good, and on amicable terms, it will be reflected in the work delivered.

6.4.4. RQ3 Sub-question 4

6.4.4.1. Challenges within the business environment

When it came to challenges within the business environment, within the South African context, respondents indicated that there is a local challenge with regards to policy. The issue of the relationship with local suppliers is that there is not enough empowerment. Another challenge within the business environment is the expectations that both parties have in delivering the product. Technology challenges can be fundamental for BS's as indicated by one respondent. The change in technology is rapid and consistent and supply chains have to evolve (Tejpal et al., 2013). Operational challenges that occur on a day to day bases include quality issues, cost issues or delivery issues, and, even employees with low self-esteem and low morale can affect the relationship.

6.4.4.2. Location

Being globally located can be a challenge. In such instances automotive manufacturers value supplier proximity in reference to location in which the focal firm can be found, and relational space however these can have overlapping influences (Schmitt & Van Biesebroeck, 2013).

The time into which suppliers and buyers to resolve issues can be larger, however with technology improving the issues can be maintained until physical BSR's are possible.

6.4.4.3. Challenges within legal frameworks in contracts

Legal frameworks do pose challenges as sometime ambiguity within legal frameworks can exist and clear understanding (Dong et al., 2016). The findings of this study share the same sentiments with respondents expressing that legal frameworks within contracts create a challenge. Contracts can misinform and be misunderstood as some respondents mentioned. In some cases, contracts will be based on performance measurement and supply chain partners may find this not completely flexible within the contract terms (Ramanathan, 2014).

6.4.4.4. Quality Issues - Quality within Africa

Respondents indicated that there is a misconception of the quality of products being produced in South Africa. However, some respondents indicated that quality within a developing market is sometimes no different in a developed part of the world. MNEs located in developing markets tend to keep the quality of products set at high standard due to the product being exported into different countries for foreign consumptions (Tukamuhabwa et al., 2017). Hence, it can be deemed that there is generally a negative perception placed the work quality provided in emerging markets, which are not founded on facts.

6.4.4.5. Slowness to react

It was found that suppliers have the tendency to react slowly in developing markets as the supplier firm may be located geographically in a distant market. Respondents mentioned that slow reaction could be a result of being located in different markets. According to a research done by Basole et al. (2017) suppliers that have increased interaction with one another and exchange information without hinderance can possibly improve the reaction and execution times to the desired changes that are required for operational process.

6.4.5. Conclusion of RQ3

To conclude trust is an important element to mitigate risks when there are non-compliance issues. Within a volatile market, trust is a commodity that is needed to stimulate growth and foster partnerships within the global context. Elements of trust are thus required to mitigate certain risk and ensure work standards, confidentiality, honesty and integrity and the notion of shared value within the BSR. Opportunistic behaviour is natural human behaviour but is easily controlled by contracts which forms governance within the supply chain (Cao & Lumineau, 2015). Adversarial supply chains could affect the competitive initiative and can impede on

collaboration efforts that may occur. Challenges that stem from business environment, location and legal frameworks is prevalent and the management of these challenges is key. Both question of quality issues and slowness to react is not relevant within an emerging market however the presence of local firm is required in order to further enhance and improve the business.

6.5. Discussion of Research Question 4

RQ4: How does supply chain trust and collaboration create a more meaningful BSR's that leads to supply chain value creation?

The research question brings the aspect of value creation to light by providing a foundation of two cycles, namely, trust and collaboration. The objective is to be able to identify key constructs that were derived from the sub question to facilitate the discussion and to bring together codes that were identified to be important to the participants within the study.

6.5.1. RQ4 Sub-question 1

6.5.1.1. Leadership

Leadership was mentioned amongst the respondent as this contributes to the value on the overall objective of the focal firm and its suppliers. Leadership is required within the BSR. In earlier research, it was identified that leadership has been a central point in the aid of BSR (Wolf, 2011). Wolf (2011) argues that an absence of leadership guidance can contribute to an insufficient vision and unclear view of the goals. The study further states that strong moral support can be perceived positively from employees even though there may be an insufficient vision and unclear view on goals within the organisation. Respondents also highlighted that a strong leader within the organisation can trickle down to the quality of the product being produced. These findings are aligned to current literature in that a good leader should be able to make the right decision and be able to provide for the customer needs, and this creates a more meaningful relationship.

6.5.1.2. Engaging Suppliers

Supplier engagement is vitally important in the attempt to meet the customer needs. According to Nguyen and Nguyen (2011), business relationships are formulated and sustained by the amount of individual interaction that occurs. They go further to say that engaging on a personal level with suppliers creates value for the business, by understanding each other's goals and objective. Engaging suppliers will ensure, as indicated in the results, that BSR is enhanced.

6.5.1.3. Selection of strategic partners

Having the right supplier on board ensures that all expectation of a customer is adhered to. When selecting a partner it is important to find a partner with the right expertise and capabilities (Parmigiani et al., 2011). A respondent stated that to be able to provide to provide a quality product you have to have best practices, strategic involvement and the correct suppliers. This findings were in line with what is suggested by Tejpal et al. (2013).

6.5.1.4. Communicating of Value

According to Slobodow et al. (2008a), communication of value to partners has to first come from the external stakeholders and how the impact would affect both organisations. Further, Slobodow et al (2008a) indicates that the common goal should align itself with a result-orientated relationship that enables and benefits both organisations. Buyers have a major influence on a supplier's processes, hence it is important for buyers to be hands-on to be able integrate technical knowledge that best suites the supplier. If buyers are satisfied with the product being produced, then the supplier can ensure that customer receiving the product is happy with products that were supplied by a quality supplier.

