



Effect of Supplier Relationship Management on Organizational Performance: A Case Study of the Plastic Manufacturing Industry in Harare Between 2015-2019

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Abstract

Supplier relationship management (SRM) is the overall coordination, collaboration and information sharing between an organization and its suppliers. The study focused on the effect of supplier relationship management on organizational performance for firms in the plastic manufacturing industry in Harare. This research adopted an interpretivism philosophy and data was collected using open-ended questionnaires and telephonic interviews. The population was derived from plastic manufacturing companies operating in Harare. A purposive sampling technique was used to select twenty participants. The study findings revealed that organizations in the plastic industry enjoyed several supplier relationship management benefits that included information sharing and involvement of suppliers in new product development as these contributed positively to their overall organizational performance. However, firms in the plastic manufacturing industry also encountered supplier relationship management challenges that affected their organization's performance. Challenges such as organizations failing to meet their obligations to the buyer-supplier relationship resulting in negative reactions by suppliers. Supplier relationship management implementation was also constrained by challenges that included the unavailability of supplier relationship management (SRM) team and lack of resources to support the SRM system. It was however noted that organizations in the plastic of supplier relationship management to the organizational performance. These strategies included open communication with suppliers for the purposes of sharing critical information, the involvement of suppliers in the new product manufacturing industry implemented SRM strategies that ensured the positive contribution development and supplier certification as a prerequisite to supplier engagement. The study, therefore, recommends that organizations in the plastic manufacturing industry continue to develop and maintain clear lines of communication with their suppliers. These would enable suppliers to share information that is critical in their strategic decision-making process. Further recommendations were also made to the effect that organizations in the plastic manufacturing industry should always endeavor to honor their obligation to the buyer-supplier relationship.

Keywords: plastic manufacturing industry, supplier relationship management, organizational performance.

1. Background of the study

1.1 *SRM Global trends*

Unilever an international manufacturing organization with production site dotted across the globe demonstrated that SRM was an important aspect of the organization by partnering with Greenpeace Indonesia in a campaign to stop further deforestation of Indonesia forest by palm oil companies in Indonesia that supplied palm oil to Unilever International McDonald (2015). Not only did Unilever protect its brand image but also provided support resources for its suppliers to operate within acceptable environmental standards (McDonald 2015). As a leading automobile manufacturer, Toyota has developed long-term relationships with its key suppliers and as such very few international organizations have a strong reputation in supplier relationship management that matches Toyota (Sutton, 2018).

1.2 *SRM trends in Africa*

In Kenya, Ondieki and Biraori (2015) concluded that the effectiveness of the supply chain management in the public sector was as a result of an effective supplier relationship management. Tangus (2015) studied manufacturing firms in Kenya's Kisumu County and concluded that SRM positively contributed to the organizational performance. Badenhorst-Weiss (2016) in their study on the South African Automotive industry concluded that the automotive industry valued its supplier relationships. In Zambia, Milambo and Phiri (2019) in their study revealed that the non-adherence to good supplier relationship management principles in the Zambian Aviation Industry has caused delays in the supply of aircraft spares giving testimony of the importance of an effective SRM to organizational performance.

1.3 *SRM trends in Zimbabwe*

Although the Zimbabwe government has repeatedly emphasized the importance of the manufacturing sector to the revival of the economy sadly the plastic manufacturing industry is not among the critical sectors that are prioritized for foreign currency allocation by the Reserve Bank of Zimbabwe. This has resulted in the plastic industry firms failing to meet their financial obligations which left the suppliers with no option but to demand payment in advance (<http://www.rbz.co.zw>, 10.04.20). According to the CZI (2018) survey report capacity utilization of the plastic and packaging manufacturing sector continued on the downward trend from 53% in 2016 to 51% in 2018 with a projected further decline of below 34% beyond 2019 as a result of the current economic challenges being faced in Zimbabwe.

2. Statement of the problem

None of the Zimbabwean studies looked at the effects of supplier relationship management on organizational performance for firms in the plastic manufacturing industry in Harare. This study set out to address this yawning knowledge gap on supplier relationship management on organizational performance of firms in the plastic manufacturing industry in Harare.

