

Make Your Publications Visible.

A Service of



Leibniz-Informationszentrum Wirtschaft Leibniz Information Centre

Munyimi, Tinotenda Fredrick; Chari, Doctor Felix

#### **Article**

The role of buyer–supplier relationships in achieving economic sustainability in the private telecommunication sector in Zimbabwe

Cogent Business & Management

#### **Provided in Cooperation with:**

**Taylor & Francis Group** 

Suggested Citation: Munyimi, Tinotenda Fredrick; Chari, Doctor Felix (2018): The role of buyer–supplier relationships in achieving economic sustainability in the private telecommunication sector in Zimbabwe, Cogent Business & Management, ISSN 2331-1975, Taylor & Francis, Abingdon, Vol. 5, https://doi.org/10.1080/23311975.2018.1540917

This Version is available at: https://hdl.handle.net/10419/206135

#### Standard-Nutzungsbedingungen:

Die Dokumente auf EconStor dürfen zu eigenen wissenschaftlichen Zwecken und zum Privatgebrauch gespeichert und kopiert werden.

Sie dürfen die Dokumente nicht für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, öffentlich zugänglich machen, vertreiben oder anderweitig nutzen.

Sofern die Verfasser die Dokumente unter Open-Content-Lizenzen (insbesondere CC-Lizenzen) zur Verfügung gestellt haben sollten, gelten abweichend von diesen Nutzungsbedingungen die in der dort genannten Lizenz gewährten Nutzungsrechte.



https://creativecommons.org/licenses/by/4.0/

#### Terms of use:

Documents in EconStor may be saved and copied for your personal and scholarly purposes.

You are not to copy documents for public or commercial purposes, to exhibit the documents publicly, to make them publicly available on the internet, or to distribute or otherwise use the documents in public.

If the documents have been made available under an Open Content Licence (especially Creative Commons Licences), you may exercise further usage rights as specified in the indicated licence.









Received: 13 June 2018 Accepted: 21 October 2018 First Published: 30 October 2018

\*Corresponding author: Tinotenda Fredrick Munyimi, Bachelor of Commerce Honours Degree in Purchasing and Supply, Bindura University of Science Education, Zimbabwe.

E-mail: tinotendafredrickmunyimi@g-mail.com

Reviewing editor: Shaofeng Liu, University of Plymouth, UK

Additional information is available at the end of the article

### **OPERATIONS, INFORMATION & TECHNOLOGY | RESEARCH ARTICLE**

# The role of buyer-supplier relationships in achieving economic sustainability in the private telecommunication sector in Zimbabwe

Tinotenda Fredrick Munyimi<sup>1\*</sup> and Doctor Felix Chari<sup>2</sup>

**Abstract:** This research assessed the role of buyer-supplier relationships in achieving economic sustainability in the private telecommunication sector in Zimbabwe. The objective was to determine the role of buyer-supplier relationships in achieving economic sustainability in the private telecommunication sector in Zimbabwe. The target population of this research was composed of private telecommunication companies in Zimbabwe. This study employed simple random sampling technique where a sample size of 76 procurement staff was selected to participate in this research as respondents; these were procurement managers, procurement officers, buyers and procurement clerks. The independent variables for buyer-supplier relationships were transactional types of relationships, collaborative relationships and strategic alliances relationships. On the other hand, the dependent variable was economic sustainability of private telecommunication companies in Zimbabwe. This study was a survey of private telecommunication companies in Zimbabwe and primary data were gathered by the use of self administered closed-ended questionnaires and open-ended interviews as research instruments. Data were analysed using descriptive and inferential statistics using Statistical Package Social Science (SPSS) software (Version 20), and quantitative results were presented in the form of tables. Analysis for variant ANOVA

#### ABOUT THE AUTHOR

The authors are interested in procurement issues and how best sustainable development can be achieved in supply chains. The authors are also interested in strategies that may be used in procurement to achieve economic sustainability in both private and public organizations.