6.5.1.5. Critical purchases

Critical purchases are items that have very limited capacity to produce (Slobodow et al., 2008b). A respondent indicated that critical purchases are required to be under control. Critical purchase is characterised by long lead time and have unique content that is made.

6.5.2. RQ4 Sub-question 2

6.5.2.1. Use of frameworks

To provide value to the organisation the use of frameworks should be used to maintain and manage dual accountability with in both the supplier and buyer. (Shahzad et al., 2018) suggests that structural frameworks will assist the curbing opportunism that exists within the BSR. The LSV framework at [AUTOWORKS] is a standardised document that aligns both buyer and supplier relationship. Another framework that is looked quite intensely by suppliers is the KPI as this is communicated on all management levels within both buyer and supplier environments.

6.5.2.1. Two-way Balance Scorecards

Two-way balance scorecards assist and measure both buyer and supplier performance in order to establish the level of service that they both provide within the organisation. According to Slobodow et al. (2008b), a two-way scorecard requires careful attention with development.

Stemming from six-sigma, a two-way balance scorecard allows for a firm to set up the following as per Slobodow et al. (2008b), “identify a single point of responsibility, create a mutual accountability map, form a cross-functional team and conduct consistent periodic reviews”(p.80). This required commitment from within the BSR.

6.5.3. RQ4 Sub-question 3

6.5.3.1. Joint Planning

Joint planning is an element of collaboration that happens in the BSR. Within the BSR there is a need to coordinate activities between BSR and it needs to be controlled correctly. Joint planning requires strong collaboration between parties. Planning needs to be done correctly and it should consider the production process, capacity and correct forecasting in order to be adequately synchronised (Dekker et al., 2013). Dekker et al. (2013) suggests that contracts facilitate planning initiatives and ensures that processes are embedded within the organisation in order to reduce transaction costs. Information sharing is an important part within the joint planning process (Wang et al., 2014).

6.5.3.2. Cost-effectiveness

Collaborative relationships are cost effective and can be more beneficial within a relationship in the long run. Cost effectiveness can result from trust elements due to transaction costs if the degree of relationship between partners are not cost effective.

6.5.3.3. Investments

Supplier development allows from MNE to invest within its supplier base in order to create value. Shahzad et al. (2016) suggests that supplier development programs tend to continue the relationship well within the future. Further, BSRs are more strengthened due to this activity, supplier development strategies allow for buyers to invest to sustain future operational output at a specified requirement. Supplier development increases the competencies and the capabilities of the organisation ensuring there is supply chain sustainability.

6.5.3.4. Information Systems

Information system improves efficiency in the organisation as an element of collaboration. One of the respondents mentioned that information system that is shared within the BSR is utilised in order to ensure that business is correctly and on time which is in line with findings from (Wang et al., 2014).

6.5.4. RQ4 Sub-question 4

6.5.4.1. Value creation through Outsourcing

According to Kähkönen and Lintukangas (2018), the value creation process through outsourcing, and through the various supply chain levels, is generated from partner to partner. They go on further to say that value creation is built on collaboration efforts within the network. Suppliers create value by which contributes quite overwhelming to a focal firms value (A.-K. Kähkönen & Lintukangas, 2018).

6.5.4.2. Value Creation regarding creating new products and improving production processes

Value creation can come from localisation, by supporting local suppliers the surrounding suppliers will benefit. By localising the components, through automotive incentive schemes, the value of the vehicle will increase and as it does the benefit for developing manufactures become improved (Jordaan et al., 2018). New products innovations through research and development can enhance value within a firm (Revilla & Knoppen, 2015)

6.5.4.3. Value creation based on transferable knowledge

According to Liu, Li, et al. (2017), value creation can be created through the transfer of knowledge through firms acquiring valuable information from all possible sources. They go further to say that knowledge transfer between partners helps improve the organisation's competitive position. Having your internal staff on processes of existing MNE ensures that will sustainable into the future. The passing of knowledge between two exchange partners also improves the collaboration and trust element ensuring both parties are kept honest within the relationship and avoids any opportunistic behaviour.

6.5.6. Conclusion of RQ4

In conclusion, value creation brings together trust and collaboration. The theme that emerged from the research was leadership which brought a new dimension to the element value creation. Supplier engagement which was noted by some respondents as being an essential to the customer needs. Selection of strategic partners is regarded as a critical component in being able to deliver a product (Parmigiani et al., 2011). Communication of value must be communicated by external stakeholders. Joint planning is popular element with the BSR as this form sets of collaboration.

Chapter 7: Conclusion

7.1. Introduction

The research started with an examination of BSR in the context of the constructs of SCA, SCT, SCC and SCVC. This was to highlight a new concept within the supply chain spectrum, being accountability, which is limited in research and not adequately assessed in view of BSR. As indicated in Chapter 1, there is growing anticipation of further investments from MNEs on the African continent. According to Zhou, Su, Yeung, and Viswanathan (2016), emerging markets have always been challenged with either locality, social disruption, political and business institutions and economic well-being, and there is a need for enhanced supply chain strategies. The basis of the research was based within a South African context; however, this is a context that provides a platform for future research to be built upon; Thus, providing for future supply chain practitioners and policy makers, based locally and internationally, to enhance efforts to create more industries that support and aid MNE in their future expansion attempts. Literature is quite well supported on the topics of SCC and SCT.

