

PROCUREMENT FACETS INFLUENCING MANAGEMENT OF RESTRICTED RESOURCES IN SOUTH AFRICAN COMPREHENSIVE UNIVERSITIES

Winnie Dlamini

Department of Entrepreneurship, Supply Chain, Transport, Tourism and Logistics Management
University of South Africa
E-mail: dlamiw@unisa.ac.za

Intaher Marcus Ambe

Department of Entrepreneurship, Supply Chain, Transport, Tourism and Logistics Management,
University of South Africa
E-mail: ambeim@unisa.ac.za

Universities in South Africa (SA) face predicament of declining public funding, increasing inflation and the #FeesMustFall campaign that left South African universities with a shortfall of R2.33 billion (Writer, 2015). Moreover, the operating costs of universities have increased escalated; raising the cost of higher education by 8%-12% per annum (The Mercury, 2013). Thus, the role of procurement becomes increasingly important as these institutions had to do more with constrained resources. The situation forces these institutions to look for value-creation and cost-saving opportunities much more than before in order to gain a competitive advantage (Bloch, 2011:5). In order to maximise the restricted resources universities have to adopt procurement best practices (PBPs). According to Gilbert (2008:1055), a best practice is a technique or methodology that through experience and research has proven to, reliably, lead to a desired result. However, developing and sustaining procurement best practices is not an easy task. This is because the adoption of the practices is time consuming, entails breaking down barriers in internal resistance, demands a new approach to suppliers, and demands considerable investment in good leadership, training, performance measurement and technology (Booth, 2010:70). A qualitative approach using multiple cases was adopted. Face-to-face interviews were conducted using open-ended questions. The findings of the study revealed that that some participating South African comprehensive universities do not manage their constricted resources according to procurement best practices and consequently do not contribute sufficiently to the university's overall objectives for competitive advantage and sustainability. It is recommended that South African comprehensive universities should streamline operations, remove internal barriers, impose strict compliance measures to policies and communicate the vision to the whole university.

REFERENCES

- Bloch, A. 2011. Procurement maturity: a tool for supply chain improvement. Unpublished Master's dissertation. KTH Royal Institute of Technology. Available at: <http://urn.kb.se/resolve?urn=urn:nbn:se:kth:diva-44911> [Accessed on 01 July 2014].
- Booth, C. 2010. *Strategic procurement: organising suppliers and supply chains for competitive advantage*. USA: Kogan Page Limited.
- Gilbert, M. 2008. 'Public procurement in developing countries.' *Conference proceedings of 3rd International Public Procurement Conference held in The Netherlands, 28-30 August, Amsterdam*: 1055-1064.
- The Mercury. Surge in cost of higher education. Available at: <http://www.universityworldnews.com/article.php?story=20130118142647427>. [Accessed on 26 May 2016].
- Writer, S. How South Africa's universities spend their money. Available at: <http://businesstech.co.za/news/government/103073/how-south-africas-universities-spend-their-money/>. [Accessed on 26 May 2016].