3. Research objectives

The objectives were to:

- i. determine the benefits of supplier relationship management on organizational performance of firms in plastics manufacturing industry in Harare.
- ii. determine the challenges of supplier relationship management on organizational performance of firms in the plastics manufacturing industry in Harare.
- iii. establish SRM strategies that are being used by firms in the plastics manufacturing industry.

4. Research questions

- i. What are the benefits of SRM to organizational performance of firms in the plastics manufacturing industry?
- ii. What are the challenges of SRM to organizational performance of firms in the plastics manufacturing industry?
- iii. What are the SRM strategies that are being used by firms in the plastics manufacturing industry?

5. Literature review

5.1 *Social exchange theory*

Social exchange theory (SET) is a broad conceptual paradigm that was developed by Homans in 1958. It is a theory that focuses on the study of social behavior in the interaction of two parties that implement a cost benefit analysis to determine risks and benefits (Cropanzano et al., 2017). Social exchange theory cuts across several social science disciplines such as management, social psychology, and anthropology (Cropanzano et al., 2017). This also includes economic relationships such as the buyer-supplier relationship. Through the process of reciprocity, resources are exchanged as one party tends to repay for the good deeds done by the other party. Muema (2016) highlighted that SET tends to look at the inter-organizational association from an interaction viewpoint concentrating on the social structure of the association rather than the transaction. One of the conclusions of SET is that social interactions are molded through the use of the cost benefit analysis. Parties will only remain in the relationship as long as they are accruing benefits from it (Crapanzano et al., 2017).

Social exchange theory, therefore, becomes a critical element in the development and selection of supplier relationship management strategies (Kingshott, 2006) and is relevant for this research.

5.2 *Benefits of SRM to organizational performance*

By entering, a long-term buyer-supplier relationships organizations would be expected to yield benefits that would have a positive effect on their organizational performance. As stated by the social exchange theory parties will enter relationships that are beneficial to both parties. Some of the expected buyer-supplier relationship benefits are discussed below.

5.2.1 Information sharing

Through information sharing, Awan, Kraslawski and Huiskonen (2018), in their study based on 239 companies in Pakistan concluded that SRM enabled the buyer and the supplier to appreciate each other's cultural values. Through SRM organizations and their suppliers have come to realize that their organizations can be much more profitable if they adopt a closer co-operation and implement comprehensive communication in areas such as new product development, quality, engineering, and logistic (Roushdy et al., 2015).

As such SRM creates a platform for clearer communication between the buying firm and its suppliers and enables conflicts to be resolved at their infant stage thereby reducing their impact on the relationship and the organizational performance.

5.2.2 Joint decision making

Another benefit that was highlighted by Onyango et al. (2015) was that of joint decision making by both parties to the relationship which they defined as “the degree to which each party penetrates into the other party's organizational boundaries with an aim of improving their organizational performance.” Joint decision making is one of the most sophisticated forms of information sharing as it requires a very high level of trust and transparency. This process generally involves the maintenance of information flow, assignment of resources, problem solving, and preparation of detailed activity reports, inter-organizational strategic decisions and plans, (Onyango et al., 2015). Joint decision making would come in the form of deciding on the direction in which a new product development should take Sjoerdsma and Weele (2015). In times of economic crisis buyers and the suppliers would make joint decisions that would ensure minimum impact on both organizations' performance.

5.2.3 Supplier segmentation

Manufacturing firm deals with a wide range of suppliers that includes suppliers of raw material, repairs and maintenance spares as well as general goods including service providers. Tangus (2015) while concurring with Onyango (2015) added on one of the benefits of SRM as being able to segment the suppliers according to their level of importance. This enabled the organizations to handle the variety, complexity, and heterogeneity of their supplier base. The organizations are then able to treat each supplier with a uniqueness that results in a positive contribution to the overall organizational performance. The commitment of adequate resources to the relationship would also be made possible. In agreeing with Tangus (2015), Diirr and Cappelli (2018) based on their presentation at the Hawaii International Conference on Systems Science, stated that organizations are able to select a specific type of relationship, considering the identified opportunity for joint work, faced reality and established agreements. This will map the way the supplier relationship will proceed to achieve a common goal for both parties thereby enhancing organizational performance.