This chapter forms part of the conclusion to the research conducted by summarising the findings, presenting a conclusion on underpinning constructs of the study, allowing for a view on the implications towards the academic and business environment, identifying the limitations and finally suggesting areas of future research.

7.2. Research findings

The research findings indicate that the independent constructs of SCA, SCC AND SCT provide SCVC in the form of tangible and intangible benefits. The nature of this study, which took an exploratory approach, was to answer a fundamental question set out in Chapter 3, namely: Does supply chain value creation within in an emerging market seek the use of supply chain accountability, supply chain collaboration and supply chain trust and in doing so impact the buyer-supplier relationship? Within Chapter 1 the study BSR was explored within the automotive industry in South Africa with a keen focus on the constructs and their application within relationships, allowing facilitation of SCVC. A summary of key findings that can be set into a its relevant constructs.

7.2.1. Supply chain accountability

SCA is a relatively dormant topic within literature and few authors have addressed the topic. The study proves that SCA is common amongst both buyers and suppliers within the automotive industry, however it takes form in governance controls that are used to minimise

opportunistic behaviour and set clearly defined goals for both buyer and suppliers, enabling them to execute work. Slobodow et al. (2008) within their research mentioned that SCA is still in its infancy stages. The result of the study was to bring SCA as this is becoming an increasing topic with regard to compliance. SCA seeks to change behaviour in order to avoid opportunism (Liu et al., 2009).

Key themes emerged within the research, which were: balanced scorecard, interactions, ratings, core competencies and KPIs.

Balanced scorecard can be a two-way aspect where both buyer and supplier can agree on the measurement instruments in the partnership. Frequent interactions are critical in the daily tasks of the operations and both buyer and supplier can define clear goals and strategy through forms of engagement (Nguyen & Nguyen, 2011). Ratings allow both parties to see how they are performing. These performance measures play a vital role in the management and maintenance of supply chains (Holweg & Helo, 2014). Core competencies from the study revealed that the outsourcing of production processes is due to focal firms creating value for themselves. As stated by Wolf (2011), core competencies require coordinated activities between buyer and supplier and this can result in a benefit for both parties. KPIs are a common tool used amongst suppliers and strong emergence within the research across the spectrum partners are required to discuss this with each other to identify the correct indicators in which they wish to facilitate the relationship (Gualandris et al., 2015).

7.2.2. Supply chain collaboration

Constant collaboration activities among buyers and suppliers is key for the successful goals of the organisation to be met (Cao et al., 2010). Collaboration forms the backbone in current supply chain relationships, as indicated in the research. Efforts to collaborate are the responsibility of both buyer and supplier and are required in order to create value in their respective organisations. Ultimately collaborative behaviour has to be fostered between both parties (Cao & Zhang, 2011).

In the decision-making process there is a requirement for all parties to be synchronised in the elements of their daily operations and thus create value within their relationship (Tejpal et al., 2013). Incentive alignment of participants allows for being able to work together to develop new processes and systems to ensure that the monitoring of performance within new systems improves each other's performance, allowing transparency for both parties, like benefits, efficiency, risks and the sharing or allocation of costs among supply chain partners (Cao &

Zhang, 2011)

Within the research, the emergent theme of joint knowledge creation was prevalent, and in reference to this supply chain partners are required to be able to change to the market's demand, wants and needs (M. Cao & Zhang, 2011). Supply chain resilience takes form here and can be create by mutually benefiting from the knowledge and expertise created (Scholten & Schilder, 2015). Within the study a common theme of resource sharing provides a primary support source for collaboration is for the focal firm to lend assets, capabilities and fixed assets by allowing for this creates are more collaborative structure (Cao & Zhang, 2011) .

7.2.2. Supply chain trust

Suppliers contribute quite largely to a firm's value creation, by working with suppliers to create new sources of competitive advantage (Tejpal et al., 2013). Within the study it emerged that trust is needed in volatile markets, more than formal controls.

Collaborative communication can decrease the level of conflict and uncertainty within a relationship and further enhance the relationship through a reduction in uncertainty (Cao et al., 2010). A common theme amongst suppliers is reliability. Trust can develop within partners, which offers both integrity and reliability when transactions are executed (Jean et al., 2014). Information sharing amongst suppliers is common, and serves as a key component in the facilitation and coordination of improvement processes within the organisation, and information sharing allows firms to be effective in the task that they are carrying out (Wang et al., 2014). Partnerships tend to lend towards reliability as a form of trust, which can be seen as a factor of a social contract (Tejpal et al., 2013). A notion that being reliable over a long period of time will solidify trust within the BSR. Within the research an important part of trust emerged, that of honesty and integrity. Honesty and integrity form a part of trust and the beginning of the relationship (Liu et al., 2009).

7.2.4. Supply chain value creation

SCVC is necessary for firms to seek competitive advantage and performance. Focal firms pursuit is to be able to pursue resources and be able to use a supplier that aids in capturing these resources and in doing so both parties will capture its value (Skilton, 2012).

