*AJPLSCM Vol. 1, Issue 7, Page: 01-14, July 2019, ISSN: 2676-2730*
*Impact Factor (SJIF): 6.782*
*Journal DOI: 10.15373/22501991*
*International Peer Reviewed & Refereed Journal with Indexed Journal Platforms*

*web: www.damaacademia.com*
*email: editor@damaacademia.com*
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# Evaluation of Potential Suppliers in the Selection Process on the Operations of Goldfields Ghana Limited, Tarkwa Mine

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***Abstract***
*The dynamics of the present day competitive environment places increasing pressures on organizations to reinvent themselves continuously (McAdam & McCormak 2001), to adopt the supply chain management philosophy (Tracy & Tan 2001), develop long-term strategic partnerships with a few competent and innovative suppliers and collaborate with them in non-core process outsourcing in order to maintain or improve overall organizational performance and generate sustainable competitive advantage. One of the most important activities in any organization today pertains to procurement of materials and services that it requires in order to convert raw material into finished products that are useful for the customers. Sourcing has become strategic on two counts; operational and economic. Operationally there is a growing importance of sourcing due to several developments. An analysis of the cost structure of manufactured goods over the last 30 years reveals that increasingly organizations spend over 70% on raw materials and purchased components and services. This puts a special emphasis on procurement and sourcing. Further there is a significant change in the trading partner relationships. From an era of "independence" between the supplier and the buyer, we have transformed into an era of "mutual dependence" and even further into a "state of interdependence". Finally, the increasing cost pressure that organizations face translate directly into reducing the input cost of materials and components even while increasing the quality and performance of these components. Clearly these operational considerations have pushed the importance of sourcing in organizations.*

***Keywords:*** *Potential Suppliers, Selection Process, Supply Chain Management*

## 1.0 INTRODUCTION

Carr and Smeltzer (1997) defined strategic sourcing as a processes of planning, evaluating, implementing and controlling all sourcing activities undertaken by an organization to achieve its long term goals. The principal objective of strategic sourcing is to effectively handle situations when faced with supply, competitive, and demand uncertainties (Milliken, 1987; Johnson & Johnson, 1991). It is achieved by developing a set of practices through which certain flexibilities could be obtained to face these uncertainties. Strategic Sourcing enables an organization to identify and select suppliers through strategic long term partnerships, by providing benchmarks, laying emphasis on supplier performance and providing feedback to suppliers. Moreover, in today's business context organizations compete in a global environment and operate in multiple markets and geographical locations. This provides additional dimensions to strategic sourcing.

With the advent of the Internet, new market mechanisms have sprung in the electronic space enabling the buyers and the sellers to locate each other, discover products and prices efficiently and conduct business in a cost effective manner. For example, Alibaba.com, being a global leader in business-to-business (B2B) e-Commerce. It has a user community in excess of 42 million from more than 240 countries and regions (Alibaba, 2009). These users transact a number of trade leads with one another through its portal. Such electronic marketplaces help the buyers and the sellers reduce the transaction costs and the time in the entire procurement process. On account of these developments, practices such as outsourcing, global sourcing and e-procurement have become key aspects of strategic sourcing. The specific comparative advantages of different locations, countries and regions have led to an emerging trend in global production and sourcing systems. In such a scenario, the procurement and production process is typically organized with multiple country affiliations. A product may be designed in one country, manufactured in another and parts/components sourced in yet another (Pham and Quoc, 2006). This has introduced new dimensions in

global sourcing as there are marked differences in performance and procurement practices in different regions of the world (Ruamsook at al. 2007).

Strategic sourcing requires certain planning and operational changes in the manner the procurement and supply management functions are managed. Internally in an organization, the status of purchasing within the organization and the nature of internal coordination required undergoes significant changes. Further there is a greater need for information sharing with the suppliers (Kocabasoglu and Suresh, 2006). The short-term objective of SCM is to increase productivity and reduce inventory and cycle time, while the long-term strategic goal is to increase customer satisfaction, market share and profits for all members of the virtual organization (Tan, 2002; Wisner and Tan, 2000). To realize these objectives, all strategic partners must recognize that the purchasing function, with its boundary-spanning activities, is a crucial link between the sources of supply and the organization itself (Wisner and Tan, 2000). Purchasing/sourcing connects suppliers and buyers closely, which are two of the driving forces of competitiveness in an industry (Porter, 1980). In view of these developments in the sourcing landscape we are motivated to examine the impact of strategic sourcing and supplier selection on the operations of Goldfields Ghana Limited, Tarkwa mines.