5.2.4 Supplier development programs

Bai and Sarkis (2016) in their study defined supplier development as a deliberate effort by the buying organization to allocate resources to its suppliers in order to improve the supplier's performance and capabilities. Supplier development according to Bai and Sarkis (2016) can be classified into tangible and intangible. Tangible supplier development included amongst other practical activities such as investment in the supplier's capital equipment as well as the human investment that might involve transferring technical staff to the supplier. While intangible

supplier development might include supplier staff training. This will in turn assist the buying organization to achieve its set objectives of delivering a quality end product to the consumer as the supplier would be delivering quality raw materials as a result of the development program. Bai & Sarkis (2016) referred to this as the supplier development investment. Tanguis (2015) went on to highlight the fact that SRM enabled organizations to implement supplier development programs that are aimed at improving the supplier's performance and capability. This ultimately resulted in the buying organization being able to meet their short-term and long term needs thereby improving their organizational performance that included delivering customer requirements on time. Due to significant benefits such as improved new product development time, improved capacity utilization, product quality, and reduction in manufacturing cost supply development have continued to gain popularity with manufacturing organizations in India (Pradhan & Routroy, 2017). Bai and Sarkis (2016) in their study, however, indicated that while both parties to the development program stood to benefit the buyers and suppliers were reluctant to commit resources to these development programs unless they had a clear vision of gaining profitably from the investments.

5.2.5 Reduction in inventory levels and costs

Munyimi and Chari (2018) in their study based on the telecommunication sector in Zimbabwe, agreed with Kumar and Rahman (2016) on the fact that SRM enabled organizations to reduce inventory levels by introducing systems such as JIT (just in time) and reduced time to the market. This resulted in organizations in the private telecommunication sector achieving huge cost savings. Zenir, Findikli and Celtekliligil (2018) weighed in by stating that not only did the supplier relationship management through strategic partnership significantly reduce cost but also improved time new products were introduced to the market, increased productivity, enhanced product quality.

5.2.6 New product development

Nguyen et al (2018) defined new product development as the transformation of market opportunities into products that are made available on to the market. Sjoerdsma and Weele (2015) in their study stated that supplier relationship management systems allow organizations to involve their suppliers in their new product development as suppliers are able to contribute by providing technical advice that includes technological developments on the supply side as well as the availability of the intended raw materials. The successful launch and acceptability of the new product by the market not only would it benefit the organization but also the suppliers. As the production volume increased so did the demand on raw materials from the suppliers.

5.2.7 Management of business risk

Business risk is the exposure an organization has to factors that will affect its bottom financial position (profit), this may be as a result of internal factors or external sources such as a change in regulatory requirements or supplier relations (www.investopedia.com, 2019). Dubey et al. (2018) in their study on supplier relationship management for the economy again concluded that firms with a strong supplier relationship management are able to better manage their business risks through collaborative learning and organizational sustainability and are likely to enjoy a superior organizational performance (Neumuller et al., 2016). Williams and Hausman, (2017) in their study pointed out that the first stage in the business risk management process was to carry out a risk analysis that included risk identification, risk categorization, and risk assessment. The effectiveness of the business risk assessment was largely dependent upon the

completeness of the initial business risk identification and risk categorization (Williams & Hausman, 2017).

5.2.8 Identification of supplier development needs

Shahzad and Sillanpaa (2015) weighed in with the fact that SRM enabled organizations to identify supplier's developmental needs which they would provide assistance to the supplier. The resultant effect would be an improved delivery of quality goods and services by the supplier which would ultimately contribute positively to the organizational performance. The improved quality delivery by the supplier would also contribute towards the organization's cost reduction (Shahzad & Sillanpaa, 2015).

5.3 Challenges of SRM on organizational performance

Although past studies have proved that SRM provides a lot of positive benefits to the organization's overall performance it also has met with its challenges that have affected the organizational performance. According to Kaufmann, Carter and Esslinger (2018) when a buying firm fails to manage its relationship with the supplier by failing to meet its obligation in the contract the supplier will reciprocate in order to protect their interest as the relationship cost would outweigh the benefits incurred. The social exchange theory also states that parties will only remain in a relationship as long as they are enjoying some economic benefits (Crapaznano et al., 2017).

Sjoerdsma and Weele (2015) stated that one of the challenges of SRM on organizational performance is the failure by the buying firm to carry out a comprehensive supplier selection process. In one of their case studies, the buying firm Alpha wrongly assumed that their selected supplier Delta had the development capability that would assist Alpha in their new product development. They later discovered that Delta did not even allocate an engineer to the project as they also assumed it was a routine project. This affected Alpha on the progression of their project.