The contribution of leadership is needed in order to create value for the future of the organisation. Leadership is at the central point of BSR and is needed in order to define clear goals for the organisation to move forward on (Wolf, 2011). Another important element that emerged in the research is knowledge transfer. Knowledge transfer can be impactful for the

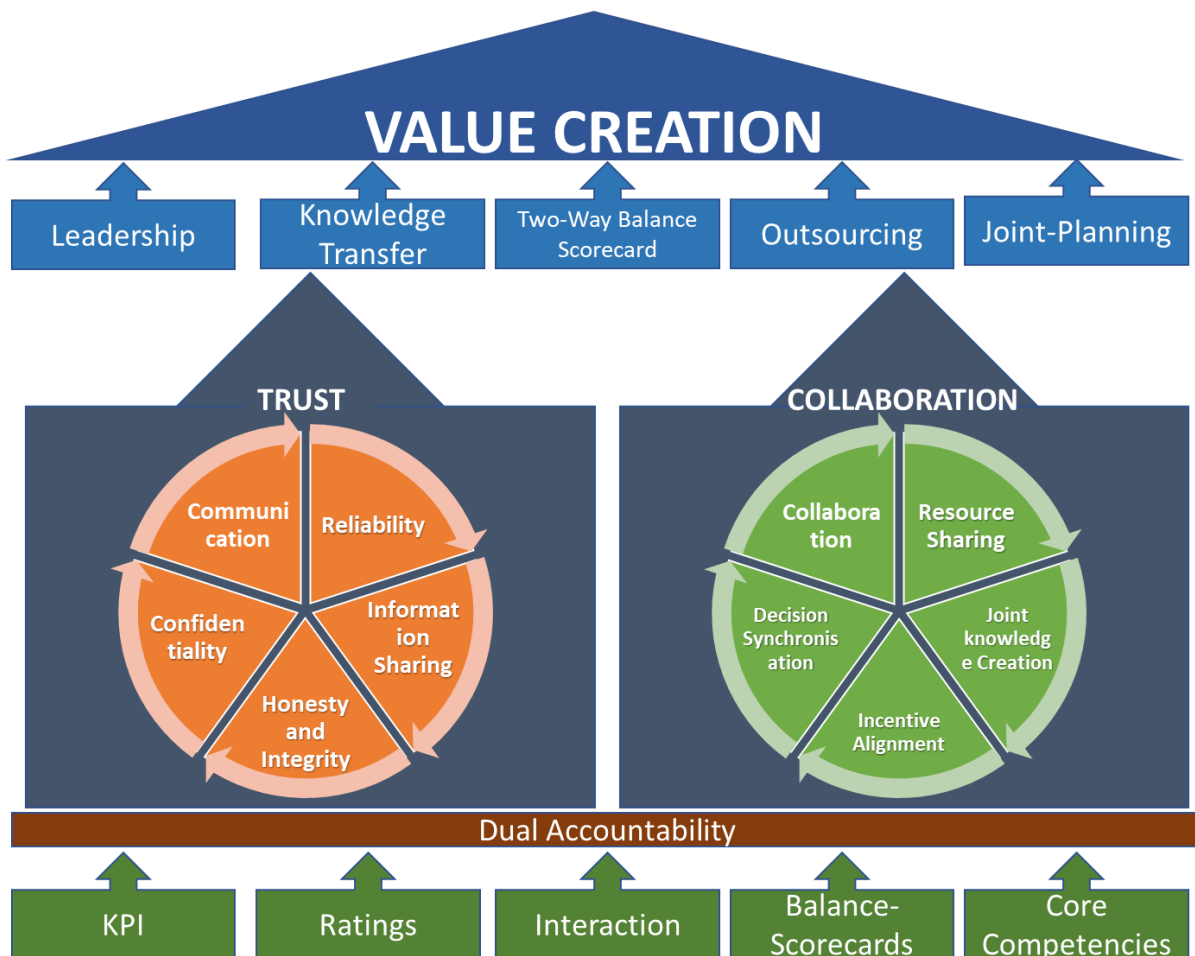
organisation and can promote sustainability for the future (Liu, et al., 2017). The two-way balanced scorecard is a common theme in dual accountability and refers to both buyer and supplier implementing strategies that both parties can work within to prevent any opportunism. The research found that the outsourcing of certain functions away from the focal firm can give rise to value being pursued, however, the coordination of activities within partners serves a critical role. From the research it emerged that goal setting forms a part of collaboration in order to manage this expectation, and there is a requirement to ensure that joint planning initiatives are conducted to maintain the future performance of the organisation (Nyaga et al., 2010).

7.3. A proposed model to be adopted within BSRs

Within this section, ways are explored to create a supply chain accountability model (SCAM) within the BSR, by means of recognising sub-themes found within the research.

Even though the study sample size was small and the nature of the study was identified as exploratory, which created a generalisability of the result from the information obtained through semi-structured interviews, a model emerged from the popular sub-themes that were categorised within the constructs.

Figure 7: Supply Chain Accountability Model (SCAM)



Dual accountability provides a foundation on which both trust and collaboration forms part this creates value for future organisation to be based on. From the research, the model can be depicted as enabling BSR to form a guiding principle in the pursuit of value creation. A combination of formal and social factors would come into play when devising a strategy to facilitate both parties' ambition in improving their business in the long term. Leadership is required to facilitate the elements of trust in order to ensure that the relationship is sustainable through resilient times. Adopting the model will give firms a strong foundation to base future strategies on.

7.4. Business implications

This study provides an indication to management of how to filtrate through the understanding of SCA with using factors within SCT and SCC in order to create value within the BSR. It poses challenges that MNE and first-tier suppliers encounter and the action that is needed. SCA provides an essential element that supports both structures, that being SCT and SCC, that a proposed from multiple sources of literature and takes a new stance on how to enhance the

practicality of these points. Partnerships are required to be fostered both in the international and local spectrum in order to provide a sustainable platform for supply chain arrangements.