#### PUBLIC INTEREST STATEMENT

This study assessed the role of buyer-supplier relationships in achieving economic sustainability in the private telecommunication sector in Zimbabwe. The target population of this study was buyers working in private telecommunication companies in Zimbabwe. The study considered three types of buyer-supplier relationships; which are transactional, collaborative and strategic alliance relationships. The researchers collected primary data by giving closed-ended questions in questionnaires and open-ended interviews with buyers in private telecommunication companies in Zimbabwe. The results showed that strategic alliance relationships and transnational relationships have a positive role in achieving economic sustainability of private telecommunication companies in Zimbabwe. The study, therefore, recommended private telecommunication companies to use both strategic alliances and transactional relationships to achieve economic sustainability.









and multiple regression analysis were used to test the hypothesis. This research discovered that strategic alliance types of relationships with strategic suppliers and transactional relationships with suppliers of routine materials have a great role in achieving economic sustainability of private telecommunication companies in Zimbabwe; hence, this research recommends private telecommunication companies to partner with suppliers who supply strategic items and take advantage of transactional kind of relationships especially with those suppliers who supply routine items in order to take advantage of best available price in the market. Future research works are recommended to include the following: Would the recommendations for these kinds of relationships reduce corruptions dramatically or eliminate them?. This is because the current "Zimbabwe is open for business mantra" and telecommunication companies are promoting transparency in all activities which include procurement as part of their efforts to fight against corruption. Moreover, further research should be undertaken to find out why collaborative types of relationships such as closer-tactical and single sourced do not have a statistically significant role in achieving economic sustainability in the private telecommunication sector in Zimbabwe, despite the fact that previous literature is suggesting otherwise.

Subjects: Economics; Finance; Business, Management and Accounting

Keywords: buyer-supplier relationships; economic sustainability

#### 1. Introduction

Companies compete in head-to-head battles for market share and position with other organizations in their competitive sets. In such competitive environments, suppliers are often treated in an adversarial manner by procurers, as the relationship between procurers and suppliers is viewed as a win-lose situation. However, many forward-looking companies have found it more effective to work collaboratively with their suppliers to serve the ultimate customer. Terms such as alliances, partnerships, collaborative relationships and boundary less organizations have been used to describe these new buyer-supplier relationships (Terpend, Tyler, Krause, & Handfield, 2016).

Research in the supply chain has identified a number of key success factors to improve overall performance of the supply chain, strategic alliances are one of them. In the past decades, alliance activities have shown a tremendous growth. Alliances seem to have established themselves as cornerstones for the competitive strategy of many organizations.

Today, buyer–supplier relationships have become "strategic" and the process of relationship development is accelerated as firms strive to create relationships to achieve their goals. An important phenomenon related to buyer–supplier relationships is that many procurers are developing single source suppliers because of the pressure to increase quality, reduce inventory, develop just-in-time systems and decrease time to market. The ultimate goal in developing these capabilities is to reduce costs. These cost reductions can be obtained through one of two models. In an adversarial model, procurers pit suppliers against each to achieve lower costs. In a cooperative model, both parties achieve lower costs through working together to lower both procurers' and supplier's operating costs. This reduction is accomplished through better inventory management and elimination of unnecessary tasks and procedures (Lysons & Farrington, 2015).

Evidence from the literature on strategic supplier alliances, a particular manifestation of a longterm, collaborative relationship, suggests that procurers tend to prefer closer relationships when they wish to control the dependability of supply or influence supplier quality and delivery schedules. Suppliers may be similarly motivated when they seek to secure long-term, reliable markets



or to influence customer quality. Much of the recent literature on buyer-supplier relationships focuses either on the underlying attributes of relationships or how relationships impact performance. It should be noted that the implicit assumption is that the subject is a cooperative rather than a more hands-off relationship.

Economic sustainability is the pursuit of economic sustainable development objectives and involves balancing economic issues such as fair trade, bids awarded to lowest bidder and other economic considerations are included in procurement decisions. (Chartered Institute of Purchasing and Supply 2016). In recent years, academics and procurement practitioners have become increasingly interested in how organisations and their suppliers impact on the economy (Lysons and Farrington 2015). This has been compelled by the need by organizations to comply with economic laws, control costs through whole life costing, managing supply chain risks and the need for these organisations to have good reputation in the community and industry.

The strategic role of buyer-supplier relationships as a lever for economic sustainability is much more manifested now than before. These issues are relevant to managers as their stakeholders, customers, regulatory bodies, non-governmental organisations and even their own employees are increasingly demanding that organisations address and manage the economic issues which will affect the future generation (Van Weele, 2017). Procurement managers are more relevantly positioned here as they can impact the economic performance, through for example product or service specification, evaluation and supplier selection, and evaluating performance of the provider either by developing the performance evaluation criteria or using that criteria to evaluate the providers' fulfilment of the contract for which the provider was contracted.