Butt (2019) in his study on absence of a personal relationship in a buyer-supplier relationship highlighted that SRM can have a negative effect on organizational performance if there is no personal relationship developed between the procurement manager of the buying firm and the sales manager of the supplying firm. Both parties will be reluctant to share information as the level of trust between the two managers will be very low.

Diirr and Cappelli (2018) also pointed out that besides the numerous benefits that SRM brings along to the organization trading on the global market, challenges might also be encountered if the buying firm and its suppliers fail to manage their different cultural values especially for organizations whose suppliers are beyond their country's borders. Misunderstandings may arise which will affect the organizational performance. Awan (2018) weighed in by stating that one of the biggest challenges of SRM is the management of cultural differences across a geographically dispersed location for international organizations. He thus noted that employees should understand and have the capability to handle and react appropriately to situations that arose as a result of cultural differences.

5.4 Supplier Relationship Management (SRM) strategies

These SRM strategies would be part of the organization's oval corporate strategies.

5.4.1 Information sharing as an SRM strategy

In their study Kurmar and Rahman (2015) highlighted that information sharing and information gathering were among the SRM strategies that organizations would use to strengthen their relationship with their suppliers. Awan, Kraslawski and Huiskonen (2018) supported this strategy as it helped the buying firm and the supplier appreciate each other's cultural values especially when dealing with cross border partners.

Pei and Yan (2019) in their study on cooperative behaviour and information sharing in the e-commerce age' stated that as an effective mechanism to improve information accuracy information sharing has become one of the strategic thrust for senior managers to improving organizational performance. The improved decision-making process is made possible by the use of accurate information from both parties of the commercial relationship thus reducing costs of trial-and-error process which ultimately improves the profitability of the organization (Pei & Yan, 2019). Jermsittipasert and Rungsisawat (2019) stated that by encouraging information sharing organisations in a relationship would improve their performance as such it is critical for the buying firm and its supplier to develop a suitable communication pattern.

5.4.2 Supplier development programs as an SRM strategy

Tukimin et al. (2019) defined supplier development (SD) as a collaboration process between the buying organization and its selected suppliers in order to improve their operations to meet their short-term and long-term supply needs. These supplier development programs (SDP) include training and education of supplier's personal, personnel exchange between the buying firm, and the supplier, raising performance expectations and direct investment in the supplier by the buying firm (Jagtap & Teli, 2017). By engaging in supplier development programs manufacturing organizations would ensure that their suppliers are able to provide them with the best quality material, on time at the right place and right service level. Not only does supplier development have a direct positive effect on supplier quality and organizational performance but it is also important for the organization in achieving world class performance levels which are being demanded by the global market (Tukimin et al., 2019).

5.4.3 Supplier involvement in new product development

The involvement of suppliers in the transformation of market opportunities into new products reduced the lead time of new product development Nguyen et al. (2018). Nyamasege and Biraori (2015) and Sjoerdsma and Weele (2015) concurred that involvement of suppliers in joint development program such as new product development was an SRM strategy that would contribute to organizational performance as suppliers would be better prepared to support the new product by also improving their capabilities. Suppliers would also share their knowledge in terms of market developments on the supply side (Kumar & Rahman, 2015). Shirkanh, Keramati and Rezaie (2015) in their study 'Investigating the effects of customer relationship management and supplier relationship management on new product development' highlighted that one of the strategic objectives of SRM in the fast-changing customer demands was to collaborate with suppliers in new product development.

By involving suppliers in new product development, the buying organisation will accrue several benefits such as cost reduction, and reduction in new product development cycle time from the supplier innovativeness (Jermsittipasert & Rungsisawat, 2019). The involvement of suppliers in new product development would range from simple technical advice to a more complex design of a component, sub-assembly, or system design (Lawson et al., 2015). According to Nguyen et al. (2018), global studies have revealed that new product development has become

an important element in an organization as such collaborative relationships have positively impacted the new product development processes.