7.5. Limitations

Being an exploratory study, the generalisation of results found are limited. The main limitations comprised the following:

- The sample size of the study was small, was based on the South African automotive industry and did not expand to other industry sectors.
- It was not possible to test the extent of accountability within all suppliers. Only a cluster of suppliers appeared to have the insight into the level of accountability that was needed.
- The study only focused on the TCT. However, multiple theories could have been applied to gain an in-depth view of SCT, SCC, SCA and SCVC.
- The topic hinges on three main areas: (a) buyer-seller relationships, (b) supply chain accountability, and (c) value creation. Regarding (a), this is a vast area of literature with many theoretical points of departure to analyse inter-organisational relations (e.g. alliances), including transaction cost economics (whether to make or buy), power-dependence theories (how to avoid being overly dependent on your partner). Regarding (b), this would include agency theory (how to screen partners; how to monitor performance and enforce contracts, and how to align incentives) to ensure that the supplier (typically) behaves in a way that is ethical, sustainable, or responsible. This could be very much in the terrain of resource-based view (RBV) – specifically, which resources and competencies are required and how they can be effectively managed to create relational rents, i.e. value for both partners, and thereby create competitive advantages in the marketplace for both players.

7.3. Future research and further suggestions

- Future research within the topic of BSRs still needs to be carried out on a quantitative basis without being industry specific.
- More in-depth understanding of the emerging markets should be considered to allow a better understanding of BSRs in the context of the amount of industry within scope.
- The collection of data should be from other African countries that have a high growth rate within their economy.
- The analysis should be widening to accommodate other industries that encompass an MNE and supplier base within the developing market in which it resides and operates.

- Accountability within the supply chain should be addressed with multiple industries and should examine the effects that control mechanisms have on the industry.
- Multiple theories should be addressed in the cross-functional nature of SCA, SCT, SCC and SCVC.

7.4. Conclusion

Within the research, new insights around SCA have formed, allowing for a new foundation to facilitate both SCC and SCT. This study allowed for the uncovering of SCA in order to create a platform on which SCC and SCT can be supported. The research also identified certain challenges that BSRs face within the business environment, location and within the legal framework in which both suppliers and MNE are currently situated.

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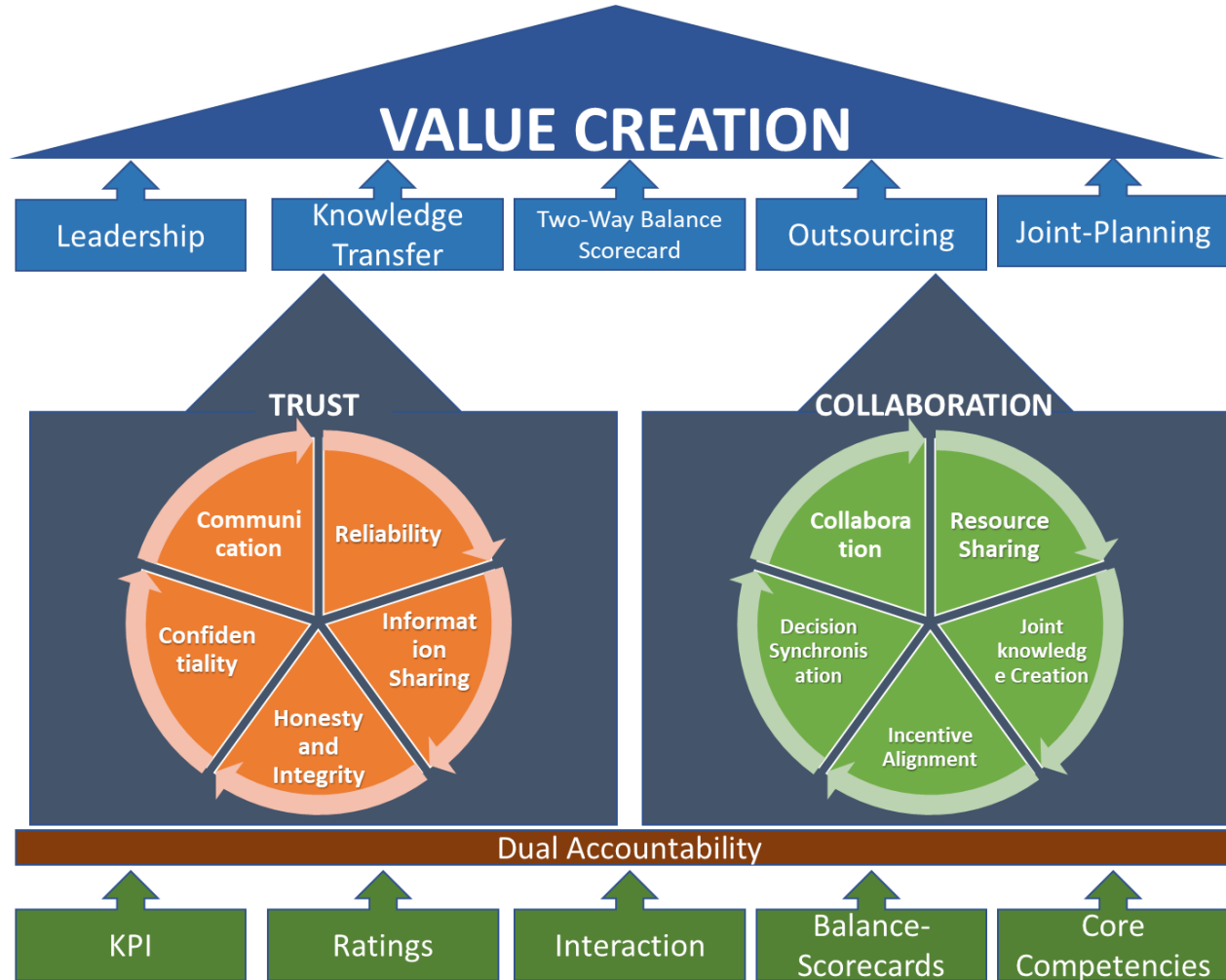
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APPENDICES