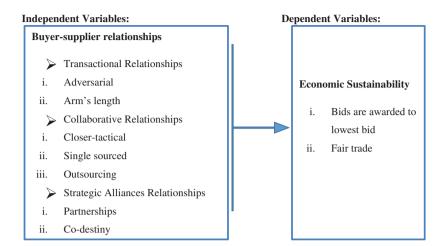
A close scrutiny into studies on buyer-supplier relationships and economic sustainability confirms that there are a number of researches, both older and newer, in this field. These studies are explaining other independent variables contributing to economic sustainability without showing how buyer-supplier relationships contribute to economic sustainability. For example, Seuring and Muller (2016) and Carter and Roger (2017) assessed 191 papers that hypothesized the framework of and a model to develop a sustainable supply chain and also in their paper proposed a sustainable supply chain framework which focused on balancing economic sustainability issues. Another research piloted by Gimenez, Sierra and Rodon (2015) studied 41 research papers on sustainable supply chains and highlighted the importance of a governance mechanism in developing a sustainable supply chain while also finding the enablers of this governance mechanism.

To the best knowledge of the researcher, despite the existence of these vital studies in this area, there are scarcely any researches investigating the relationship with a mixed approach design which has been done to show the role of buyer–supplier relationships in achieving economic sustainability in the private telecommunication sector in Zimbabwe. It is against this background that this research endeavours to add to the existing body of knowledge and to ascertain the role of buyer–supplier relationships in achieving economic sustainability in the private telecommunication sector in Zimbabwe.

Understanding the role of buyer–supplier relationships in achieving economic sustainability in the private telecommunication sector in Zimbabwe is the objective of this research. Both null and alternative hypothesis were tested.

H<sub>0</sub>: There is significant correlation between buyer–supplier relationships and economic sustainability of private telecommunication companies in Zimbabwe.

Figure 1. Conceptual framework.
Source: Author (2018).



H<sub>1</sub>: There is no significant correlation between buyer–supplier relationships and economic sustainability of private telecommunication companies in Zimbabwe. The next section of this research reviews the conceptual and empirical researches on buyer–supplier relationships. The other section looks at the methodology employed before concluding with data presentation, analysis and discussions of results. Finally, conclusions and some recommendations are presented.

#### 2. Conceptual framework and empirical literature review

According to Njeru, Njeru, Memba and Tirimba (2015), conceptual framework refers to a group of ideas which are scientifically organized to deliver a focus, a tool and rational for explanation and integration of information and is generally attained in graphic illustrations. The variables show the statistics that were related to this research as illustrated on Figure 1.

The conceptual framework in Figure 1 above demonstrates the interaction between the buying firm and the external firm (supplier) and the role in the dependent variables. The conceptual framework shown depicts how the independent variables directly affect economic sustainability which helps in derivative of economic sustainability.

#### 3. Empirical literature

Chari (2016) carried out a research on the significance of supplier relationships management on the competitiveness of the manufacturing companies in Zimbabwe. The author noted that transactional types of relationships are important to enhance organisational competitiveness typically in refining supplier responsiveness, sustainability and decreasing of procurement costs in bread manufacturing companies. It was recommended that transactional kind of relationships, which emphasise on price alone, provides competitive advantage to manufacturing sector in the bakery industry. Kumar and Rahman (2016) investigated the relationship between buyer–supplier relationships and supply chain sustainability. Strategic alliances types of relationships were found to be positively contributing to sustainability which comprises economic, social and environmental pillars by the researcher. Nsiah-Asare and Boateng Prempeh (2016) study using the target population of polytechnics in Ghana on measures of ensuring value for money in public procurement found out that background information on respondents such as gender of respondent, level of educational qualification, age of respondent and years of experience are vital as control variables because the demographics aids generate sureness in reliability of data collected and finally the findings of the study.