5.4.4 Supplier selection process as an SRM strategy

In recent years supplier selection process has gone beyond selecting suppliers with the lowest acquisition cost only as this has proved that most of these suppliers offering a lower price end up failing to deliver on time resulting in customer dissatisfaction (Fonseca & Lima, 2015). In order for organization to implement an effective supplier relationship management system Bouhnik, Giat and Zarruk (2017) stated that organizations should implement a robust supplier selection, evaluation, and assessment strategy that ensures a long-term relationship with committed suppliers. This is in concurrence with Kumar and Rahman (2015) who listed supplier evaluation and assessment as one of the strategies that organization should implement in order to have an effective SRM that contributes positively to the organization's performance.

5.4.5 Supplier certification as an SRM strategy

According to Fonseca & Lima (2015) supplier certification process is now part of the organizations quality management (QM) requirement. In order to put suppliers under pressure to get certification by these public standards organizations, buying firms are now putting it as part of the contractual requirement in any transaction for suppliers to be certified (Jajja et al., 2019). The benefit to the buyer for entering into a relationship with suppliers that are certified by these public standards is that they harness maximum value from the relationship at minimum cost (Jajja et al., 2019).

These certification processes have assisted organizations in their supplier selection process as certification is an indication that the supplier is committed to supplying quality products that are produced under acceptable environmental conditions (Wiengarten et al., 2018).

5.4.6 Information technology (IT) and SRM

Mukamutembe and Mulyungi (2018) in their study based on the Skol Breweries Rwanda limited, concluded that ICT greatly improved the buyer-supplier relationship and had a positive effect on the organizational performance of the buying firm and its key suppliers were able to share critical information in real time. This technological integration of SRM applications has allowed cooperating partners to the buyer-supplier relationship to conceptualize best practice in their interaction (Mukamutembe & Mulyungi, 2018). Information technology has also allowed partners in a commercial relationship to access information that would have been otherwise kept omitted by the other party. Collaborative buyer-supplier relationships have benefited from the use of ICT tools such as business intelligence and demand planning tools (Enrique et al., 2018). These tools have allowed organizations in buyer-supplier relationships to collect and analyze data used in developing new products for the market. The ICT tools such as those mentioned above have eliminated the potential negative impact of physical distance between business partners in new product development (Enrique et al., 2018).

5.4.7 Relationship satisfaction

In agreeing with Murphy and Sashi (2018), Fehr and Rocha (2018) confirmed that satisfaction is a key factor to any relationship as such collaborative relationship has provided greater benefits as opposed to the transactional oriented relationship. One way buying firms can

increase supplier satisfaction is by initiating supplier development programs as these are a sign of commitment by the buying firm to a long-term relationship (Dastyar & Pannek, 2019). The supplier satisfaction will be both economic and non-economic.

The social exchange theory (SET) argues that relationship satisfaction is influenced by relationship elements such as partner's commitment, relationship bonds, and trust in the exchange (Shanka & Buvik, 2019).

6. Research methodology

Interpretivism philosophy was used in this research and a case study design was adopted as the research strategy. The target population was composed of an estimated 122 employees involved in procurement process in firms in the plastic manufacturing industry operating in Harare. The population was derived from plastic manufacturing companies operating in Harare that are listed in Zimbabwe Business Directory (www.thedirectory.co.zw, accessed 10.06.2020). Purposive sampling was employed. Open-ended questionnaires and unstructured interviews were used for data collection.

7. Findings and discussion

7.1 *Response rate*

Most of the interviews scheduled were done and 60% of the questionnaires were returned.

7.2 *Benefits of supplier relationship management to organization's performance*

The participants agreed that joint decision making with their suppliers contributed positively to their organization's performance. This is in line with Onyango et al. (2015) who stated that joint decision making with suppliers improves organizational performance.

7.2.1 *Supplier segmentation*

Most of the participants agreed that supplier segmentation as part of their supplier relationship management has allowed them to effectively manage their suppliers thereby improving their organization's performance. This supports Onyango et al. (2015) study where he stated that as one of the benefits of supplier relationship management, supplier segmentation enabled organizations to classify their suppliers according to their level of importance to the organization. This enabled the organization be able to put more focus on those suppliers that are critical to the organization. This also allowed organization to select a specific type of relationship with the supplier. One of the interviewees stated that:

“Supplier segmentation enabled them to put more focus on their critical suppliers as well as manage their level of information sharing. This also enabled them to target small suppliers who showed potential for growth.”