## 2.0 METHODOLOGY

Previous chapters have given an extensive idea about relevant literature review and state of strategic sourcing and supplier selection on operations of Goldfields Ghana Limited, Tarkwa Mine. This chapter presents the methodological concerns used in conducting this research. It presents a series of steps which include research perspectives, research purpose, research approach, research strategy, sample selection and data collection. Finally, structured questionnaire, pilot testing and administration, response rate, access strategies and credibility of the research were discussed.

### 2.1 Research Perspectives

Elabi et al (2002 cited in Opoku & Naeem, 2004) maintain that conducting any type of research, should be governed by a well-defined research methodology based on scientific principles. Hence, research methodology defines the systematic scientific procedures used to arrive at the results and findings for a study against which claims for knowledge are evaluated (Nachamias et al., 1996; Saunders et al., 2007). Having defined our research objectives, we had to decide about three main issues dealing with research methodology: the research purpose, the research approach and the research strategy.

#### 2.1.1 Research Purpose

The research purpose is a broad statement of what the researcher intends to achieve. Research can be carried out in different ways depending on the research problem before the investigation is started. According to authors like (Sanders et al., 2000, 2007; Cooper & Schindler 2006; and Yin, 1994) a research could be broadly split into exploratory, descriptive and explanatory: Exploratory research is valuable means of finding out "what is happening", seeks new insights; ask questions and to assess phenomena in a new light" (Robson, 2002). Exploratory approach is helpful when the researcher wants to clarify the understanding of a problem if the researcher is unsure of the precise nature of the problem. There are three principal ways of conducting exploratory research: a search of literature, interviewing experts in the subject, and conducting focus group interviews (Saunders et al., 2003). Exploratory research can be linked to the activities of the traveller or explorer (Adams and Schvaneveldt, 1991). Its great advantage is the flexibility and adaptability to change. According to Adams & Schvanevldt (1991), the flexibility inherent in exploratory research entails that the focus is initially broad and becomes progressively narrower and more specific as the research progresses.

Descriptive research is to "portray an accurate profile of persons, events or situations" (Robson, 2002). Besides, Saunders et al., (2000) also expatiated that a descriptive research can be seen as an extension of exploratory research. According to Dane (1990), descriptive research means either defining a phenomenon or differentiating it from the other phenomenon. With a descriptive research the researcher also needs to have a clear picture of the phenomena he/she will further investigate. It is often used to study the difference between the old and new outcomes. Descriptive research covers the whole subject and depth of the case. It is mostly used when there is no need to investigate cause and effect relationship and when the problem is well structured (Yin, 1994). Explanatory research is a study that seeks to establish relationship that exists between variables. It is often termed as a causal study which is normally used when the purpose of the study is to answer "why" in a given context. The goal of the explanatory research is to examine the cause and effect relationship among two or more phenomena. The purpose is to identify how one variable affects the other, and also seeks to provide an explanation to the causes and effects of one or more variables (Saunders et al 2000, 2007; Cooper & Schindler 2006; Malhotra and Birks, 2007). It is often conducted to determine whether the cause and effect relationship is valid or not (Dane, 1990). Anderson & Svensson, (1994)

suggested that a research starts with exploratory phase to find what the study is about and persists to describe and explain depending on the objective of the study. This research is mainly exploratory. In fact, we need to explore how strategic sourcing and supplier selection on the operations of Goldfields Ghana Limited, Tarkwa Mine is being carried out.

### 2.1.2 Research Approach

According to Guba & Lincoln (1994); Denzin & Lincoln (1994a) there are two methods or approaches of research – qualitative and quantitative. The objective of a quantitative research is to discover the association between independent and dependent variables in a population. In most cases, quantitative methods used are contained by natural science and the plan is to explicate causal relationships and to make possible generalization and also to forecast the future. Conversely, qualitative research is a formless, exploratory research method based on small samples planned to provide insight and understanding of the dilemma situation (Mahotra & Peterson, 2006). It is predominantly used for any data collection such as interview or data analysis procedures that generates or uses non-numerical data. According to Leavy (1994), in the qualitative approach the aim is to explain rather than to predict phenomena and understanding things rather than to measure. Creswell, (2003) summarizes the distinction between quantitative and qualitative approaches as shown in table below.