#### 4. Methodology

This study used a mixed method approach which employs both qualitative and quantitative research methods in the form of descriptive survey. The target population of this research was



all the procurement practitioners in the private telecommunication companies in Zimbabwe, by the regulator POTRAZ report as in December 2017. Purposive sampling was used to select respondents in the private telecommunication companies in Zimbabwe to gain access to those who could give accurate information on the role of buyer-supplier relationships in achieving economic sustainability in the private telecommunication sector in Zimbabwe. A sample size of 76 procurement staff members out of total population of 95 was selected using Krejcie and Morgan (2017)'s sample size calculator. Using closed-ended questionnaire and open-ended interviews to back questionnaire results, data were gathered using questions adapted from related study and individual questions formed by the investigator. To determine if the respondent agreed or disagreed in a statement, Likert scale was used. The researchers self administered a questionnaire in the private telecommunication sector in Zimbabwe. Questionnaires were used because it can be used to collect both quantitative and qualitative data from respondents at the similar time (Kothari, 2016). The researcher pretested the instrument before final distribution to the procurement professionals. Pretesting assisted the researcher in removing some ambiguities and confirming that the instrument measured what was needed. Furthermore, pretesting enables the researcher to remove errors before the actual collection of data begins (Gujarati, 2017) and 1% of the sample was considered sufficient for pilot study that is 10 out of the 76 sampled procurement practitioners seen to be well informed in procurement issues. Cronbach's alpha test was conducted to ensure validity and reliability of the questionnaire. An alpha score of .70 or more indicates that the instrument is reliable (Saunders, Lewis, & Thornhill, 2017). Data collected using the questionnaire were analysed using descriptive statistics by use of SPSS software (version 20). The data were then transferred to Microsoft Word where it was presented and analysed. Tables were used to present the findings on data. The data obtained were analysed based on the objectives of this research and this research questions are to be answered. Multiple linear regression was run to assess the role of this research variables which are set out in the objectives of this research. The econometric model formulated to examine the relationship between the variables is as follows:

$$Ec = \ A_0 + \ A_1(T_1) + A_2(T_2) + A_3(T_3) + A_4(T_4) + A_5(T_5) + A_6(T_6) + A_7(T_7) + \mu$$

where Ec = economic sustainability;  $A_0$  = the intercept term;  $\mu$  = error term;  $A_1$ ,  $A_2$ ,  $A_3$ ,  $A_4$ ,  $A_5$ ,  $A_6$  and  $A_7$  = regression coefficients for the following variables respectively;  $T_1$  = transactional relationships;  $T_2$  = gender;  $T_3$  = experiences in the procurement department;  $T_4$  = age of respondents;  $T_5$  = levels of education of respondents;  $T_6$  = collaborative relationships;  $T_7$  = strategic alliances relationships.

Demographics are included in the econometric model as control variables. According to Nsiah-Asare and Boateng Prempeh (2016), background information on respondents such as gender of respondent, level of educational qualification, age of respondent and years of experience are vital as control variables because the demographics aids generate sureness in reliability of data collected and finally the findings of the study.

#### 5. Results and discussions

For reliability purposes of the tool, a Cronbach's Alpha coefficient of .782 was established which surpassed the minimum of .7 threshold supported by Saunders et al. (2017).

#### 5.1. Demographic profile of the sample

This section presents the gender of respondents, length of service in the procurement department, age of respondents and level of educational qualification in Table 1.

As shown in Table 1, this research revealed that majority of procurement personnel are male with 60.5% while the fewer 39.5% were females. It is apparent from this research that the majority of the respondents 38.2% fall within the 41–50 years age class as shown in Table 1. Nevertheless, it can be inferred from this research that there is a standard level of knowledge amid the private



|                        |                      | _         | _          |
|------------------------|----------------------|-----------|------------|
| Characteristic         | Variable             | Frequency | Percentage |
| Gender                 | Male                 | 46        | 60.5       |
|                        | Female               | 30        | 39.5       |
| Age                    | Below 20 years       | 2         | 2.6        |
|                        | 21-30 years          | 10        | 13.2       |
|                        | 31-40 years          | 16        | 21.1       |
|                        | 41-50 years          | 29        | 38.2       |
|                        | 51-60 years          | 14        | 18.4       |
|                        | Above 60 years       | 5         | 6.6        |
| Level of education     | Postgraduate         | 6         | 7.9        |
|                        | Undergraduate        | 30        | 39.5       |
|                        | Diploma              | 22        | 28.9       |
|                        | Certificate          | 14        | 18.4       |
|                        | Advanced level       | 3         | 3.9        |
|                        | Ordinary level       | 1         | 1.3        |
| Experiences in the     | 0 ≤ Experience ≤ 5   | 6         | 7.9        |
| procurement department | 6 ≤ Experience ≤     | 14        | 18.4       |
|                        | 11 ≤ Experience ≤ 15 | 21        | 27.6       |
|                        | Experience ≥16       | 35        | 46.1       |

Source: Primary Data (2017)

telecommunication sector procurement professionals in Zimbabwe have attained at least diploma and undergraduate degrees in purchasing and supply management, the basic level of education in the procurement department. In terms of procurement experience, Table 1 shows a moderately high number of experienced procurers in the private telecommunication sector with 46.1% having been in the procurement field for 16 years and above.