7.2.2 *Supplier development programs*

Most of the participants agreed to the fact that SRM enabled them to implement supplier development programs. This concurred with Tangus (2015) who highlighted in their

study that supplier relationship management enabled organization to implement supplier development programs which were aimed at improving the supplier's performance and capability. This in turn ensured an uninterrupted supply of critical raw materials to the buying organisation there by positively contributing to the organization's performance.

7.2.3 Reduction in inventory levels

Participants strongly agreed that supplier relationship management had contributed to the reduction of inventory holding levels through the implementation of inventory management systems. This is in concurrence with Kumar and Rahman (2016) who concluded in their study that supplier relationship management had enabled buying organization to reduce inventory levels as suppliers came up with planned delivery schedules that were based on the buying organization's planned production requirements.

7.2.4 New product development

All participants acknowledged that supplier relationship management enabled them to involve suppliers in their new product development. This is in agreement with Sjoerdsma and Weele (2015) who in their study concluded that supplier relationship management allowed organizations to involve their suppliers in their new product development as supplier would weigh in with their technical advice as regard among other things the availability and quality of the intended raw materials.

7.2.5 Reduction in the organization's business risk

In agreeing with Dubey et al. (2018) in their study who concluded that firms with a strong supplier relationship management are able to better manage their business risks and are likely to enjoy superior organizational performance, the participants indicated the same.

8. Challenges of SRM to organization's performance

While supplier relationship management presents a lot of benefit to organizations in the plastic industry failure to manage the relation can have a negative effect on the organization's performance as highlighted in the findings below.

8.1 Failure to meet buyer obligations

Most participants agreed that they failed to meet their buyer obligations in their buyer-supplier relationship. This as stated by Kaufmann, Carter and Esslinger (2018) has resulted in suppliers reacting by suspending their services or deliveries in order to force the buyer to adhere to their contractual obligations as well as protecting their interest.

8.2 Supplier's response

After failing to meet their obligation to the buyer – supplier relationship many participants saw their suppliers' suspending deliveries while few had their credit facilities suspended and suppliers permanently stopping trading with the buyer organization. This is in agreement with Kaufmann, Carter and Esslinger (2018) finding in their study where they stated that when buying firms fail to manage their supplier relationship by failing to meet their obligation

the supplier will reciprocate by suspending trading with the buying firm in order to protect their interest. This will not only affect the relationship but also negatively affect the organization performance.

8.3 Effect of supplier's reaction

Participants confirmed that the supplier's reaction to the buying organization failure to meet their obligation affected their overall organizational performance and others were not affected by the supplier's reaction. Two interviewees whose organization were not affected by the supplier's reaction stated had this to say:

“They were able to look for alternative suppliers within a very short space of time.”

8.4 Personal relationship between buyer and supplier

With regards to a personal relationship between the buyer and the supplier's employees, most participants agreed that it had an effect on organizational performance while very few did not agree. Those who agreed indicated that this had a positive effect on the organizational performance yet some indicated that the relationship had a negative effect on organizational performance. These findings are in concurrence with Butt (2019) who in his study highlighted that the supplier relationship management can have a negative effect on the organizational performance if there is no personal relationship developed between buying team of the organization and the sales team of their suppliers. One of the interviewees stated that:

“The personal relationship that they had developed with sales manager of their supplier has resulted in the building of trust between the two organizations as well as increased information sharing.”

8.5 Cultural differences and organizational performance

On cultural differences between the organization and its suppliers' participants agreed that cultural difference has an effect on organizational performance if not managed properly while others confirmed that cultural differences between the buying organization and its supplier does not have an effect on their organization performance. According to Diirr and Cappelli (2018), organizations that are trading extensively on the global market face the challenge of cultural differences affecting their organizational performance if not managed properly.

9. SRM Strategies

The researchers found out some SRM strategies as indicated by the participants.

9.1 Supplier development programs

Supplier development program was used as a strategy for managing their relationships with their suppliers. This is in line with Kumar and Routroy (2018) findings on their study they carried out on the Indian manufacturing firms. Funds was a limiting factor.

One of the interviewees stated that “their organization could not use supplier development as a supplier relationship strategy because they did not have enough resources to channel towards such programs due to the current economic challenges.”