**Table 3.1 Distinction between Quantitative and Qualitative Approach*: Creswell (2003)***

| Qualitative | Quantitative |
|---|---|
| Objective is to discover and encapsulate meanings once the researcher becomes immersed of the data | Objective is to test hypotheses that the researcher Generates |
| Concepts tend to be in the form of themes, motifs, generalizations, and taxonomies. However, the objective is still to generate concepts. | Concepts are in the form of distinct variables |
| Measurers are more specific and may be specific to the individual setting or researcher; e.g. a specific scheme or values. | Measures are systematically created before data collection and are standardized as far as possible; e.g. factors of supplier selection. |
| Data are in the form of words, from documents, observations, and transcripts. However, quantification is still used in qualitative research. | Data are in the form of numbers from precise measurement |
| Theory can be casual or non-casual and is often inductive | Theory is largely casual and is deductive |
| Research procedures are particular and replication is difficult | Procedures are standard and replication is assumed |
| Analysis proceeds by extracting themes or generalizations from evidence or organizing data to present a coherent, consistent picture. These generalizations can be used to generate hypotheses. | Analysis proceeds by using statistics, tables or charts and discussing how they relate to hypotheses |

Our research study seeks to gain insight, and to examine the impact of strategic sourcing and supplier selection on the operations of Goldfields Ghana Limited, Tarkwa Mine. Therefore, this research confines itself to the qualitative approach where in-depth interview through semi-structured interview guide is conducted to get the needed information on the topic under study.

### 2.1.3 Research Design/Strategy

Research strategy refers to the plan that a researcher will pursue to execute an investigation to address the research questions. It specifies sources of data and constraints that may hamper the research and how they will be addressed (Saunders et al., 2007). Yin, (1994) emphasized that the research strategy explains how the researcher collects and analyses data gathered. The type of research strategy to be used by a researcher depends largely on the research purpose (descriptive, explanatory or exploratory). Several authors like (Saunders et al., 2000, 2007; Cooper & Schindler 2006; Malhotra & Birks 2007) stated that the main research strategies are: experiment, survey, grounded theory, action research, case study, ethnographic study, and archival research. According to Yin, (1994,) there are five (5) primary research strategies in social sciences. Namely: experiment, survey, archival analysis, history and case study. As portrayed in Table 3.2, the use of any of these strategies depends on the following three conditions:

1) The type of question posed
2) The extent of control an investigator has over the actual behavioural events
3) The degree of focus on contemporary events as opposed to historical.

**Table 3.2: Relevant Research Strategies**

| Research strategy | Form of research Question | Control over behavioural events? | Focuses on contemporary events? |
|---|---|---|---|
| **Experiment** | How, Why | Yes | ***Yes*** |
| ***Survey*** | Who, What, Where, How Many, How Much | ***No*** | ***Yes*** |
| **Archival Analysis** | Who, What, Where, How Many, How Much | No | ***Yes/No*** |
| ***History*** | How, Why | No | ***No*** |
| ***Case study*** | How, Why | No | ***Yes*** |

**Source: Yin (1994)**

In this study, the survey strategy is the most appropriate strategy because it requires the opinion of a population about a particular discipline and data will also be gathered from a sample of Management and suppliers who are into purchasing and supplies of materials through the means of a questionnaire been designed. Again, due to the purpose of the study and formulation of research questions, we deployed a survey strategy; this provides the opportunity of gaining in-depth information from a wider number of respondents having to do with strategic sourcing and supplier selection.

### 2.2 Types of Data Collected

#### 2.2.1 Primary Data

Primary data is the set of data that has not been there in that form before the researcher collected it. Therefore, this kind of data is unique and until it is published, no one except the researcher has access to it. The main methods of collecting primary data include questionnaires, interviews, observation, case studies and critical incidents. According to Fowler, (2002), primary data can either be qualitative in nature usually in the form of words or quantitative usually in the form of numbers.

#### 2.2.2 Secondary Data

Secondary data is data that has already been collected by someone else for a specific purpose. So the researcher just "re-uses" what is already available for either getting ideas in the exploratory phase of the research process or in the design phase to define and sample frames as well as to supplement the main research. Difficulties with secondary data can arise from the fact that it has been collected for a different purpose, this might use different definitions and one cannot assess to what extent it was 'modified' during the original collection process. Thus, secondary data gives a profound background for the research and is crucial in getting a research project started (Fowler, 2002). In this study, data and relevant information were collected using both primary and secondary data sources.