#### 5.2. Role of buyer-supplier relationships in achieving economic sustainability

Regressing transactional relationships, collaborative relationships, strategic alliances relationships, age of respondents, gender, experiences in the procurement department and levels of education gave the multiple linear regression analysis model summary in Table 2.

As shown on the Table 2, there is an R square value of 80.3%. R square shows that the seven independent variables clarify 80.3% of the variance in economic sustainability of the private telecommunication sector in Zimbabwe. It is therefore sufficient to conclude that the independent variables play an important role in achieving economic sustainability in the private telecommunication sector in Zimbabwe given that the unexplained variance is only (100% - 80.3% = 19.7%), some missing variables in the model which are explained by the error term constitute only 19.7%. R = .896, this means that the dependent variable has a positive relationship with the independent variables. Therefore, it suffices that by changing the independent variables in the equation, economic sustainability will change in the same direction. The ANOVA table is illustrated in Table 3.

| Table 2. Multiple linear regression model summary |       |          |                      |                            |  |  |
|---|-------|----------|----------------------|----------------------------|--|--|
| Model   | R     | R square | Adjusted<br>R square | Std. error of the estimate |  |  |
| 1   | .896° | .803     | .783                 | .66241                     |  |  |

<sup>&</sup>lt;sup>a</sup>Predictors: (Constant), strategic alliances relationships, gender, transactional relationships, collaborative relationships, age group, levels of education, experiences in the procurement department.



| Table 3. Multiple linear regression analyses of variance |            |         |    |        |        |       |
|--|------------|---------|----|--------|--------|-------|
| Мо   | del        | Sum of  | Df | Mean   | F      | Sig.  |
|  |            | squares |    | square |        |       |
| 1  | Regression | 121.794 | 7  | 17.399 | 39.653 | .000° |
|  | Residual   | 29.838  | 68 | .439   |        |       |
|  | Total      | 151.632 | 75 |        |        |       |

<sup>&</sup>lt;sup>a</sup>Predictors: (Constant), strategic alliances relationships, gender, transactional relationships, collaborative relationships, age group, level of education, experiences in the procurement department.

As shown by Table 3, the overall model is statistically significant because  $p < \alpha$ , there was a statistically significant difference between groups as determined by one-way ANOVA F(7, 68) = 39,653, p = .000. The coefficients are illustrated in Table 4.

As shown in Table 4, transactional relationships was found to have a positive linearly significant role in economic sustainability ( $\theta$  = .114,  $\rho$  = .046 < .05). Here one unit change in transactional relationships results in .114 unit upsurge in economic sustainability. The results agree with interview participants since they agreed they use transactional types of relationships almost always in a perfect competitive market structure. Anonymous participant spoke about how transactional kind of relationships influences economic sustainability positively:

Yes, definitely transactional types of relationships has a positive role in achieving economic sustainability since transactional relationships with the suppliers of routine items like cartridges, computer consumables and stationeries allowed the company to take advantage of best available prices.

The finding coincides with Chari (2016) on his research entitled "The Significance of Supplier Relationships Management on the Competitiveness of the Manufacturing Companies in Zimbabwe" who found that transactional types of relationships have a positive correlation on firm competitiveness. Gender positively and significantly affected economic sustainability ( $\theta = .202$ ,  $\rho = .054 < .05$ ). This means that one unit change in gender results in .202 unit increase

|  |  | Unstandardized coefficients |               | Standardized coefficients |         |      |
|--|--|-----------------------------|---------------|---------------------------|---------|------|
| Multiple linear regression model independent variables |  | В                           | Std.<br>error | Beta                      | τ       | Sig. |
| 1  | (Constant)   | 6.040                       | .617          |                           | 9.793   | .000 |
|  | T <sub>1</sub> = transactional relationships                     | .114                        | .067          | 103                       | -1.689  | .046 |
|  | T <sub>2</sub> = gender  | .202                        | .332          | .070                      | .609    | .054 |
|  | T <sub>3</sub> = experiences in<br>the procurement<br>department | 164                         | .162          | 113                       | -1.010  | .316 |
|  | T <sub>4</sub> = age groups                                      | .036                        | .082          | .030                      | .440    | .051 |
|  | T <sub>5</sub> = levels of education                             | .118                        | .107          | .088                      | 1.097   | .027 |
|  | <b>T<sub>6</sub></b> = collaborative relationships               | 102                         | .071          | 097                       | -1.431  | .157 |
|  | <b>T<sub>7</sub></b> = strategic alliances relationships         | .858                        | .077          | 782                       | -11.075 | .000 |