9.2 Supplier involvement in new product development

Most of the participants indicated that they involved their suppliers in their new product development as an SRM strategy. This is in line with the research findings by Nyamasege and Biraori (2015) and Sjoerdsma and Weele (2015) who both concurred that the involvement of supplier in the organization's new product development was an SRM strategy that contributed positively to the organization's performance. The above response is a clear indication of the importance firms in the plastic industry place on the involvement of suppliers in their new product development. This guarantees the commitment by suppliers involved in the new product development to supply quality raw materials that will ensure that the end product will meet the customer's expectations. This will intern increase volume sales that will ultimately contribute to the organization's overall performance.

9.3 Establishing a systematic supplier selection process

Most participants used a systematic supplier selection process as part of their supplier relationship management strategy. This is in concurrence with Bouhnik, Giat and Zarruk (2017) who in their research finding concluded that organizations should implement a robust supplier selection, evaluation and assessment strategy that ensured the development of a long-term relationship with the suppliers. Five interviewees confirmed that the use of a systematic supplier selection process assisted their organization in engaging suppliers who had a potential of establishing a long-term relationship as well as supplying quality products consistently.

9.4 Supplier certification as a requirement for supplier engagement

Half of the responses confirmed that their organizations used the supplier certification as a requirement for supplier engagement. The findings are in line with Fonseca & Lima (2015) who in their study stated that supplier certification was a realization by organizations that suppliers were an important partner whose collaboration had resulted in improved organization's performance. However, three of the interviewees stated that although supplier certification requirement was a very noble SRM strategy majority of the local suppliers did not have the resource that are required to carry out the certification process later alone maintain the certification which required an annual renewal fees. As clearly shown by the responses supplier certification requirement is a very good strategy however lack of resources for local supplier in the plastic manufacturing industry restricted them from using it as an SRM strategy. This is mainly due to the current economic challenges that the country is facing.

9.5 Use of latest technology in supplier relationship management

More than half of the organizations adopted the use of latest technology as part of their supplier relationship management strategy. This is in agreement with Makumutemebe and Mulyungi (2018) who in their study based on Skol Breweries Rwanda limited concluded that information technology greatly improved their buyer-supplier relationship and had a positive effect on the organization's performance. Its key suppliers were able to share information on real time.

Two of the interviewees confirmed that they used internet communication facilities such as conference calls, Skype and zoom to conduct meetings with some of their suppliers.

10. Conclusion and recommendations

10.1 *Conclusion*

The following conclusions were made from above finding:

Supplier relationship management enabled organizations in the plastic manufacturing industry to share information with their suppliers, this positively contributed to their organizational performance as they were able to plan their operations in line with any new developments on the critical raw material supply side.

The lack of resource allocation has affected the effective implementation of the supplier relationship management system within organizations in the plastic manufacturing industry.

The current economic challenges in the Zimbabwean economy have contributed to some firms in the plastic industry to default in honoring their obligations in their contracts with suppliers (failed to settle their accounts on time). However, the continual engagement with the suppliers has enabled the organizations to reduce their business risk as suppliers continued to supply critical raw material on upfront payment basis.

Although organizations in the plastics manufacturing industry are trading in a very difficult economic environment the implementation of various supplier relationship management strategies that include, information sharing with suppliers, involvement of suppliers in new production development, use of latest technology in supplier relationship management, a systematic supplier selection process and supplier segmentation has enabled organizations to improve their organizational performance.

10.2 *Recommendations*

Based on the conclusions made above the following recommendations are made to organization in the plastic industry in Harare.

Organization in the plastics manufacturing industry should continue to implement supplier relationship management systems as supplier relationship has an effect on organization performance despite the economic challenges. They should seek to be on the preferred customer list with their suppliers. For them to be able to maximize on the benefit of SRM they should maintain open channels of communication that will allow their suppliers to continue to share information that is vital for them to maintaining a competitive advantage in the packaging industry market.

The procurement personal of the buying organization should seek to establish a closer personal relationship with the supplier's sales team in order to build trust between them that would enable the sharing of critical information among them. This critical information would also assist the organization to gain competitive advantage in the market. It is only natural for a person to share sensitive information with people they trust to be able to handle that information with the confidentiality it deserves.

In order to build a strong relationship with their suppliers, firms in the plastic industries should strive to always honor their obligation to the buyer – supplier relationship (e.g., paying their accounts on time). One way of building trust with your suppliers is to honor your obligation.

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