The secondary data mainly consisted in scientific literature and articles published in selected journals and professional magazines. This information was gathered to get an overview of the topic. The primary data have been collected through interviews (see the interview guide in appendix A) and the distribution of a questionnaire (see appendix B). Interviews were conducted with a number of suppliers and supply chain management staff who are into supplies. Interviewees were located in Tarkwa. The researcher met the respondents on their respective companies. Contacts for the interview were obtained from the Goldfields Ghana Limited, Tarkwa Mine's website. The rest of the contacts were obtained by utilizing the Facebook network. We adopted face-to-face distribution of the questionnaire to respondents in all the five companies across the nation and collected them back after respondents had fully answered all the items in the questionnaire.

**2.3 Population**

The target population for the study encompassed all the 5 companies, constituting 60 staffs in the supply chain management departments.

**2.4 Sampling**

**2.4.1 Sample size**

Out of the sample frame of 1000 staffs of the various suppliers from the 4 companies, a sample size of 100 was selected based on our judgment due to the cost and time constraints. Using a large sample in this survey would have required larger financial resources which could not be afforded. Furthermore, the time limit within which the research was to be accomplished did not allow the use of larger sample size. The following are the numbers of questionnaires distributed in each of the five considered companies: Sandvik 35; Mantrac 40; Komatsu 10; AEL 10 and DHL 5

**2.4.2 Sampling Technique**

Sampling is a major problem for any type of research. We can't study every case of whatever we are interested in, nor should we want to. Every scientific enterprise tries to find out something that will apply to everything of a certain kind by studying a few examples, the results of the study being, as we say, "generalizable". (Becker Howard, 1998). According to Neuman, W. Lawrence (2006), sampling strategies used in research are in two main categories namely probability sampling and nonprobability sampling/non-random samples. Quantitative researchers' use probability sampling and their primary goal is to get a representative sample or a small collection of units from a much larger collection or population, such that the researcher can study the smaller group and produce accurate generalizations about the larger group. Researchers focus on the specific techniques that will yield highly representative samples which are based on theories of probability from mathematics point of view (Neuman, W. Lawrence 2006).

Alternatively, qualitative researchers tend to use nonprobability or nonrandom samples. This means they rarely determine the sample size in advance and have limited knowledge about the larger group or population from which the sample is taken. They select cases gradually, with the specific content of a case determining whether it is chosen. Nonprobability sampling include: haphazard, accident, or convenience sampling; quota sampling; purposive or judgmental sampling; snowball sampling; deviant case sampling; sequential sampling and theoretical sampling (Neuman, W. Lawrence 2006). Table 4.3 shows a variety of nonprobability sampling techniques.

**Table 3.3 Nonprobability sampling techniques**

| **Types of Nonprobability samples** | |
|---|---|
| **TYPE OF SAMPLE** | **PRINCIPLE** |
| Haphazard | Get any cases in any manner that is convenient |
| Quota | Get a present number of cases in each of several predetermined categories that will reflect the diversity of the population, using haphazard methods. |
| Purposive | Get all possible cases that fit particular criteria, using various methods. |
| Snowball Get | Get cases using referrals from one or a few cases, and then referrals from those cases, and so forth. |
| Deviant case | Get cases that substantially differ from the dominant pattern (a special type of purposive sample) |
| Sequential | Get cases until there is no additional information or new characteristics (often used with other sampling methods). |
| Theoretical | Get cases that will help reveal features that are theoretically important about a particular setting/topic. |

**Source: Neuman, W. Lawrence (2006)**

In selecting a sample of (100) respondents, a non-probability random sampling technique, specifically convenient sampling was used. This technique was chosen because it was convenient since the considered population is from four (5) companies located at different towns in Ghana. This was done by first identifying the companies who supply Goldfields Ghana Limited, Tarkwa Mine materials.

Secondly, total sample was distributed according to the proximity of each company because we employed face-to-face distribution of the questionnaire to respondents across the region and collected them back after completion. Table 3.4, below displays the questionnaire distribution rate for each university. Finally, a simple random method was used to select respondents from each of the four companies.

**Table 3.4 Number of Respondents Surveyed**

| Company | Expected sample size |
|---|---|
| TARKWA MINE | 14 |
| MANTRAC | 46 |
| Sandvik | 25 |
| AEL | 10 |
| DHL | 5 |
| TOTAL | 100 |

**2.5 Data Collection Process**

The instruments for data collection in this study were literature on the subject and a combination of data sources (data triangulation) such as open and closed-ended questionnaires, and semi structured interviews (more details are brought in the sections below). The combination of these instruments enables the strengths of one method to counteract the weaknesses of the other and it also helps to check the validity of the findings and generate a rich profile on strategic sourcing and supplier selection on the operations of Goldfields Ghana Limited, Tarkwa Mine.