<sup>&</sup>lt;sup>a</sup>Dependent variable: economic sustainability.

<sup>&</sup>lt;sup>b</sup>Dependent variable: economic sustainability.

in economic sustainability. Experiences in the procurement department negatively and insignificantly affected economic sustainability ( $\theta = -.164$ ,  $\rho = .316 > .05$ ). This means that one unit change in experiences results in -.164 unit decrease in economic sustainability. Age groups positively and significantly affected economic sustainability ( $\theta = .036$ ,  $\rho = .051 < .05$ ). This means that one unit change in age groups results in .036 unit increase in economic sustainability. Levels of education positively and significantly affected economic sustainability ( $\theta = .118$ ,  $\rho = .027 < .05$ ). This means that one unit change in levels of education results in .118 unit increase in economic sustainability. Collaborative relationships negatively and insignificantly affected economic sustainability ( $\theta = -.102$ ,  $\rho = .157 > .05$ ). This means that one unit change in collaborative relationships results in -.102 unit decrease in economic sustainability. The negative coefficient shows that there is an inverse correlation between collaborative types of relationships and economic sustainability. Anonymous participant explained why collaborative types of relationships have a negative role in achieving economic sustainability:

Collaborative types of relationships have a negative role in achieving economic sustainability since we use them rarely in a market composed of many sensitive buyers with few suppliers on suppliers who supply strategic items like fibre optic cables, steel and concrete manhole covers.

Strategic alliances relationships was found to have a positive linearly significant influence in economic sustainability ( $\theta = .858$ ,  $\rho = .000 < .05$ ). Here, one unit change in strategic alliances relationships results in .858 unit increase in economic sustainability. Another participant states that strategic alliances relationships contribute positively to achieving economic sustainability at their company as follows:

Strategic alliances relationships contribute positively to achieving economic sustainability since there is presence of institutional trust with selective suppliers who supply strategic items like optic fibre cables and networking equipment and manhole covers which enables the procurer and the supplier to achieve a fair price, strategic alliances relationships with suppliers had led to supplier complacency hence achieving economic sustainability.

The findings of this research concur with a research by Kumar and Rahman (2016) entitled "Buyer–Supplier Relationships and Supply Chain Sustainability"; it was found that strategic alliances kind of relationships positively impacted the triple bottom line of sustainability which comprises economic, social and environmental performance measures, "this research confirmed their results". Replacing the multiple linear regression coefficients in the equation gives the following multiple linear regression equation when the independent variables are changed.

$$\begin{aligned} &Ec = 6.040 + 0.114 \ (T_1) + 0.202 \ (T_2) - 0.164 \ (T_3) + 0.036 \ (T_4) + 0.118 \ (T_5) - 0.102 \ (T_6) \\ &+ 0.858 \ (T_7) + \mu \end{aligned}$$

Nevertheless, at 5% level of significance, transactional relationships, gender, age groups, levels of education and strategic alliances relationships have a significant influence in economic sustainability in the private telecommunication sector in Zimbabwe with *p*-values of .046, .054, .051, .027 and .000, respectively, and therefore, their multiple linear regression coefficients should be retained in the final multiple linear regression model. The *p*-values associated with the coefficients for experiences in the procurement department and collaborative relationships are .316 and .157, an implication that although experiences in the procurement department and collaborative relationships have an influence in economic sustainability in the private telecommunication sector in Zimbabwe, its effect is insignificant and so it may be released in reporting the final multiple linear regression model. Therefore, predictor equation for economic sustainability multiple linear regression model becomes:

$$Ec = 6.040 + 0.114 \; (T_1) + 0.202 \; (T_2) + 0.036 \; (T_4) + 0.118 \; (T_5) + 0.858 \; (T_7) + \mu$$

The results further concludes that of all the independent variables considered in this research, strategic alliances types of relationships contribute the greatest to economic sustainability in the



private telecommunication sector in Zimbabwe followed by gender as shown by their bigger coefficients. Age groups have the weakest influence in economic sustainability in the private telecommunication sector in Zimbabwe.