Annexure A: Supply Chain Accountability Model (SCAM)



Annexure B: Interview Schedule and Consent Form

Informed Consent Form

Title of Research Project: Buyer-Supplier Relationship and Supply Chain Accountability in Supply Chain Value Creation

I am conducting research on Buyer-Supplier Relationships within accountability and the effects that supply chain collaboration and supply chain trust has an effect on supply chain value creation process and my aim is to investigate how automotive original equipment manufacturers and local suppliers create supply chain value creation through a collaborative and trustworthy behaviour. Our interview is expected to last 45 minutes to 1 hour, and will help us understand how process, enablers and challenges of successful buyer-supplier relations are enhanced. **Your participation is voluntary, and you can withdraw at any time without penalty.** All data will be reported anonymously, with identifiers used in place of your and your company's name(s). If you have any concerns, please contact my supervisor or me. Our details are provided below.

Researcher	Vireshan Pillay	Researcher:	Johan Olivier
		Supervisor	
Email	vireshan.pillay@gmail.com	Email	
Phone	0823238882	Phone	

Signature of participant: _____ Date: ____2018

Signature of researcher: _____ Date: ____2018

I confirm that I have read and understand the information sheet for the above

Annexure C: Semi-Structured interview Guide Draft

DISCUSSION GUIDE INTERVIEW SCRIPT:

Aim:

1. To understand the relationship between the supplier and buyer in supply chain value creation.
2. To examine the accountability between BSR's within supply chain management.
3. Determining what happens between the BSR's through focused lens that being supply chain collaboration and supply chain trust.

Interview Schedule/ Participants:

1. Chief Procurement officer (South Africa) OEM.
2. Global Trade and Compliance Manager (South Africa) OEM.
3. Global Sourcing Specialist (Germany) OEM.
4. **3 Purchasing Engineer (OEM):** from bumper production, exhaust system manufacturing, wheel suppliers, door trim supplier, seat manufacturing, front and rear axle suppliers, plastic buy-parts suppliers
5. **6 Supplier Commercial Managers:** from bumper production, exhaust system manufacturing, wheel suppliers, door trim supplier, seat manufacturing, front and rear axle suppliers, plastic buy-parts suppliers (mix Multinational and Local South African Suppliers)

Opening of interview:

1. Welcoming of participant
2. Explanation of the study and the various elements of what is being discussed and investigated.
3. Outcomes for the researcher and for the participant
4. Explanation of how interview process will work
5. Clarification if all is clear and understood by the participant
6. Try and have a general conversation in order to ease the interviewee and create an environment of safety.
7. Start Dictaphone for recording and start with Question 1.

Context: Buyer Supplier Relationships in Emerging Market Base

Supplier → Multinational Enterprise international operated organisation with buying power

Buyer → Local/International Supplier operating within an emerging

The research aim is to answer the following fundamental questions:

- How does accountability provide supply chain trust in buyer-supplier transactional arrangement?
- What has to happen between the buyer-supplier relationship to ensure that regulatory uncertainty within the organisation is kept to a minimum?

- How does supply chain trust mitigate the risk of non-compliance supply of goods or services?
- How does supply chain trust and collaboration create a more meaningful BSR's that leads to supply chain value creation?

Participants Information.

1. Name of Participant/Apply Pseudonym
2. Position Title
3. Position Description
4. Years of experience
5. Position Spent in the Organisation
6. Company Information/Apply Pseudonym
7. Company Name and Industry
8. Company Supply
9. Business Starting Date
10. Number of employees for the last 3 Years
11. Nature of Operation (multinational or domestic, mode of entry)
12. Your Major Suppliers
13. Your Major Customers (Main countries/regions)
14. Countries in which they exist
15. Strategic Objectives of this company e.g. cost leadership, differentiation, focus on the particular segment, etc)

Question Framing:

How does accountability provide supply chain trust in buyer-supplier transactional arrangement?

Question 1:

How does the organisation treat dual accountability within the BSR relationship?

PROBES:

- Balance Scorecards i.e. Two Balance Scorecard
- Quality and Issues that arise from delays
- Performance measurements
- Service Level Agreements
- Psychological shift between buyer and supplier relationships

- Supplier Performance Management

Question 2:

Describe how governance within contracts are managed and maintained, is Trust and Collaboration an element to align Buyer/Supplier to governance structures?

PROBES:

Trust Elements

- Confidentiality
- Honesty and integrity
- Work Standards
- Politeness and friendliness
- Share Value
- Experience and qualifications
- Reliability
- Timeliness
- Customisation
- Information Sharing

Collaboration

- Information Sharing
- Goal congruency
- Decision synchronisation
- Incentive alignment
- Resources sharing
- Collaborative communication
- Joint Knowledge Creation

Question 3:

Does the company trust that a supplier will fill its contractual obligations?

PROBES:

- Relationship outcomes
- Trust elements further probes

What has to happen between the buyer-supplier relationship to ensure that regulatory uncertainty within the organisation is kept to a minimum?

Question 4:

Can you broadly indicate an understanding of an international/local relationship with critical partners?