**3.5.1 Structured Questionnaire**

Literature abounds with the benefits of questionnaires and interviews as survey instruments (Powell & Silipign, 2004; Babbie, 2003; Busher & Harter, 1980). The advantages of using questionnaires and interviews as a survey instrument for this study are that it facilitates wider geographic contact. It maintains anonymity and ensures uniformity of measurement from one unit of measurement to another, therefore enhancing reliability. Qualitative data from semi structured interviews and open-end questionnaires generate a range of qualitative data that enables the researcher to develop an in-depth understanding of the situation. In this study, self-administered, structured questionnaire was used to collect data from respondents. The questions sought respondents' over all views on the supplier selection criteria used by Goldfields Ghanal Limited, Tarkwa Mine. In all, the questionnaire has two different parts. The first part is designed for suppliers' and supply chain management staffs which pose questions on personal information, strategic sourcing and supplier selection issues, and perceived importance of supplier selection factors. The second part is for supply chain management staffs which show questions on respondents' identification data, the evaluating the potential suppliers in order to find the best ones, and supplier selection criteria.

The questionnaire was developed from an extensive review of the literature and previously used similar instruments (Benbunan-Fich, Hiltz & Harasim 2005; Kenny, J. (2003). A majority of the closed ended questions consisted of (5) point structured pre-coded Likert-type ordinal/interval scale represented as follows: Strongly agree, Agree, Neutral, Disagree, strongly disagree. A major strength of the above five (5) point pre-coded Likert scaling is that during analysis, we were able to compile the group on the total pool of items (strongly agree, and agree) with respondents with the lowest score (disagree and strongly disagree) while eliminating the middle group (neutral) whose attitude may be inconsistent or unclear. Likert pre-coded scaling was adopted because it has been widely used in instruments measuring opinions, beliefs and attitude. Also because it facilitates the analysis of data referred to as direct data entry.

**2.5.2 Pilot Testing and Final Administration**

A pilot study was conducted in preparation for the study. Bell (cited in Naoum, 1998) describes a pilot study as getting the bugs out of the instrument so that the subjects in the main study would experience no difficulty in completing the instrument so that one can carry out preliminary analysis to see if the wording and format of the questions would present any difficulty when the main data is analyzed. The pilot study validates the research method and research approach. It provides a trial run for the questionnaire which involves testing the wording of the questions and identifying ambiguous questions and testing the technique that would be used to collect the data. A preliminary draft as well as the final questionnaires was given to focus group members to test the clarity and meaningfulness of the questions, thereafter, the content and construction of the questionnaire. Fink (2003b in Saunders et al., 2007) suggested that a minimum of ten (10) members for pretesting is adequate. Based upon this, we chose a sample of twelve (12). Two (2) suppliers each and supply chain management staffs from all the six (6) companies. Each of the respondents

was told the purpose of the questionnaire and assured of anonymity before they were given the questionnaire to respond to. Finally, after modifications and improvements were made to get a more effective instrument, the questionnaires were administered to the target population by means of personal contact. Respondents were first informed of the purpose, assured anonymity and confidentiality of responses. Ultimately, respondents were given the questionnaire to fill and return between 3rd, November to 17th, November 2014. April. After collection, the data was scrutinized for completeness, comprehensibility, consistency and reliability. This step is normally referred as "cleaning" the data in order to eliminate numerous problems that may arise during data analysis (Powell & Silipigni 2004). Thus, reading the results, looking out for surprise responses and verifying the coding of data after which data analysis was undertaken.

**2.6 Access Strategies**

The letter of introduction to the participants included an explanation of the purpose of the study. The questionnaire was accompanied by a cover letter which described the objectives of the survey, assured the participants of confidentiality of the information. The terms were defined in the cover letter of the questionnaire to provide minimum deviation in participant understanding of the terminologies used. The informed consent form **(Appendix A and B)** was designed for suppliers, and supply chain management staffs of the selected companies before administering the questionnaire to them.