#### 6. Conclusions, recommendations and areas for further research

This research concludes that transactional kind of relationships, which include adversarial and arm's length, have positively linearly significant role in the private telecommunication sector sustainability in Zimbabwe. Through open-ended interviews with procurement staff in the private telecommunication sector in Zimbabwe, this research established that transactional kind of relationships with suppliers of routine items like cartridges, computer consumables and stationeries allowed the company to achieve economic sustainability in the private telecommunication sector in Zimbabwe by taking advantage of best available prices. Collaborative relationships are insignificant in achieving economic sustainability and they have a negative correlation with economic sustainability in the private telecommunication sector in Zimbabwe. This research concluded that suppliers who supply strategic items were considered for long-term relationships. It also concludes that strategic alliances with suppliers of strategic items such as optic fibre cables and networking equipment and manhole covers have a positive significant role in achieving economic sustainability in the private telecommunication sector in Zimbabwe. Through open-ended interviews with procurement staff in the private telecommunication sector in Zimbabwe, this research concluded that strategic alliances enables the procurer and the supplier to achieve a fair price hence achieving economic sustainability in the private telecommunication sector in Zimbabwe. From this research, the following recommendations are made:

- The procurement should take advantage of transactional kind of relationships such as adversarial
  and arm's length especially with those suppliers who supply routine items like cartridges, computer consumables and stationeries in order to take advantage of best available price in the market
  so as to achieve economic sustainability in the private telecommunication sector in Zimbabwe.
- The procurement should use strategic alliances types of relationships such as co-destiny and partnerships to ensure that they partnered with suppliers, who supply strategic items like optic fibre cables and networking equipment and manhole covers, in order to ensure fair prices which will result in win-win outcome with the suppliers to achieve economic sustainability in the private telecommunication sector in Zimbabwe.
- Private telecommunication sector companies in Zimbabwe must use these buyer-supplier relationships with a pure vision in mind as to the nature of the products bought, the type of the supplier and why they want to use the type of buyer-supplier relationship.
- Further research works are recommended to include the following, would the recommendations for these kinds of buyer-supplier relationships reduce corruptions dramatically or eliminate them. This is because the current "Zimbabwe is open for business mantra" and telecommunication companies are promoting transparency in all activities which include procurement as part of their efforts to fight against corruption.
- Further research should be undertaken to find out why collaborative types of relationships such as closer-tactical and single sourced do not have a statistically significant role in achieving economic sustainability in the private telecommunication sector in Zimbabwe, despite the fact that previous literature is suggesting otherwise.

#### Acknowledgements

This research is dedicated to loving and caring mother of my children Rachel, for her all-round love, and for all the sacrifices she made to help me reach my academic goals. The previous undergrad 4 years were not easy to put up with me but we have succeeded my love! This is all for you my wife Rachel (Rymer Chang), you are my answered prayer. According to the Holy bible in the gospel of Daniel "all wisdom and knowledge comes from our Lord Almighty", therefore I give praise to God Almighty who renewed my strength at every single stage of my

research. This research signifies a journey fuelled by the generosity of my family members who have been together with me in prayers: my father Aluis Munyimi, my mother Gladys Munyimi, my brother Dunmore Panashe Munyimi and my sister Nissie Tanyaradzwa Munyimi. I acknowledge private telecommunication sector procurement experts who cooperated with me during data collection.

#### Funding

The authors received no direct funding for this research.

#### **Author details**

Tinotenda Fredrick Munyimi<sup>1</sup>

E-mail: tinotendafredrickmunyimi@gmail.com

Doctor Felix Chari<sup>2</sup>

E-mail: charifelix93@gmail.com

- Bachelor of Commerce Honours Degree in Purchasing and Supply Management, Bindura University of Science Education (BUSE), Bindura, Zimbabwe.
- Department of Procurement, Bindura University of Science Education (BUSE), Felix Chari, Zimbabwe.