PROBES:

-

Question 5:

When is it necessary for Buyer/Supplier to outsource their manufacturing, when this is done what enables them to provide a fair amount of collaboration and trust in order to seek value co-creation?

PROBES:

- Value creation
- Stakeholder
- OEM
- Supplier

Question 6:

What is the nature of relationship between formal control and social control?
Can you give further insights on relationship contracting?

PROBES:

- Dual Accountability
- Trust Collaboration

Question 7:

Is formal control more important or less important in the buyer-supplier industry?

PROBES:

- Governance mechanism
- Contracts
- Opportunistic behaviour within the supply chain arrangement

Question 8:

Can you give insight on partner selection and any strategic alliances in export market/local suppliers?

PROBES:

- Capabilities
- Skills Technical and knowledge
- Joint knowledge processing
- Information Sharing
- Confidentiality

How does supply chain trust and collaboration create a more meaningful BSR's that leads to supply chain value creation?

Question 9:

Does the need for trust exist in more volatile markets please explain?

PROBES:

- Volatile markets being political uncertainty/
- Policy Uncertainty.

Question 10:

Can you elaborate on the need for trust with regards to the following?

Describe the relevance and effectiveness of two collaboration strategies this being direct investment in supplier development and close relationship building.

Describe the understanding of the international relationships with critical partners.

PROBES:

- Confidentiality
- Honesty and integrity
- Work Standards
- Politeness and friendliness
- Share Value
- Experience and qualifications
- Reliability
- Timeliness
- Customisation
- Information Sharing

Question 11:

Describe your thoughts on Adversarial relationships and if there is any room in the relationship

with your supplier or buyer.

PROBES:

- Adversarial supply chains have no place in the future
- Is this something experienced.
- What is the best way to handle this.

Question 12:

Describe your challenges that are faced with the buyer and supplier relationships?

PROBES:

- Challenges within business environment
- Challenges fixed or not attended to
- Challenges within legal framework and contracts
- Proximity locations
- Quality within Africa
- Slow to react

Question 13:

Describe your thoughts how a buyer and supplier meet the needs of the product in the end of supply to customers.

PROBES:

- Leadership
- Best Managers
- Critical Purchases
- Selection of strategic suppliers
- Broaden the involvement
- Be Practicle
- Engage the supplier
- Communication of value

Question 14:

What tools are used to measure and understand the accountability that you may have between yourself and the supplier/buyer?

PROBES:

- Two Way balance scorecard are there issues in being able to manage this between suppliers.

- Is there a framework that is used.

Question 15:

Describe elements of collaboration that occurs within your relationship?

PROBES:

- Collaborative relationships can be more cost effective.
- Kind of collaboration (joint planning, investments, information systems).

Question 16:

Describe VALUE CREATION in your partnerships within the supply chain

PROBES:

- Shared value creation will provide increased forms of value creation.
- Quality of products being provided to the line
-

End off:

- Summation go the interview in the form of a summary that has been provided from the notes that has been taken while conducting the interview.
- Thank the participant in assisting with the research of the information.
- Ensure that the option for the interviewee to have the transcript in order to verify what has been said sent to him, in order to ensure that all information has been captured correctly.
- Thank in interviewee for the participation of the study.
- Allow the participant to sign a form stating that the I information provide is indeed furnished correctly also indicate to the parties involved that there information has anonymity in relation to the research.

Annexure D: Ethical Clearance Letter

**Gordon
Institute
of Business
Science**
University
of Pretoria

21 August 2018

Pillay Vireshan

Dear Vireshan

Please be advised that your application for Ethical Clearance has been approved.

You are therefore allowed to continue collecting your data.

Please note that approval is granted based on the methodology and research instruments provided in the application. If there is any deviation change or addition to the research method or tools, a supplementary application for approval must be obtained

We wish you everything of the best for the rest of the project.

Kind Regards

GIBS MBA Research Ethical Clearance Committee

Annexure E: Atlas.ti Codebook

Research Question 1

- 1.6 Service level agreements
- 1.2 Performance Measurements
- 1.4 Supplier Performance Management
- 1.1 Setting up contracts
- 1.8 Use of various Monitoring Tools
- 1.9 Two-way balance score cards
- 1.10 Use of Price Base
- 1.11 Use of Supplier Surveys
- 1.3 One -way Balance Score Card -Buyer Point of view
- 1.5 Aiming for customer satisfaction
- 1.12 Forecast vs Call-offs Method
- 1.12 Quality Measures
- 1.13 Supplier Rating System
- 1.14 Cost measurement & management
- 1.15 Capacity Measurements
- 1.16 Formal Agreements
- 1.2 Performance Measurements
- 1.4 Supplier Performance Management
- 1.7 Open form of communication

- 2.1 Trust Elements - Reliability
- 2.10 Collaboration Elements - Joint Knowledge Creation
- 2.8 Trust Elements - Honesty & Integrity
- 2.4 Collaboration Elements - Information Sharing
- 2.7 Trust Elements - Confidentiality
- 2.5 Collaboration Elements - Collaborative Communication
- 2.11 Collaborative Elements - Resource Sharing
- 2.14 Trust Elements - Experience & Qualification
- 2.6 Collaboration Elements - Incentive Alignment
- 2.12 Trust Elements - Work Standards
- 2.13 Trust Elements - Politeness & Friendliness