**2.7 Credibility of the Research**

Research is said to be valid when conclusions are true. It determines how good answers are provided by the research. While the concepts of internal and external validity and reliability have been very crucial in quantitative studies, qualitative researchers have distanced themselves from the quantitative paradigm by developing the following four criteria in ensuring trustworthiness in qualitative studies: credibility (in reference to internal validity); transferability (in reference to external validity and generalability); dependability (in reference to reliability) and conformability (in reference to objectivity), (Guaba, 1981; Easterby-Smith, 1991; ; Yin, 1994). Some of the strategies that need to be considered in order to meet the above criteria and therefore ensure trustworthiness in qualitative studies are triangulation interactive questioning with the use of probes, rephrasing of questions to test if the respondent is honest, appropriated to scrutinize the instrument by the researcher's supervisor and peers, frequent debriefing session between peers and promoter to widen the researcher's vision, and an in-depth methodological description provided in the study and examination of previous findings (Shenton, 2004).

Because people in authority generally feel reluctant in disclosing their identity, we developed an early familiarity with the participants (suppliers, and supply chain management staffs) before the first data collection dialogue took place. This was achieved via preliminary visits to the six selected companies, this helped both the researcher and the participants to gain adequate understanding of the research topic and also helped in establishing a relationship of trust with the participants (suppliers and supply chain management staffs). In addition, the concept of triangulation was used: observation, focus groups and individual interviews were conducted. During the interview section supporting data was provided to participants, which served as an interview guide to explain the strategic sourcing of those in the group under scrutiny and verify particularly details supplied by participants. Individuals were able to share their views and experiences during the interview. Moreover, specific ploys were incorporated which helped to uncover deliberate lie. This was done through the use of probes which elicited detailed data and iterative questioning. A false question was raised by an informant and it was rephrased by the researcher through an extracted relevant data. Falsehoods information was detected and the suspect data were discarded.

**2.8 Summary**

In this chapter the theoretical basis behind the research perspectives, research purpose, research approach, and research strategy were discussed. Questionnaire was designed and administered to some selected people to scrutinize and check the wordings as well as the items of the questions before distributing to respondents. Since we cannot satisfy the entire population, a sample size of one hundred (100) respondents composed of suppliers, and supply chain management staffs were selected. These respondents belong to the six companies selected for this study.

**3.0 DATA ANALYSIS**

Research question three bordered on the evaluation of potential suppliers in the selection process. Varied responses were provided by participants. A summary of participants' responses revealed the following as essential criteria in the evaluation process: price, quality of service, respectful business relationship, long-term business relationship, competitiveness of terms and conditions, overall financial condition, reputation of the company, expertise of sales staff, sustainability, corporate social responsibility, ability to constantly supply materials, and flexibility.

**3.6.3.1 Price**

The first criterion identified by participants in the evaluation process is price. Table 4.4 presents participants' responses to the question. Most respondents (40%) identified price as a very important criterion in the evaluation process. Relatively few respondents (5.7%) believed pricing was not very important in the evaluation of companies for supplies.

**Table 4.4: Price**

| Choosing a Vendor | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|
| Not very important | 2 | 5.7 | 5.7 | 5.7 |
| Not important | 2 | 5.7 | 5.7 | 11.4 |
| Somewhat important | 5 | 14.3 | 14.3 | 25.7 |
| Important | 12 | 34.3 | 34.3 | 60.0 |
| Very important | 14 | 40.0 | 40.0 | 100.0 |
| Total | 35 | 100.0 | 100.0 | |

**Source: Researcher's Field Data from SPSS Output**

**3.6.3.2 Quality of materials**

The second criterion identified by respondents in the evaluation process is quality of materials. Results from the SPSS analysis in table 4.5, reveal 51.4% identified quality of materials as a very important criterion in the evaluation process. Comparatively few respondents (14.3%) believed quality of materials was somewhat important in the evaluation of companies for supplies.

**Table 4.5: Quality of materials**

| Choosing a Vendor | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|
| Somewhat important | 5 | 14.3 | 14.3 | 14.3 |
| Important | 12 | 34.3 | 34.3 | 48.6 |
| Very important | 18 | 51.4 | 51.4 | 100.0 |
| Total | 35 | 100.0 | 100.0 | |

**Source: Researcher's Field Data from SPSS Output**

**3.6.3.3 Service**

The third criterion identified by participants in the evaluation process is service. Table 4.6 presents participants' responses to the question. Most respondents (48.6%) identified service as a very important criterion in the evaluation process. Relatively few respondents (11.4%) believed service was not very important in the evaluation of companies for supplies.