#### Heavenly father sanctify them all

For to me to live is Christ, and to die is gain

Philippians 1 verse 21

The angel of the Lord encampeth round about them that fear him, and delivereth them

Psalms 34 verse 7

The Lord is my helper, and I will not fear. What man shall do unto me

Hebrews 13 verse 6

#### Citation information

Cite this article as: The role of buyer-supplier relationships in achieving economic sustainability in the private telecommunication sector in Zimbabwe, Tinotenda Fredrick Munyimi & Doctor Felix Chari, Cogent Business & Management (2018), 5: 1540917.

#### References

- Carter, C. R., & Rogers, D. S. (2017). A framework of sustainable supply chain management: Moving toward new theory. International Journal of Physical Distribution and Logistics Management, 38(5), 360–387. doi:10.1108/09600030810882816
- Chari, F. (2016). The significance of supplier relationship management in industry competitiveness: A case of bakeries in Harare, Zimbabwe. *Journal of Business Management Science*, 2(1), 29–42.
- Chatered Institute of Purchasing and Supply. (2016).

  Sustainable procurement. Level 5. United Kingdom: Profex publishing.

- Gimenez, C., Sierra, V., & Rodon, J. (2015). Sustainable operations: Their impact on the triple bottom line. *International Journal of Production Economics*, 140 (1), 149–159. doi:10.1016/j.ijpe.2012.01.035
- Gujarati, D. (2017). Basic econometrics. New Dehli: Tata MacGraw-Hill publishing Limited.
- Kothari, C. R. (2016). Research methodology: Methods and techniques. Austria: New Age International.
- Krejcie, V. R., & Morgan, W. D. (2017). Determining sample size for research activities. The NEA Research Bulletin, 38, 99.
- Kumar, D., & Rahman, Z. (2016). Buyer supplier relationship and supply chain sustainability: Empirical study of Indian automobile industry. *Journal of Cleaner Production*, 131, 386–843. doi:10.1016/j. jclepro.2016.04.007
- Lysons, K., & Farrington, B. (2015). Purchasing and supply chain management (8th ed.). Essex, England: Pearson Educated Limited.
- Njeru, M. D., Njeru, A., Memba, F., & Tirimba, O. I. (2015). Effect of cash management on financial performance of deposit taking SACCO's in Mount Kenya Region. International Journal of Scientific and Research Publications, 2(2), 1–13.
- Nsiah-Asare, E., & Boateng Prempeh, K. (2016).

  Measures of ensuring value for money in public procurement: A case of selected polytechnics in Ghana. Munich University Library: MPRA Munich Personal RePEc Archive.
- Saunders, M., Lewis, P., & Thornhill, A. (2017).Research methods for business students. In Business and economics. Hallow: Prentice Hall.
- Seuring, S., & Muller, M. (2016). From a literature review to a conceptual framework for sustainable supply chain management. *Journal of Cleaner Production*, 16(15), 1699–1710. doi:10.1016/j. iclepro.2008.04.020
- Terpend, R., Tyler, B. B., Krause, D. R., & Handfield, R. B. (2016). Buyer-supplier relationships: Derived value over two decades. *Journal of Supply Chain Management*, 44, 28–55. doi:10.1111/j.1745-493X.2008.00053.x
- Van Weele, A. J. (2017). Purchasing and supply management (5th ed.) Essex, England: Cengage Learning.



#### © 2018 The Author(s). This open access article is distributed under a Creative Commons Attribution (CC-BY) 4.0 license.

You are free to: Share — copy and redistribute the material in any medium or format. Adapt — remix, transform, and build upon the material for any purpose, even commercially. The licensor cannot revoke these freedoms as long as you follow the license terms.

Under the following terms:



Attribution — You must give appropriate credit, provide a link to the license, and indicate if changes were made. You may do so in any reasonable manner, but not in any way that suggests the licensor endorses you or your use. No additional restrictions

You may not apply legal terms or technological measures that legally restrict others from doing anything the license permits.

## Cogent Business & Management (ISSN: 2331-1975) is published by Cogent OA, part of Taylor & Francis Group. Publishing with Cogent OA ensures:

- Immediate, universal access to your article on publication
- · High visibility and discoverability via the Cogent OA website as well as Taylor & Francis Online
- Download and citation statistics for your article
- · Rapid online publication
- Input from, and dialog with, expert editors and editorial boards
- · Retention of full copyright of your article
- Guaranteed legacy preservation of your article
- Discounts and waivers for authors in developing regions

#### Submit your manuscript to a Cogent OA journal at www.CogentOA.com