- 2.16 Collaboration Elements - Goal Congruency
- 2.17 Collaboration Elements - Decision Synchronisation
- 2.2 Trust Elements - Openness & Transparency
- 2.18 Trust Elements - Timeliness
- 2.19 Trust Elements - Customization
- 2.3 Open forms of communication
- 2.15 Trust Elements - Information Sharing
- 2.20 Use of frameworks to manage & maintain governance within contracts
- 2.21 Trust Elements - Share Value
- 2.9 Sustainability Factor

- 3.2 Relationship Outcomes
- 3.1 Combination of trust elements & contractual obligations
- 3.3 Trust elements

- 4.1 Managing Cultural Differences

Research Question 2

- 4.1 Constant Collaboration between international & local critical partners
- 4.2 Significance of operational level relationships
- 4.3 Buyer vs Supplier push-pull
- 4.4 More trust for International suppliers than local suppliers
- 4.5 Criticality comes with how big your contract is & the cycle time to deliver goods
- 4.6 International creates framework - Local deals with specific criteria unique to the market
- 4.7 International/Local Suppliers have to adhere to buyer guidelines
- 4.8 Checks and balances globally between all parties concerned

- 5.2 Improving efficiencies - focusing on core competencies
- 5.1 Supplier Capability Issues
- 5.5 Value Creation between stakeholders
- 5.6 Third-tier supplier challenges
- 5.7 To Reduce Risk
- 5.8 Outsource whatever isn't the core business
- 5.9 OEM Make or Buy Decision/Calculation
- 5.10 Compliance towards regulation

5.3 To benefit stakeholders - job creation

5.4 To increase profitability

6.5 Dual Accountability

6.3 Trust Collaboration

6.4 Both formal and social control fundamental

6.1 Work ethic centred

6.2 Culture Centric

6.6 Relationship Contracting

7.1 Governance Mechanism

8.3 Capabilities - Skills/Expertise, technical capabilities, financial capabilities

8.4 Information Sharing & Confidentiality

8.12 Joint knowledge processing in creating innovatives

8.7 Government Regulation Influences

8.1 Technical knowledge & advantage

8.10 Professional Screening Processes

8.11 Competitiveness & Global Footprint

8.2 Cost-saving opportunities/ Cost -effective production methods

8.5 Opportunistic Behaviour

8.6 Tool Basis Method - use of selection tools

8.8 Market Size

8.9 General Public/Sector view of Supplier performance

Research Question 3

9.5 Volatility creates more need for trust

9.1 Volatility creates more uncertainty

9.3 Policy Uncertainties

9.2 Plitical Climate/Political Uncertainty

9.4 Trust vs Risk exposure

9.6 Openness & Communication critical for volatile markets

9.7 Harder to trust in volatile markets

10.1 Work Standards

10.2 Confidentiality

10.3 Honesty & Integrity

10.4 Shared Value

10.6 Opportunistic Behaviour Challenge

10.10 Politeness & Friendliness

10.11 Local Relationships

10.12 The bigger the investment - the need for more trust

10.13 Joint Ventures

10.5 Sustainability

10.7 Cultural Barriers/Differences make the need for trust more important

10.8 Transparency & Collaboration

10.9 Knowledge Sharing

11.6 Adversarial supply chains have no place in the future

11.8 Always room for Adversarial relationships

11.1 Implementing Alternative measures before initiating legal proceedings

11.2 Avoiding knock-on effects that would be a result of legal action

11.3 Conflict management & communication

11.4 Need for Supplier to understand (buyer) requirements

11.5 Negotiation Challenges - Sustainability of deals

11.10 Culture of OEM

11.11 Looking at the big picture

11.12 Need for mature leadership

11.7 Need for Structured communication at all times

11.9 Put Mitigation Plan to address adversarial relationships

12.1 Challenges within the business environment

12.3 Proximity of location challenges

12.2 Challenges within legal frameworks in contracts

12.4 Quality related challenges

12.5 Slowness to react

12.6 Investment into South Africa

Research Question 4

13.3 Leadership

13.2 Engaging Suppliers

13.4 Selection of Strategic partners

13.6 Critical purchases

13.5 Communicating of Value

13.5 Communicating of Value

13.7 Broadening of involvement

13.8 Best Managers - Facilitators

13.7 Best Practices

13.8 Best Managers

14.1 Use of frameworks (to measure and understand the accountability)

14.2 Two-way Balance Score cards

14.3 Various Tools for checking the quality of the suppliers e.g. QMT Tools

14.4 Quality Control

14.3 Various Tools for checking the quality of the suppliers

14.5 Customer Surveys

15.4 Joint Planning

15.1 Cost-effective

15.6 Investments

15.7 Information Systems

15.3 Efficient & Effective

15.2 Creates more value

15.5 Intensive Collaboration more expensive

15.8 Collaboration Relationships needed for Problem Solving & Quality control

16.1 Shared forms of work - efficient segregation of duties

16.2 Time factor - faster streamlined processes (that lower cost of production over time)

16.3 Strategic Selection of Suppliers

16.4 Understanding of requirements by supplier

16.5 Sharing of Schedules

16.6 Sharing of Information

16.7 On-time quality supply of goods

- 16.8 Walk-about with the supplier
- 16.10 Buyer - Supplier Collaborations
- 16.11 Good relationship & partnership
- 16.12 Strategic Partnerships with expertise
- 16.13 Increased forms of value creation
- 16.14 Value creation through Outsourcing
- 16.15 Localization
- 16.16 Value Creation in terms of creating new products & improving production processes
- 16.17 Value creation based on transferrable knowledge
- 16.9 Provision of quality products - at the set standard