**Table 4.6: Respectful business relationship**

| | Choosing a Vendor | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| | Not very important | 4 | 11.4 | 11.4 | 11.4 |
| | Important | 14 | 40.0 | 40.0 | 51.4 |
| | Very important | 17 | 48.6 | 48.6 | 100.0 |
| | Total | 35 | 100.0 | 100.0 | |

**Source: Researcher's Field Data from SPSS Output**

**3.6.3.4. Long term business relationship**

A fourth criterion identified by respondents in the evaluation process is long term business relationship. Table 4.7 presents participants' responses to the question. 57.1% of the respondents identified long term relationship as a very important criterion in the evaluation process. Comparatively few respondents (2.9%) believed long term relationship was not very important in the evaluation of companies for supplies.

**Table 4.7: Long-term business relationship**

| | Choosing a Vendor | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| Valid | Not important | 1 | 2.9 | 2.9 | 2.9 |
| | Some what important | 5 | 14.3 | 14.3 | 17.1 |
| | Important | 9 | 25.7 | 25.7 | 42.9 |
| | Very important | 20 | 57.1 | 57.1 | 100.0 |
| | Total | 35 | 100.0 | 100.0 | |

**Source: Researcher's Field Data from SPSS Output**

**3.6.3.5 Competitiveness of terms and conditions**

The fifth criterion identified by respondents in the evaluation process is competitiveness of terms and conditions. Results from the SPSS analysis in table 4.8, reveal 45.7% identified competitiveness of terms and conditions as a very important criterion in the evaluation process. Relatively few respondents (2.9%) believed competitiveness of terms and conditions was not very important in the evaluation of companies for supplies.

**Table 4.8: Competitiveness of terms and conditions**

| | Choosing a Vendor | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| | Not very important | 1 | 2.9 | 2.9 | 2.9 |
| | Somewhat important | 6 | 17.1 | 17.1 | 20.0 |
| | Important | 12 | 34.3 | 34.3 | 54.3 |
| | Very important | 16 | 45.7 | 45.7 | 100.0 |
| | Total | 35 | 100.0 | 100.0 | |

**Source: Researcher's Field Data from SPSS Output**

**3.6.3.6 Financial condition**

Participants identified financial condition as another criterion in the evaluation process. 51.4% of the respondents believed financial condition is very important criterion in the evaluation process. Relatively few respondents (2.9%) believed financial condition was not very important criterion in the evaluation of companies for supplies.

**Table 4.9: Overall financial condition**

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|
| Not important | 1 | 2.9 | 2.9 | 2.9 |
| Somewhat important | 6 | 17.1 | 17.1 | 20.0 |
| Important | 10 | 28.6 | 28.6 | 48.6 |
| Very important | 18 | 51.4 | 51.4 | 100.0 |
| Total | 35 | 100.0 | 100.0 | |

**Source: Researcher's Field Data from SPSS Output**

**3.6.3.7 Reputation**

Reputation is another criterion used by purchasers in selecting a vendor. Results from the SPSS analysis in Table 4.10, reveal 57.1% of the respondents believed reputation considered very important in the selection process. The overwhelming response of respondents indicate reputation is an essential criterion.

**Table 4.10: Reputation of the company**

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|
| Not very important | 1 | 2.9 | 2.9 | 2.9 |
| Not important | 1 | 2.9 | 2.9 | 5.7 |
| Some what important | 4 | 11.4 | 11.4 | 17.1 |
| Important | 9 | 25.7 | 25.7 | 42.9 |
| Very important | 20 | 57.1 | 57.1 | 100.0 |
| Total | 35 | 100.0 | 100.0 | |

**Source: Researcher's Field Data from SPSS Output**

**3.6.3.8 Expertise**

Participants identified expertise of sales staff as another criterion in selecting a vendor. Table 4.11 reveal. 57.1% of the respondents believed expertise of sales staff is very important criterion in selecting a vendor. Comparatively few respondents (2.9%) believed expertise of sales staff was not very important criterion in selection process.

**Table 4.11: Expertise of sales staff**

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|
| Not very important | 1 | 2.9 | 2.9 | 2.9 |
| Not important | 1 | 2.9 | 2.9 | 5.7 |
| Somewhat important | 3 | 8.6 | 8.6 | 14.3 |
| Important | 10 | 28.6 | 28.6 | 42.9 |
| Very important | 20 | 57.1 | 57.1 | 100.0 |
| Total | 35 | 100.0 | 100.0 | |

**Source: Researcher's Field Data from SPSS Output**

**3.6.3.9 Sustainability**

Sustainability is another criterion identified by respondents in the selecting a vendor. Table 4.12 presents participants' responses to the question. Most respondents (54.3%) identified sustainability as a very important criterion in selecting a vendor. Relatively few respondents (2.9%) believed sustainability was not very important in selecting a vendor.

**Table 4.12: Sustainability**

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|
| Not very important | 1 | 2.9 | 2.9 | 2.9 |
| Not important | 1 | 2.9 | 2.9 | 5.7 |
| Somewhat important | 6 | 17.1 | 17.1 | 22.9 |
| Important | 8 | 22.9 | 22.9 | 45.7 |
| Very important | 19 | 54.3 | 54.3 | 100.0 |
| Total | 35 | 100.0 | 100.0 | |

**Source: Researcher's Field Data from SPSS Output**

**3.6.3.10 Corporate social responsibility**

Corporate social responsibility is another criterion used by purchasers in selecting a vendor. Results from the SPSS analysis in Table 4.12, reveal 60% of the respondents believed corporate social responsibility considered very important in selecting a vendor. The overwhelming response of respondents indicate corporate social responsibility is an essential criterion.

**Table 4.13: Corporate social responsibility**

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|
| Not very important | 1 | 2.9 | 2.9 | 2.9 |
| Not important | 1 | 2.9 | 2.9 | 5.7 |
| Somewhat important | 3 | 8.6 | 8.6 | 14.3 |
| Important | 9 | 25.7 | 25.7 | 40.0 |
| Very important | 21 | 60.0 | 60.0 | 100.0 |
| Total | 35 | 100.0 | 100.0 | |

**Source: Researcher's Field Data from SPSS Output**

**3.6.3.11 Supply materials**

Participants identified ability to constantly supply materials as another criterion in selecting a vendor. Table 4.14 depicts, 54.3% of the respondents believed ability to constantly supply materials is very important criterion in selecting a vendor. Comparatively few respondents (2.9%) believed ability to constantly supply materials was not important criterion in the selection process.

**Table 4.14: Ability to constantly supply materials**

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|
| Not important | 1 | 2.9 | 2.9 | 2.9 |
| Somewhat important | 5 | 14.3 | 14.3 | 17.1 |
| Important | 10 | 28.6 | 28.6 | 45.7 |
| Very important | 19 | 54.3 | 54.3 | 100.0 |
| Total | 35 | 100.0 | 100.0 | |

**Source: Researcher's Field Data from SPSS Output**

**3.6.3.12 Flexibility**

The last criterion identified by participants in selecting a vendor is flexibility. Table 4.15 presents participants' responses to the question. Most respondents (60%) identified flexibility as a very important criterion in selecting a vendor. Relatively few respondents each (2.9%) believed flexibility was somewhat important and not important criterion in selecting a vendor.

**Table 4.15: Flexibility - ability to adapt to changes**

| Choosing a Vendor | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|
| Not very important | 2 | 5.7 | 5.7 | 5.7 |
| Not important | 1 | 2.9 | 2.9 | 8.6 |
| Somewhat important | 1 | 2.9 | 2.9 | 11.4 |
| Important | 10 | 28.6 | 28.6 | 40.0 |
| Very important | 21 | 60.0 | 60.0 | 100.0 |
| Total | 35 | 100.0 | 100.0 | |

**Source: Researcher's Field Data from SPSS Output**

## 4.0 CONCLUSION

Goldfields Ghana Limited, Tarkwa Mine adopts an achievable strategic approach to search for suppliers or companies whose rich expertise and competency can be leveraged. This will promote the efforts of the suppliers to contribute immensely to their ability to be viable competitors. The supplier selection criteria help an organization identify vendors that can offer superior product quality, financial condition, price, performance, availability, and Constance delivery of product or service

In relation to the evaluation of potential suppliers in the selection process it seems the essential criteria in the evaluation process are: price, quality of service, respectful business relationship, long-term business relationship, competitiveness of terms and conditions, overall financial condition, reputation of the company, expertise of sales staff, sustainability, corporate social responsibility, ability to constantly supply materials, and flexibility.

### 4.1 Recommendations for Further Research

**T**his study mainly examined the impact of strategic sourcing and supplier selection on the operations of Goldfields Ghana Limited, Tarkwa Mine. It is recommended that future research should:

Little research has been done on how to measure purchasing performance. It would be helpful to explore how purchasing views itself, how it is viewed by top management, how it is viewed by other function areas with the firm, and how purchasing is view by suppliers to the firm.

International studies should be conducted to examine the sourcing and supplier selection strategy and practices across different countries. This is necessary with the more and more open economy around the world and sourcing has become a global activity.

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